



PARLIAMENT OF TASMANIA

TRANSCRIPT

LEGISLATIVE COUNCIL

GOVERNMENT BUSINESSES SCRUTINY COMMITTEE A

Metro Tasmania Pty Ltd

Tuesday 3 December 2024

MEMBERS

Hon Ruth Forrest MLC (Chair);
Hon Dean Harriss MLC;
Hon Sarah Lovell MLC;
Hon Cassy O'Connor MLC; and
Hon Bec Thomas MLC

WITNESSES IN ATTENDANCE

Hon. Eric Abetz MP, Minister for Business, Industry and Resources, Minister for Transport

Mr Tony Braxton-Smith, Chair

Ms Katie Cooper, Chief Executive Officer

Mr Jesse Penfold, General Manager – Finance

Ms Kellie Dean, Company Secretary

PUBLIC

The committee resumed at 1.44 p.m.

CHAIR - Thanks, minister, and welcome to the scrutiny of Metro Tasmania for this year. We appreciate your appearance and those of the team with you.

I invite you to introduce the members of the team at the table, and I expect you'd like to make some opening comments about Metro's performance.

Mr ABETZ - Yes. I have about three or four pages, but I will truncate that to about one.

Thank you, Chair. On my left is Tony Braxton-Smith, who is appearing at his first Tasmanian Estimates hearings, so welcome, Tony, and Katie Cooper, who is the CEO.

A fun fact - during 2023-24, Metro delivered 6.87 million passenger journeys. That's something that gives you an indication of the size of the Metro operation.

However, like many operators around Australia, Metro has experienced driver shortages, which has impacted its ability to deliver services. That's why the government has provided a range of additional supports to Metro to help attract and retain drivers and restore full service delivery as soon as possible. In that, the latest budget includes \$14.1 million to support the ongoing provision of public transport service and improve efficiency. With all that, we are hoping a staged approach will be able to be taken to restoring services as staffing permits.

In good news, Deb Gray, one of our drivers, was nominated at the Bus Industry Conference and was awarded the National Driver of the Year. That's a good accolade for anybody, but somebody from Launceston, from Metro.

CHAIR - Because they're from Launceston?

Mr ABETZ - Launceston, yes.

CHAIR - That's what you're saying was a good thing? Because they were from Launceston?

Mr ABETZ - No, a good thing from Tasmania and then a regional area or relatively regional. Along with her, there were nominees Kurt Reynolds, Graham Freeman and Chris Breen [TBC] in other categories, albeit not a winner but nevertheless they were nominees.

The *It's NOT Ok!* campaign, launched in July 2023, addresses the growing issue of antisocial behaviour that affects both staff and customers across the Metro Services. The safety of our bus drivers and passengers is paramount. I'm sure Tasmanians understand that is the approach that the government and Metro management takes. With that, we open for questions.

CHAIR - Thanks, minister. Regarding the revenue that Metro earns, it was a bit of a surprise to see only about 20 per cent of revenue was from passenger transport operations that came from ticket sales; 80 per cent came from the DSG service contracts. That was in the budget papers. What are the primary drivers of growth in the coming years? What are the challenges you see to passenger numbers' growth?

PUBLIC

Mr ABETZ - Certainty and reliability of service is the most important factor from all studies of public transport. Price factors aren't all that great, it would appear. Our half price bus fares, for example, which was designed as a cost-of-living measure has seen an uplift - please correct me if I'm wrong, CEO - in Burnie passenger numbers but not in Launceston and Hobart. The price does not seem to be that much of an impact.

CHAIR - Except, perhaps, for the north-west coast passengers.

Mr ABETZ - That's what I said. In Burnie there's been an uplift, but not in the Launceston and Hobart areas. It'll be interesting if we ever can find out why it is in Burnie but not in the other two areas. It might be other options and opportunities.

Reliability and certainty of service, that is why, with Department of State Growth, we're looking at real-time tracking so that you can get an app on your phone, click in and find out where your bus is at, whether it's going to be late or not, because that provides a degree of certainty or if it's on time. That's going to be of benefit to the consumer.

Common ticketing is another approach which will make the passage or the contracting so much easier for the passenger. Then reliability of service and that requires the number of drivers to be increased. Australia-wide, I am told that if 25,000 drivers descended into Australia today, they could all get a job somewhere driving. In south-east Queensland, the bus service there I think has a shortage of 500 drivers. Unfortunately, Tasmania is not immune from that. We have tried a variety of different methods to retain and increase driver numbers and that has modestly been effective. With that, we hope to be able to increase the number of services. The issue seems to be that post-COVID the public transport numbers have decreased in Hobart and Launceston.

CHAIR - The question was what's being done to try to reverse that? What are the strategies?

Mr ABETZ - Well, one, as I said -

CHAIR - The half-price ticket didn't work down here. So, yeah.

Mr ABETZ - Yeah, yeah, but - and that was for cost of living rather than to enhance but it's the certainty of service which seems to be important and that is where, for us, getting enough bus drivers is core and key to that and we really do need to get that and then with a reliability, it's the real-time tracking and then making it more convenient. You don't have to get a GreenCard and top it up all the time. You can just use Bank of us card - when it's all ready to go, just tap on and off with that and you won't have to have a GreenCard or cash to be able to undertake your bus trip. So, we are trying to make it as convenient for the customer as possible and then having reliability of service which relies on bus drivers.

CHAIR - If we ask what specific measures you've taken, there's a bit of commentary in the annual report about driver attraction. There was a temporary 10 per cent increase. I'm not sure what 'temporary' means in that regard. So, maybe we could talk about these sorts of things, about what measures - specific measures - are being taken to address those problems. You've identified the problems, but we haven't really got to the solutions.

PUBLIC

Mr ABETZ - Well, the solutions do include, for example, the 'It's NOT Okay' campaign, where the antisocial behaviour has impacted on both drivers and customers, making it more attractive for bus drivers or bus operators. The security screens that we're working on and I think we've just about got that sorted now, makes it safer for drivers. They therefore feel more comfortable and if I might say, I think at one stage, CEO, there was a greater number of female drivers than there are now. Is that correct or not?

Ms COOPER - Used to be, historically.

Mr ABETZ - Yeah, yeah, historically and whilst one doesn't know fully what the reason for that is, one might suspect that safety and antisocial behaviour -

CHAIR - So, do we do exit interviews on the people who leave? Maybe we could talk about what they show.

Mr ABETZ - Yes. CEO, you might have better knowledge of that than myself.

Ms COOPER - Yes, certainly. We do conduct exit surveys with staff that leave. We use a platform called Culture Amp that gives us some themes that come through with exit surveys and we do some formal interviews. But mostly we do it through the survey because of the remote workforce and the key themes have historically been for reasons people depart and that has slowed dramatically with that temporary 10 per cent pay increase you referred to earlier. But often it's relating to relocation, where people are - some of our drivers relocate for personal family reasons. We've got people that leave for career progression and it's those sorts of personal circumstances that are really driving that through, but we do do informal -

CHAIR - So what percentage of those move for relocation or career progression? Because they're not reasons of - that the minister was talking about, like feeling unsafe or anything like that.

Ms COOPER - The feeling unsafe certainly relates to antisocial behaviour without a doubt and that's where there's some of those actions -

CHAIR - Yeah, but was that picked up in those surveys?

Ms COOPER - Yes, as in one of the reasons -

CHAIR - So let's go through those, the results of the survey, the - you must keep some sort of record of -

Ms COOPER - Yes.

CHAIR - Yes? Yeah.

Ms COOPER - We do. So, we have a reason - I'm going to just check my notes from what I've got. I think this is mainly on the recruitment. I might need to come back to you on the exact numbers, but to give you the idea of the theme.

So, one of the things that the antisocial behaviours, one of the things that has been identified through our staff when they depart has been the feeling of concern around antisocial

behaviour and that's been highlighted as well when we look at it through our safety reports, through the incidents as they occur. We debrief with the staff of those events, not necessarily when they leave, but during events that take place and we have quite a comprehensive one-on-one care approach to how we respond to the staff in those circumstances.

There are a number of things we're doing to combat antisocial behaviour. One of them obviously has been mentioned, which is the screens that we're putting into the buses and we're now in the market and have identified after a number of prototypes the right solution for that, that doesn't cause any unintended consequences. The transit officers at the department have got rolled out. Metro's also got police officers that we have based in our Hobart facility and we also additionally - they are based in Hobart but provide support and advice to the north in Launceston and Burnie as well. We have CCTV on our buses that we utilise both during the event and obviously the police's law enforcement uses it for post-event incidents. We've also done quite a lot of training around our staff with regards to de-escalation and how to try and manage those events. There are a lot of actions. We've been very positively engaged around how we try and minimise those actions. You'll also see we've taken preventative steps when we've had serious incidences such as the rock throwing, which has had quite a bit of media coverage this year. When it's been deemed appropriate and is an appropriate risk mitigation measure, we've also had to temporarily suspend some of those services into those high-risk areas. Pleasingly, we've been able to restore those back again after a period, and we've been able to manage those events. They are things that Metro takes incredibly seriously.

CHAIR - Just to go back to my original question, do we have the percentages of people who leave for relocation, people who leave for career progression, people who leave because of some concern for their personal safety?

Ms COOPER - I don't have that data with me at the moment.

CHAIR - If you can get it for us. We'll put that on notice.

Ms THOMAS - Minister, you mentioned the real-time tracking system and common ticketing as initiatives that are going to be introduced to improve the system. When will those measures be rolled out? What's the cost and who's paying for those?

Mr ABETZ - Right. That's mainly with the Department of State Growth. At the Estimates hearing it was the Department of State Growth. CEO, correct me if I am incorrect there. I have the exact - hopefully, here. First of all, the smart ticketing is with Cubic Transportation Systems, where we're piggybacking off the Queensland system, which has helped us, and we are looking at a figure of 34 -

Ms O'CONNOR - That wasn't tendered either, was it - the Cubic contract?

Mr ABETZ - No. It was deemed at the time that it was such a good deal given the costs and difficulties that others had, that Cubic being able to piggyback off the Queensland situation would be helpful. Chair and CEO, correct me if I stray here, but as I understand it, Cubic has contracts in big cities around the world, and have supposedly locked that in as a good reputation for them. They are now looking at smaller markets, and Tasmania is going to be one of their target areas to, hopefully, present themselves to the world as having a good system. Therefore, there is a lot of impetus for Cubic to get it right in Tasmania as well. There were teething problems in Queensland - ironed out, in the ACT I think there were issues with their system.

Mr BRAXTON-SMITH - Different vendor.

Mr ABETZ - Yes, different vendor. Cubic seems to have a reputation. With your experience, chair, do you want to comment further?

Mr BRAXTON-SMITH - Just by way of background, I was the deputy secretary in Transport for New South Wales, responsible for the introduction of the Opal card and its subsequent upgrade to what's known as account-based ticketing, which is where you can use your credit card or your mobile device to tap on, tap off.

Cubic is the vendor in New South Wales. I quickly want to clarify that the decision to appoint Cubic predates my joining the board.

CHAIR - It's used in New South Wales and Queensland?

Mr BRAXTON-SMITH - Yes. Cubic's solution is in New South Wales and Queensland. The Queensland solution is a cloud-based solution, so it's the latest generation of the technology. Technically, they've built a product that is a global platform. It's the same product they're rolling out in Boston and New York, and a number of other jurisdictions.

The way that Queensland has structured the arrangement there is so that Cubic can, with government's consent, offer their solution to other jurisdictions in Australia. The value in that is that all the hard work has already been done in system configuration and you've got a proven solution. You need to just roll out the devices and install the local fare rules. In comparison to, for instance, the rollout of Opal card, which took us about seven or eight years in total for a large jurisdiction, it will happen very quickly in Tasmania. Likewise, Brisbane has been on the pathway at least for, well, six years - because it was the year I left Transport for New South Wales. They're still to introduce account-based ticketing on their bus network. They're still rolling that out. Tasmania will actually get the most contemporary ticketing solution available and it will get it, in ticketing industry terms, rapid time.

Ms THOMAS - Thank you. That's all interesting information. But my questions were when will it be rolled out? What's the cost and who's paying the state government through Department of State Growth who is managing the project and state government funding, it not Metro? When will it be rolled out and what is the cost?

Mr ABETZ - Rollout is 2026 and it's going to be trialled for a while starting 25.

Ms COOPER - I'm not sure.

Mr ABETZ - Right, these are Estimates questions for State Growth, but I will do my very best to answer them. If the *Hansard* needs correction not having Department of State Growth officials here, we will do so as quickly as possible. For a while, there will be the issues of trialling it. As I understand it, there will be issues of fees, possibly not being paid, et cetera. That's all going to be worked through. But trial, do we have some dates there?

Ms THOMAS - You answered 2026. You answered my question of that one, but not on the cost, although I think you said \$34 million?

PUBLIC

Mr ABETZ - We did make a promise of \$31.5 million as I understand it in an election and allocated that. Have we got it? No, you don't know do you? It is the Department of State Growth.

Ms THOMAS - I'm happy to take that answer. What about the real-time tracking system? Is that also State Growth or Metro?

Mr ABETZ - That is State Growth as well. I can let you know that we are hoping that this month we might have some more to say about it. Imminent.

Ms THOMAS - Both of those systems - was there originally a project that Metro was doing on this or has it always been State Growth?

Mr ABETZ - Always State Growth.

Mr BRAXTON-SMITH - The Metro did commence the procurement process or commence the process working in partnership with the Department of State Growth on the ticketing solution. However, there was a decision that was made that because it was a ticketing solution for the whole of the state, that it more properly sat with the Department of State Growth and therefore, it transferred across. This was my very first board meeting, Katie, you might want to add to that because you have the history.

Mr ABETZ - Which preceded me being minister.

CHAIR - Let's go to Katie then.

Ms COOPER - You are correct in the sense of original as part of still ticketing and real-time tracking are linked and that has gone across to the department to roll out. What's being rolled out with the ticketing which, as the minister outlined as imminent, is a separate system to roll that out. It's not with Cubic at this stage.

Mr ABETZ - In response, I can indicate the figure for the common ticketing over the forward Estimates is \$35.4 million.

Ms THOMAS - I've other topics but go to someone else.

Ms LOVELL - Thank you, I wanted to go back to -

Mr ABETZ - We have the information for you, Chair, in relation to exit interviews.

CHAIR - Yeah, if you'd like to provide that now, then we'll go to -

Ms LOVELL - One of my questions was about that.

Ms COOPER - Just going back from January 2024 until December 2024, the main reasons people left were stated in the exit surveys as being 36 per cent for personal reasons. There was an 'other' category, which is shown as 31 per cent; working conditions at 24 per cent; career opportunities at 24 per cent; 2 per cent relate to working hours, 15 per cent to career change; and 13 per cent related to remuneration.

PUBLIC

Ms THOMAS - Antisocial behaviour perhaps covered under working conditions?

Ms COOPER - Correct.

Ms THOMAS - But hard to know if that is, could have been a number of things.

Ms COOPER - Yeah, that's statistically, but there'll be comments and things that people can write through as well. I don't have that. But that's the breakdown of the numbers we're asked for.

Mr ABETZ - I had a cup of coffee with one of the drivers to see how he was going as he had a rock come through the window. From that, I gleaned that it was a topic of discussion amongst bus drivers, as to safety et cetera. Publicity of that nature might lead us to believe that if somebody was considering a driving career, then chances are driving with Metro down south would not necessarily be front of mind, which is a difficult situation.

Ms LOVELL - On those exit interviews, and you may not have the information here, but do you know what percentage of people who leave the organisation actually participate in those? Is it a face-to-face interview? Is it a survey? How does it happen?

Ms COOPER - We do both. None of them are compulsory. So, people have a choice whether or not they choose to partake. The people are sent a survey to do when they leave. We also do face-to-face on occasion. It depends a little bit on the person and the role.

It's sometimes like a corporate person, it's quite easy to get a face-to-face meeting. It's a bit harder sometimes when it's a bus driver.

Ms LOVELL - Do you know what percentage of people who leave the business actually take part in the survey?

Ms COOPER - I don't.

Ms LOVELL - Do you track that? Do you have that?

Ms COOPER - Can I check?

Ms LOVELL - Yeah, of course.

Ms COOPER - Let us find out. Bear with us on that.

Ms LOVELL - Minister, you've touched on the incident and obviously there are other incidents as well, but in particular we've talked about the rock throwing incident. You talked about being able to restore those services once it had been dealt with.

What action is taken after an incident like that to improve safety for the drivers on the buses? Obviously, there might have been police involvement, but what does Metro do to be able to give the drivers confidence that they can restore those services safely?

Mr ABETZ - I turn to the CEO, but I'm sure a lot of reliance is had on getting to the perpetrators.

Ms COOPER - Any acts of violence or antisocial behaviour is clearly something that we don't tolerate, and it's something that we deal with on an individual basis with the employees. So, some employees when they have an incident, we obviously have what you would expect the employee assistance program. They have meetings with their manager and sometimes it depends on the severity of the incident, but also the impact it has on the individual as to what support they need. So, it is individualised. We obviously work with police and they will identify and take the appropriate action to the perpetrators. That could be from a ban, could be criminal charges, again, depending on the relevance of that. The support for staff really depends on what they need. So, it could be that they might not drive that route for the next couple of days if they want to come back to work, or they might have a buddy person put on them to help them get familiar after an incident, or it might be that they need a couple of days to not drive. That's where we sort of support the employee depending - because it's a very broad topic. We do have quite individualised responses as to how that's managed for any sort of incidents, be it a rock throwing or if there's been some abuse.

Ms LOVELL - You talked before about the 'It's NOT Ok' campaign. What measures were used to gauge the effectiveness of that campaign? How successful has it been shown to have been? Or what evidence do you have that it has been successful?

Ms COOPER - 'It's NOT Ok' campaign was launched in 2023, and it's one of several things that Metro did, and we did that in conjunction with the RTBU, the union, that we worked through. The idea behind that was to really set a standard of what behaviours we're prepared to accept and what's acceptable to be on a bus. A lot of our measurements in the campaign will have been on reach to customers and outlining, you know, where they've actually been able to see what is acceptable. We've done it on buses. We've done it on digital billboards. We've done it in various locations. As part of 'It's NOT Ok' was really trying to also confirm with our staff what standards we accept.

As far as your question about what result it has had, I think it's very challenging to say it's down to one thing. I think there are a number of initiatives that Metro has in place that are driving some of those cultural shifts. But I do think it's a community problem that we are continuing to grapple with.

Did you want to add anything to that Chair?

Mr BRAXTON-SMITH - I'm fine.

Ms LOVELL - With those other - the campaign being part of broader measures, has there been a reduction in antisocial behaviour on buses? Is there something that you can demonstrate that the action that you're taking and the investment that's being made is going into the right areas?

Ms COOPER - If I look at the incidents, and I'm just pulling the numbers up, if you bear with me for a second.

Mr BRAXTON-SMITH - I might offer a view as the chair of the board. This trend is a trend that has been occurring around Australia on public transport. It's one that's of quite some concern to the board generally. We have sought some advice from a specialist in the field to understand more about what other jurisdictions might be doing in this area. From our

perspective, we want to take an evidence-based approach to understand what other measures might be effective rather than being driven by initiatives and ideas that we might come up with, which might on the surface sound worthy. In terms of giving it some context and perspective, if I cast back to our lost-time-injury stats five years ago, it was very rare for us to have a psychological cause of an injury. Today it's the most prevalent cause of injury. As we work really hard as a management - sorry, the management team has worked really hard to address the causes of physical injury, and they've actually been able to achieve some good results there in the reduction - we've seen psychological injuries come up. In terms of the frequency of -

Ms LOVELL - Are they still increasing?

Mr BRAXTON-SMITH - It's levelled out. In fact, pleasingly, what we have been able to do is reduce the amount of time that people spend away from the workplace once they're injured. If we look at our workers compensation stats, then we are getting our workforce back to work much quicker, even if it's in alternative duties. That is very much around the thinking about what is the most appropriate approach to help a worker who's been injured back into the workplace, whether the source of that injury has been physical or psychological. We've seen overall injury levels level out, but we want to see more than that. We're taking a systematic, evidence-based approach before we determine what measures should be taken.

Ms LOVELL - Do you have the numbers on psychological injury workers compensation claims or reported incidents over the last couple of years to show those trends?

Mr BRAXTON-SMITH - Could we take that on notice?

Mr ABETZ - Whilst you are looking at the psychologicals, the actual incidents, I can indicate that in 2023-24 the assaults on bus operators: 30.

CHAIR - Thirty separate instances?

Mr ABETZ - Yes, 30 separate instances. Whereas in 2022-23 -

Mr BRAXTON-SMITH - There were 17.

Ms LOVELL - It is going up.

Mr ABETZ - Assaults on passengers from 18 to 22, missile throwing incidences 75 to 107 and vandalism 18 to 19.

Ms COOPER - To answer the physical claims versus psychological that you asked as well, if we do year to date we had nine physical claims and 11 psychological. That's a total of 20. This is year to date. If we're talking 2023-24, physical was 26, psychological was 23, a total of 49. If we compare that to the year prior, which is 2022-23, there were 19 physical claims and 24 psychological claims, a total of 43.

Ms O'CONNOR - Do the numbers go back further than that to pre-COVID?

Ms COOPER - Yes, I've got them.

Ms O'CONNOR - Do you have the number immediately pre-COVID, 2018-19?

PUBLIC

Ms COOPER - I have. Physical was 30 and psychological was 10. The year prior to that, 2018 to 2017 is as far back as I've got here, was 25 physical and zero psychological.

Ms LOVELL - It is concerning, particularly the number of assaults on drivers, that is increasing despite the campaigns and the other things that are being done. The chair mentioned that you're seeking advice from an expert looking at what's happening in other jurisdictions. How recently have you started that work and when are you expecting to have something come from that?

Mr BRAXTON-SMITH - The board is scheduled to review that report in February, the first meeting next year. We called for it earlier this year.

Ms O'CONNOR - I'm interested in driver numbers, by head count. Is head count how you would measure them, Ms Cooper?

Ms COOPER - Generally, yes. Head count and FTE, we do both.

Mr BRAXTON-SMITH - Full time equivalent.

Mr ABETZ - I always ask for acronyms to be explained to me. The chair is trained to do that for slow learners like myself.

CHAIR - So, I'm taking a short time to train him.

Ms O'CONNOR - Okay. So, driver numbers by head count and FTE from 2018-19 to date year on year, do you have that?

Ms COOPER - Not in front of me, I don't believe. No.

Ms O'CONNOR - Should I put that on notice?

Ms COOPER - Yes, I think we'll need to. I will need to go and check that for you. Sorry.

Ms O'CONNOR - Okay. Well, just in broad terms, driver numbers percentage decline -

Ms COOPER - Yes?

Ms O'CONNOR - Since 2018-19 in broad terms.

Ms COOPER - I wasn't there in that date, so, I don't know that I know - I can't give an estimate off the top of my head for that.

Ms O'CONNOR - Okay, that's all right. I'll put that on notice.

CHAIR - Just on that question, it might be helpful to also have in that if there's been an increase in the services provided or a decrease, because that will impact your numbers.

Ms O'CONNOR - A hundred per cent.

PUBLIC

So, now we understand that there's been a number of scheduled services that are cancelled or services that don't turn up, how many scheduled school services have been cancelled in the past year? Is there a record of this?

Ms COOPER - Are you happy for me -

Mr ABETZ - Yes, but -

Ms COOPER - Do you want to go?

Mr ABETZ - Schools are priority.

Ms COOPER - Yes. So, school services are prioritised. There are two ways - and I don't have an exact number for you there - but if I can give you a little bit of context around that. Metro operate predominantly what they call general access, or GA, services. That means we can provide services to a school but they're not classified as a school service. So, we prioritise, when we've had service disruptions or when we've had challenges in delivery of service. School services do get prioritised so that we try to minimise any impact on those kids and we do that for any of the school services, but really, it's the general access services on those routes that we operate.

Ms O'CONNOR - Have any school services been cancelled in the past year?

Mr BRAXTON-SMITH - If I may, there are no scheduled cancellations.

Ms O'CONNOR - So, no, no -

Mr BRAXTON-SMITH - So, the temporary service adjustments -

Ms COOPER - Yes.

Mr BRAXTON-SMITH - No, no school service was cancelled. I think what Katie is referring to is the fact that from time to time on any given day of operations, a driver might be sick - sick or not available for duties for whatever reason - and that will cause us on those occasions, as Katie is describing, they will seek to prioritise school services rather than just let the impact fall where it lies -

Ms O'CONNOR - Okay.

Mr BRAXTON-SMITH - And again, generally, what is done is that you look at the services where there are higher frequency routes so customers will have a choice of one before or one after. Now, when real-time information comes along, it will be, customers will have kind of information in their pockets about where the buses are and when the next scheduled service is, but we do that in order to try to minimise customer impact but prioritise school services.

Ms O'CONNOR - Yes, of course. Of course. There was a period probably - and this is under your predecessor as minister, minister - but there was a period going back 18 months, two years now, where up to 100 buses were being cancelled from various routes in a week. What's it looking like now?

Mr BRAXTON-SMITH - After you.

Ms COOPER - Okay. So, the temporary service adjustment that we commenced, we would - I mean, I think as has been outlined earlier - that was done because we're either going to have unplanned disruptions or we're going to have planned, and the service and reliability for customers has been clearly provided as of paramount importance. So, the decision was made to do that temporary reduction. We are taking a very slow and cautious approach and we put a lot of effort into delivering services and, pleasingly, we are delivering over 2300 trips a day. We have very cautiously and very gradually started reintroducing those services and we've reintroduced about 15 per cent at this stage.

Ms O'CONNOR - Okay and which - I mean, are these - what's the impact in terms of demographics, because in outer urban fringe areas, where there's significant disadvantage and a higher reliance potentially on public transport what's the understanding of the demographic impact? I know Metro doesn't go out into many that's covered by private operators -

Ms COOPER - Correct.

Ms O'CONNOR - But I'm interested to know who is being affected or was affected by the cancellations and whether there's an understanding of those populations and that impact.

Ms COOPER - So, the way we determined what services we were going to adjust was really trying to, it was across all of Hobart. So, it wasn't targeted to one geographic area. It was effective across the entire network. But we really focused on obviously, as we outlined earlier, you prioritise services. A bus doesn't just go from point A to point B. It does, you know, point A to point B, then it goes to C. You have to look at the whole journey it goes through. But the services we target were really the high frequency services.

I'm going to make numbers up just for an example here, you've an 8.00 a.m. and an 8.15 and 8.30 a.m. You can take away the 8.15 and still run the 8.30, people are impacted, but they're still going to get to where they want to go in a reasonable timeframe. That was our consideration around how we try to do it.

For services, for example to Opossum Bay, that might only operate every couple of hours, we protected those, so people could actually try to get home. We targeted unfortunately across everybody, but protected the schools and really tried to target the high frequency. Chair, you look like you'd like to say something.

Mr BRAXTON-SMITH - I was reflecting on your question about the demographics. In general, our demographics are only 30 per cent of our customers are full fare paying customers. You might call them adult journey to work customers, not entirely. Whereas 70 per cent of our customers are either students or those who are receiving some form of concession. They tend to be a little more flexible, in terms of not quite as time sensitive, but they do need what's known as in the industry as network coverage. We have maintained all routes. We haven't suspended any routes as such. We simply removed frequency of service. We know it is inconvenient and not ideal, and it's taking us longer than we wanted to bring them back, but that's where we are.

PUBLIC

Ms O'CONNOR - Thank you for that answer. It would be good to understand the point at which the services were cut and how many were cut? Where we're at now, if you say 15 per cent are back on?

Mr BRAXTON-SMITH - On Monday to Friday, there were 177 services that were subject to the temporary service adjustment. That represents about 6 per cent of the total weekday journeys.

We did actually get someone in our team to track, to the best of their ability, what the impact on patronage was. To the best of our knowledge, from the numbers we've seen, the variance in patronage is not attributable to those areas or those routes where services have been reduced. There's no kind of spike there.

Ms O'CONNOR - We cut 177 services and we're back from a total - thanks, Chair, for your tolerance - from a total of how many?

Mr BRAXTON-SMITH - It is 177 out of 2300 per day.

Ms O'CONNOR - That's just in and around Hobart?

Mr BRAXTON-SMITH - It's only confined to Hobart. We've not experienced this issue elsewhere. Again, it's the driver shortage seems to be more acute here where the employment opportunities are more diverse.

Ms O'CONNOR - Yes. How many of those services have been restored?

Mr BRAXTON-SMITH - There are 27 services that have been restored on the weekdays but I think only 26 -

Ms COOPER - I can jump in if you like. Twenty-six of 177 Monday to Thursday and 24 on a Friday. Friday has a slightly different schedule.

Ms O'CONNOR - So Friday has had 24 restored from the cut services. Thank you.

Mr BRAXTON-SMITH - To date.

CHAIR - While we're on that. The services themselves, minister, the comments were made that you prioritise school services, noting that accessibility is really directly linked to attendance and thus, educational outcomes. Have you got any figures on how many children have not been able to be picked up because the buses have been full carrying students to school?

Ms COOPER - We do measure overcapacity by drivers. When we have a bus that reaches capacity, we do that to report through to State Growth. I'm not aware of us having any major issues with overcapacity being reported through.

Ms LOVELL - In that example, if that student can't be picked up, is it a requirement that's reported by the driver?

Ms COOPER - Yes, they've got a button on their console that they can report to say that they've reached capacity. I'm not saying it's never happened, but I'm just not sure.

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CHAIR - Did you get reports on reached capacity.

Mr BRAXTON-SMITH - Not aware of any. But, we need to take the question on notice because we're not saying that it's never happened.

Ms COOPER - Absolutely, it's not a major concern we've had raised.

Mr BRAXTON-SMITH - It's not been an issue that's been raised to our attention.

Mr ABETZ - This is limited to Metro.

CHAIR - Yes, we're talking about Metro. Acknowledging a lot of kids go to school on buses that aren't Metro, certainly out in my area.

Mr ABETZ - I'm aware in Mr Harriss's electorate there was an issue with one of the providers, but I think that's been resolved.

CHAIR - This is limited to Metro services. We'll get the number of how many buses have been identified as being at capacity. If that number's zero, which seems odd to some of the things that we've heard from various stakeholders, it doesn't seem to line up. We've heard from stakeholders. Depending on what that answer is, if a bus was identified as being at capacity, how do you inform yourself about the number of students who may not have been able to catch that service? There might have been another one that came along half an hour later, by which time they're late for their exam in year 11 and 12 and they'll fail their class. That's the question we're asking here.

Mr BRAXTON-SMITH - If a driver was to hit the button, then we've got no reliable way of monitoring how many students may have missed. To our knowledge, we haven't found out.

Ms COOPER - I am not aware of the nature of [inaudible].

Mr BRAXTON-SMITH - As to how it might be brought to our attention, we have a customer service support line and we receive feedback regularly, both positive and feedback where there have been shortfalls in our performance. We monitor those systematically. The board gets a report every month that it meets. We scrutinise and talk about what we're seeing in the trends. That's why I'm wrinkling my brow, because I can't remember us seeing reports of overcapacity in guest customer feedback.

CHAIR - In the reports that come through to the board from you, Katie, from what I'm hearing, there hasn't been any noting of at-capacity buses. Have there been complaints or feedback, whatever you want to call it, through the customer service support line to indicate that students are arriving late to school because of either delayed, cancelled service or bus at capacity?

Ms COOPER - I'm going on memory, please take it as what I can recall, but I'm happy to be corrected. I'm pretty sure it was Hobart College that had a challenge earlier this year with overcrowding. They've had an additional bus put on to resolve that issue and I haven't heard anything since. We did have engagement with the principal and with a couple of the students

regarding that. The department authorised us to put on additional service. That's the only thing that immediately pops into my mind, but I'm going on my memory.

CHAIR - When was that extra service put on?

Ms COOPER - Can you remember? We might find out.

Mr ABETZ - It was during my time as minister. As a former student of Hobart College, a few people got onto me about that situation. Since April, what is the date? I'll take a punt, about five months ago?

Ms COOPER - It would've been in the last 12 months, but I can't tell you the date off the top of my head.

Mr ABETZ - Definitely in the last 12 months.

Ms COOPER - That's the only one I can think of where we had an issue raised.

Mr BRAXTON-SMITH - To Katie's point, where there is an issue raised, often the conversation will be with the college or the school directly because they're quite sensitive to the impacts on their students. They typically have a conversation with us. If our records show there is over capacity on that bus, then we seek an approval from the Department of State Growth to be able to introduce additional services. It's not within our gift to add to the timetable without their approval.

Mr ABETZ - If I recall correctly, and stand to be corrected, a bus driver once got distracted or whatever and drove past the turn off to Mount Nelson.

CHAIR - There you go.

Mr ABETZ - Some people were late for class. That was one I got direct to the office. To err is human and these things unfortunately happen.

In relation to exit interviews, I'm informed that 56 per cent of people who are exiting undertake the survey, slightly over half.

Ms THOMAS - I have a different topic. Is that all right? I want to go to the topic of bus stop infrastructure and ownership. That old chestnut just doesn't seem to go away. I understand the Department of State Growth, the government has a view, councils have another view and Metro's view is you're not contracted to manage or maintain bus stop infrastructure, is that right?

Mr ABETZ - Yes, the issue with State Growth and we're getting back into State Growth territory, but happy to answer. If I recall correctly, I think I read somewhere on state roads there are 761 bus stops. How many of them have shelters? We don't know, albeit that is being sought because often with bus shelters they're built by a local Rotary or Lions Club or whatever before they need a licence to be able to do so on the side of state roads. With the council owned, there have been the issues and the councils then have to determine what they do.

Ms THOMAS - Yes. So, my question is on the ownership issue. I'm interested in Metro's view on the ownership issue, whether Metro owns any bus stop infrastructure assets and if so, what are they and were bus stops that are on local roads, not state roads or/and state roads ever on Metro's asset register?

Ms COOPER - There's a few things wrapped up in that. To take your first answer, the only infrastructure that Metro owns on its books with regards to bus stops are the ones that we own in Moonah, in the actual sprinkled depot there on our land. Therefore, they're our accountability and responsibility. The ownership and responsibility for bus stops is obviously something being considered by the Tasmanian government's road management legislation review. So that is where that sits. In principle, the Department of State Growth looks after the main roads and the councils look after their own.

If I can circle back to your earlier comment about maintenance, there's a little bit of a difference between owning the capital and the maintenance. We are funded to do minor maintenance on bus stops as a service, things like replacing timetables or putting a flag on that's broken or taking off some graffiti. That's the level we are engaged to do on the infrastructure, when it gets reported to us.

Just to clarify the difference, the Metro's position with regards to having anything on our asset registers is Metro does not have anything on our books with regards to bus stop infrastructure excluding what I've outlined that we own.

Ms THOMAS - The poles in the ground that has the flag on it, are they on Metro's asset register?

Ms COOPER - No.

Ms THOMAS - So, if councils chose not to maintain any of those assets, there'd be no bus stops.

Ms COOPER - The stop would be there but there wouldn't be any infrastructure.

Ms THOMAS - How would the stop be there if Metro doesn't own the stop?

Mr ABETZ - The bus would stop there, I understand, but of course the passenger wouldn't know that that is the particular place to wait.

Ms THOMAS - There'd be no sign.

CHAIR - Like most school buses in a rural area don't have anything. Just get off.

Mr BRAXTON-SMITH - In fact, it's common practice in certain jurisdictions that if you don't have bus stop infrastructure there, then you paint the nearest power pole and that becomes defacto an identifier as to where the bus stops for the local community.

CHAIR - There's not always power poles at bus stops.

Ms THOMAS - So who paints the power pole then? The public transport provider or the local government?

Mr BRAXTON-SMITH - Look, I couldn't honestly - sorry - answer that question. I'm just speaking from experience. Well, if I speak from experience in South Australia as my time as Chief Executive there, then to my memory, we actually painted those power poles and we had an agreement with South Australian power networks which enabled us to get agreement with them as to what we would do with their power poles.

Ms THOMAS - At least some councils claim that bus stops and assets at bus stops have never been on their asset registers. Were they ever on Metro's asset register?

Mr BRAXTON-SMITH - You can take the question and I'll offer a review.

Ms COOPER - Sure. In previous years, Metro had been engaged to do some work, so similar - if I think about the Burnie network review that was done probably two or three years ago now, a couple of years ago, for example, we were engaged to relocate and move some bus stops, et cetera. We didn't at that point have these assets and so, if you look at last year's, not the current last year, but the previous year's annual report, you'll see that there was a write down because we had no way of knowing those assets because we didn't own them and we'd been funded to do that work. They are not on the register per se.

Mr BRAXTON-SMITH - If I might offer the broader view, bus stops are what's known as low value assets and generally they are where they are and they generally don't sit on anyone's asset register.

Ms THOMAS - Which is the problem? Which is why the ownership issue isn't clear.

Mr BRAXTON-SMITH - I'm talking generally, as in generally adopted practice. Say, in fact, in New South Wales for instance, we knew or we thought we had somewhere around 44,000 bus stops, but no one could give me the precise answer. As also having had accountability for wayfinding, which is your bus stop, so it's a common issue in jurisdictions. I guess you would ask, 'Well, what is the benefit for the investment of time and cost that would accrue to any party, the responsible party doing that?'. So, if councils don't have it on their asset register, it's very clearly understood that they are council assets. It's a decision for them as to whether they want to spend ratepayers' money to go out and count them and put them in their asset register.

Ms COOPER - If I can add to it from a Metro perspective, Metro really is responsible. We're an operator, so we're responsible for colloquially saying we're rubber on wheels. So, a bus stop can be used by multiple operators. It's not owned by one, so the Metro, you know - the mall might be used by us and other private operators. It's an infrastructure piece that really doesn't form part of what Metro does. Same as we drive on a road, we don't necessarily own it. We're a user of those services.

Mr BRAXTON-SMITH - Good point.

Ms THOMAS - It's an issue, I guess, that came to a head because of the requirements under the *Disability Discrimination Act* for infrastructure, bus stop infrastructure, which required all bus stop infrastructure to be compliant with the requirements of the act by December 2022, which is nearly two years ago -

Mr BRAXTON-SMITH - Yes.

Ms THOMAS - There still remains non-compliance with bus stop infrastructure across the state and the issue of ownership still has not been resolved. So, does the - I guess this is probably a question for the minister - does the government have any legal advice on who is liable for this non-compliance given the ownership of the assets isn't agreed?

Mr ABETZ - Look, I don't have any legal advice on that, so what I'll need to do is take that on notice unless the Chair or CEO -

CHAIR - It's really probably more for the department.

Mr BRAXTON-SMITH - If I may, generally for disability access, the challenge is not the bus stop. The challenge is the footpath and the footpath is very clearly owned by council and managed by council or the relevant road authority.

Ms THOMAS - But there would - it's the disability access requirements are specific to bus stops, not to footpaths, so in this instance, the requirement that was to be met by December 2022 was in relation to bus stop infrastructure, not footpath infrastructure.

Mr BRAXTON-SMITH - Well, bus stop infrastructure consists of the pole - in our language and in our industry - it consists of the pole and the flag. That's what an operator is concerned about because, as Katie very rightly says, that indicates to us where we need to stop to set down and pick up passengers. I well understand the challenge of the issue that you're talking about and I'm not unsympathetic to it, I wouldn't want that to be construed here, but in general someone who has an accessibility need, whether it's a wheelchair or a pram or whatever the challenge is generally with the footpath infrastructure as much as it is -

Ms THOMAS -Yes.

Mr BRAXTON-SMITH - the stock infrastructure. Our buses are built so that they're all accessible. There's a ramp or they are what's known as low floor, so you can press a button and drop them.

Ms O'CONNOR - Has every bus got a ramp? Are they all accessible? I'm not sure. Are they now?

Ms COOPER - One hundred per cent of the - sorry to interrupt.

Mr BRAXTON-SMITH - No, go ahead.

Ms COOPER - One hundred per cent of our fleet is fully accessible. We're compliant with that. So that's where from a Metro lens, we've done what we can within the - what I would call on the rubber wheel concept - the infrastructure is something outside of us because it's a shared facility that all operators can use.

Ms THOMAS - Yes, but if the bus wasn't stopping there, you wouldn't need the footpath to have the ramp. So, I hear what you're saying and there's no right answer here. The issue is that it's not resolved and it is a significant issue that needs to be resolved. So, I guess does

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Metro have a view on, in an ideal world, what would the ownership of these assets look like and who would pay for funding the -

Ms COOPER - That's not a Metro question, to be fair. That's -

Ms THOMAS - As a transport provider, you need it to be resolved.

Mr BRAXTON-SMITH - There is no right answer from a Metro perspective. Each jurisdiction resolves those issues between the parties. It's always a conversation between state and local government.

Mr ABETZ - And indeed, if you want to talk local government and disability access, have a look at what my local council, Kingborough Council didn't do in relation to the bus interchange where it was too tight for disability access as well. But look, that said, minister Jo Palmer - and she initiated it - we've had a round table with disability service providers and public transport and transport issues via taxis, et cetera, but also public transport.

It is on the mind of the government. We are seeking what we can do. The footpaths, in general terms, are owned by local councils. On state roads - trying to think of them - they usually don't have footpaths.

CHAIR - Do you have one on this, Cassy, or was that asked?

Ms O'CONNOR - I have one on patronage, which is connected. It's not disability compliance.

Ms LOVELL - That's okay. Mine is completely separate.

Ms O'CONNOR - Do you have - I'm sure you do - patronage figures going back to 2018-19 year-on-year?

Ms COOPER - We do. Not in front of me, but the business certainly has them. They're in all the annual reports that we publish every year.

Ms O'CONNOR - Is it okay if I put that on notice, or do you want me to go back and look through the annual reports? What I'm trying to understand here is the shift in patronage over the past five years, in hard numbers.

Mr BRAXTON-SMITH - If I may, I'm unable to give you the hard numbers. We do know the number that the minister cited in his opening remarks is the number in 2023-24. In general terms, compared to immediately pre-COVID, our patronage sits at about 82 per cent of the pre-COVID level. We will get you the numbers on notice. We do not ask you to look through the annual reports. We'll get you the precise numbers. That is a feature that's pretty consistent across public transport in Australia, particularly on the eastern seaboard, in terms of pre-COVID to post-COVID. Melbourne, Sydney, Brisbane, even Auckland, are all sitting somewhere in the 80-something per cent of their pre-COVID patronage levels.

Ms O'CONNOR - Do you think it's possible that people don't feel safe on buses because the air is not safe on buses? Something's happening here, isn't it? People are voting with their feet.

Mr BRAXTON-SMITH - I would say that this is a global trend.

Ms O'CONNOR - The question stands.

Mr BRAXTON-SMITH - The analysis that I've read indicates that it's to do with people's lifestyle choices and the changes in societal behaviour post-COVID.

Ms O'CONNOR - Well, that's interesting. I'd be really interested, if you wanted to share that analysis, that there'd be a lifestyle choice of this magnitude within a short space of five years.

Mr BRAXTON-SMITH - Certainly. We have a report from a company called L.E.K., who's done a study, and we will certainly share that. To clarify what I mean by lifestyle choices, I mean flexible working - and their use of public transport is shifting as well. If you look in the mainland jurisdictions, what's happening is more people are travelling at the weekend. If you look at Sydney, now the busiest day on the network is actually Saturday, because people are using it for social and recreational activities, shopping, recreational activity. There's also a shift in the profile. When you look at a city like Sydney, they have very high-frequency services during the weekends, so it's easy and convenient there. I can't attribute it to anything other than that's what I mean by changes in habits.

Student numbers generally, across the board, are slightly lower, because more students are spending more time studying at home. Again, that's not me - I'm giving you a quick digest of a 15 to 20-page report, which we'll share with the committee afterwards.

Ms O'CONNOR - Okay, thank you.

Mr ABETZ - Did that report cover people working from home as well?

Mr BRAXTON-SMITH - Yes. It identifies working from home.

CHAIR - What is the name of that report? Who did that.

Mr BRAXTON-SMITH - The company is called L.E.K.

Ms COOPER - L.E.K. did it. I know the two authors are Mark Streeting and Natasha Santha. We can get you a copy of it - it's public. They've published it recently.

CHAIR - I'll keep a list of what we need to write to you with.

Ms O'CONNOR - I am fascinated by these patronage changes, because between 2010 and 2014 Metro patronage went up year-on-year. It was under a Labor-Greens government, of course. In March 2022, there was a free trial of public transport here and patronage increased by 15 per cent. That was with free fares, as I understand it.

Ms COOPER - Are you referring to the five-week fare-free period?

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Ms O'CONNOR - There was a clear sign, wasn't there, from passengers who voted with their feet again, that if you make public transport free, as places like Portland, Oregon do, you'll increase patronage.

Ms COOPER - It's always a controversial topic, this one.

Ms O'CONNOR - We have Brisbane, which went to 50 cent fares and has seen patronage increase by 11 per cent. Maybe the mix we have here isn't quite right, given the numbers we heard from the minister before about the south of the state and Launceston.

Mr BRAXTON-SMITH - I'll share through the Chair another report from the Independent Pricing and Regulatory Tribunal in New South Wales that did a study of what typically happens when fare-free is introduced on public transport networks. It has very mixed results, and it's not necessarily about people just getting out of their cars. It's been observed in other jurisdictions that results in less 'active transport' - in other words, people jump on the bus for a short distance rather than walking an extra kilometre.

As an operator, we will operate and provide services in accordance with government's policy settings, so it's not a policy setting, and I'm not advocating any particular position. All I can do is offer you some evidence from analysis that's been done elsewhere as to the effect of free public transport. It's not as simple as you might characterise in that, you know, all of a sudden people catch more public transport and congestion reduces. In fact, congestion can sometimes increase.

Ms O'CONNOR - Nothing is as simple as it first seems, but 50 cent fares in Brisbane seem to have made a direct and, quite simply, traceable increase in patronage by around 10 per cent to 11 per cent.

Mr BRAXTON-SMITH - In the short term, yes. I was at a conference last week on rail, actually, and the Queensland Department of Transport and Main Roads was vigorously promoting the impact the 50 cent fare. It still remains the fact that their patronage is still below pre-COVID levels. Again, interpreting from that, that it means that people have voted with their feet, I don't know. It might be a number of different factors, including the impact of roadworks, for instance.

Ultimately, what most commuters trade on is not actually the fare - it's their time. The frequency and the journey time has been shown in public transport studies worldwide to have much stronger effect than fare measures.

CHAIR - That's why you drive over the Lakes when the Midland Highway was under construction.

Ms O'CONNOR - You generally drive over because it's a more beautiful drive.

CHAIR - As an added incentive, because it was a hell of a lot quicker.

Ms O'CONNOR - That's right. I wanted to challenge something that was said earlier about the demographics. Whether someone is a full fee-paying customer, or someone is on the lower income, I don't think because you're a full fee-paying customer you're necessarily more

time-poor than someone who's not wealthy. It was mentioned earlier that there might be a difference in time valuing.

Mr BRAXTON-SMITH - I do take the feedback. My apologies for generalising. I was citing some studies that I did when I was in New South Wales, but it's a generalisation. I appreciate that people who are on concessions have appointments and need to get to them just as much as anyone else.

Ms O'CONNOR - We have jobs, even, and other worthwhile education and training pursuits.

Mr ABETZ - In our statistics, adult concession journeys increased by 4.3 per cent. Full fare adult journeys decreased by 2.5 per cent and student journeys decreased by 7.9 per cent.

Ms O'CONNOR - Is that students across all ages - primary, high, college, universities?

Ms COOPER - We have one classification for students.

Ms O'CONNOR - One classification? A 7 per cent decline in students?

Mr ABETZ - Nearly eight; 7.9.

Ms O'CONNOR - How do you arrest that? I guess it goes back to the question from Ruth, or Bec, before.

Mr ABETZ - Or students studying from home.

Ms COOPER - Attendance at school.

Mr BRAXTON-SMITH - Or students not tapping on.

Ms O'CONNOR - Oh, yes. We've probably all been there, though, when we were kids.

CHAIR - Can we move on? Sarah.

Ms LOVELL - Minister, we had a hearing with TASCORP this morning. Correct me if I misheard this, but I believe they advised that Metro had breached one or more of the covenants of its loan agreement with TASCORP. Can you explain that breach for us, please?

Mr ABETZ - Yes, that is the evidence. I think you heard correctly and I think the chair has an answer.

Mr BRAXTON-SMITH - Yes. It's correct that in our loan covenants we're required to maintain an interest cover ratio of five times interest. That's our EBITDA - earnings before interest, tax, depreciation and amortisation - five times cover. That issue for us and the fact that we were going to be outside of those parameters was brought to the board's attention or the board noticed it, I think, at our May meeting. We asked that management engage with TASCORP to outline the issues and the risks associated with it and to seek to work collaboratively with them on a solution.

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Now, in essence, where the challenge arises is that we've got a master loan facility which was negotiated in 2020. That was structured around Metro as it was operating at the time from a financial perspective.

Our agreement with the Department of State Growth was revised and a new contract came into effect in 2022. Some of the way that payments flow in that contract is different and as a consequence it's changed just slightly the results as we would present them in terms of interest cover and the EBITDA number, and that's what's really been the source of the issue. That was exacerbated by the timing of the payments as well. We'd anticipated it would be received in full at a certain time. This was a payment which was a grant-funded payment and the timing of that is actually what triggered us going outside parameters, but we -

CHAIR - You were told the payment had been received?

Mr BRAXTON-SMITH - Yes.

CHAIR - It was later than expected?

Mr BRAXTON-SMITH - We had a forecast of receiving the monies in a certain schedule and it came at a slightly different schedule, but we'd been monitoring that and aware to it. I know certainly the chair of our audit and risk committee has been quite vigilant about this number for a period of time and it was at that time that we asked management to engage with TASCORP to seek a longer-term solution. We're seeking a variance to our current master loan facility agreement and we've been given to understand that that will be considered by their board in the December meeting, so, we appear to be close to a solution on that. Katie's pointing.

Ms COOPER - Last paragraph. Just an important one, I think. Just to note.

Mr BRAXTON-SMITH - Oh, yes, okay. Just for the record, in terms of the advice, on 17 June we actually wrote to TASCORP outlining the risk that Metro would fall under the required ratio. On 28 June, TASCORP responded, noting the TASCORP board had considered our request and agreed that they would not take any of the actions available to TASCORP under the master loan facility agreement.

Ms LOVELL - Thank you. Is that reported anywhere in the annual report?

Mr BRAXTON-SMITH - This is a good question. Can I just ask one of our -

Ms LOVELL - I couldn't see it.

CHAIR - No, I don't believe it is. Is that something that should be reported in the annual report, a breach of a covenant like that. In full and open transparent disclosure.

Ms COOPER - I'll need to take the one on the accounting standard question. I don't know. I think because it was actually agreed that there was no impact, it probably wasn't, but I will need to check that with our finance-

Mr BRAXTON-SMITH - This may be 28 June. The correspondence on 28 June, but we will take that on notice.

Ms COOPER - Yes, I will have to check that with the accounting standards, I'm not an accountant.

CHAIR - Accounting standards aside, minister, there's a whole front section of this where we talk about commentary about some of the issues, challenges, opportunities for Metro. Something to contemplate. If I can follow that up, if I might, with some discussion about the grants, because I was a bit unsure. There're several references to grant income in the notes to the financial statements, on page 38, there's the reference to grant income. This 2024, there's \$3 million, just over \$3 million, and it says that Metro receives government grants for cost reimbursement of defined projects, performance obligation for the related costs for which the grant is for.

I'd like to understand a bit more about that, but also, when you go over to page 42, it talks about unspent grant funds with conditions which is \$9.7 million this year. I want to understand what these grants are for, the ones with conditions, what conditions and what the other grants are for. In that discussion you talk about why the delay that caused this breach of your covenant.

Mr BRAXTON-SMITH - The grants are specifically for a number of government programs where we have agreed with government that they will fund certain things. We will then deliver as required. So, it covers the zero-emission bus trials, both the hydrogen and electric buses. It covers the new software system that we are procuring and installing for the scheduling of buses, which is known as Hastus. It includes our human resources management system, ELMO, then a number of other subsidiary things, for example, the screens for the drivers, again, will be grant funded.

In general, those grant funding agreements are tied to the annual state budget, and we will go through a process in order to sign off on that and receive the funds. The funds are paid according to a schedule that's actually determined as part of the grant funding deed, but, by accounting standards, we're required to actually expense the money as we incur the cost.

Now, there are always ebbs and flows in those numbers. Sometimes the settling of the terms and the precise cash flows are dealt with at a fine-tuning level by those at a financial level between the department, Treasury and our team. To the details of it, I cannot say as to where the trigger was or where the issue was.

The thing that I would point out is the persistent issue is that the change in the structure and the nature of payments made under our new service contract with DSG have changed the financial equations for Metro and are the underlying reason where our interest cover is not as high as it once was.

Katie's pointing me to something else, but you can read just as well as I can, so, I might just hand to you.

Ms COOPER - I think your answer's right around the overall granting, but if I can just expand on the answer regarding the delays of the ICR.

So, we didn't receive funding during the 2023-24 year under our contract with the department for the final 10 BusTech buses that were purchased the prior year. This then resulted in Metro having a lower revenue than forecast during that same period and, obviously, reduced

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our interest coverage ratio, but funding for the purchase of those buses has been provisioned and provided by the government, but through the state budget this year and that's coming through as equity. Equity on an accounting standard is treated differently to revenue. That's where some of that timing issue came through.

The second component of that is that the battery electric trial has been a combination of grant and equity funding coming through. The timing and the treatment of that funding has resulted in Metro bearing some of the operational expenses during the financial year that also reduced our interest coverage ratio, albeit the project itself is fully funded. There's a couple of accounting nuances there as well.

CHAIR - So, was the - minister, you might need to answer this - reason the funds weren't released was because of the delayed Budget. Is that why this problem occurred? It's already been committed.

Mr ABETZ - It had been committed. Why that and the payment would have come through Department of State Growth -

Ms COOPER - We got it as an equity. Oh, sorry, it's been in the current budget for a reimbursement of that fund.

Mr ABETZ - Via State Growth.

CHAIR - Would have come from Finance-General.

Ms COOPER - We're still working through that with the Treasury at the moment, because we haven't received the cash, but yes. I think I'm speculating, so, let me not do that on record.

Mr ABETZ - Allow me to take it on notice as to what occurred.

Ms COOPER - We're working through that with Treasury at the moment, but whether it's gonna go via, I'm not sure.

CHAIR - Most of those go through Finance-General, don't they? Anyway.

Mr BRAXTON-SMITH - Just to your prior question, if I may, Chair. The issue in relation to being outside of the parameters for the loan covenant was examined by TAO and was the subject of the discussion between the Audit Office and our financial team and the conclusion was that no disclosure was required because of the conditions around or the circumstances surrounding the cause and the subsequent resolution of it. That would be our response in relation to whether or not it was required to be disclosed.

CHAIR - Is it possible to provide at list of the grants by purpose?

Ms COOPER - I don't have them in front of me, but yes. We have the information, just not in front of me. We've the grant deeds. So we're clear, what year would you like that for? The current year or for the previous?

PUBLIC

Mr ABETZ - The current grants that are reported in the annual report. I think that's what you're after.

CHAIR - The ones for 2024?

Ms COOPER - Yes, 2023-24.

Mr BRAXTON-SMITH - You made reference to the \$9 million-ish that's effectively what we sometimes call ring-fenced, which is grant-specific funding.

Ms COOPER - Okay, so that's what you want.

CHAIR - There is \$11.9 million all up.

Mr BRAXTON-SMITH - Is it? Right.

Ms COOPER - Yes.

CHAIR - That's all up. The \$9.7 million is the tied funding and you can tell us what the rest is for. I am interested in a breakdown of that figure.

Mr BRAXTON-SMITH - Of that \$11.9 million, most of it is grant funded. The amount that is not, is approximately \$2.3-something-million, which is what's known as prepaid fares. In other words, when customers top up their GreenCard, they have put money in advance with us which we hold and we keep that as ring-fenced, as in it cannot be used for any other purpose until it is expensed as people tap on and tap off.

CHAIR - I get that. That's not the ticket fares received in advance.

Mr BRAXTON-SMITH - Yes, that is.

CHAIR - That's a separate line. On page 42. Ticket fares received in advance make absolute sense to me. It's the unspent grants with conditions, which is the \$9.7 million.

Mr BRAXTON-SMITH - That we will give you a breakdown of.

CHAIR - That's what I'm asking for.

Mr BRAXTON-SMITH - As I described, it's those projects, but we'll get you a full breakdown with the amount at 30 June.

CHAIR - You also mentioned your human information resource system. We know that Health has been working on one of these things for a very long time and it's very expensive, I might say. Because it's all become so hard, it's been transferred to DPAC. I'm interested in why Metro has gone off and done their own when we're spending all this money on it.

Mr BRAXTON-SMITH - Very different set of requirements, Chair, if I can respectfully say. The requirements for Health are very different to what we require in order to manage our human resources. The system that we have in place currently is past end of life. It is one of the things we've discovered we need this new system sooner rather than later to help us with our

management of recruitment and retention. It gives you the capabilities to do that systematically, particularly with training and skills development. We have purchased an off-the-shelf product that is in very common use that requires configuration, no customisation - which is the challenge with health systems. They always end up with what's known as non-recurring engineering. People who do software programming for a life trying to convert a set of business requirements into a software solution that actually performs the functions that the agency requires. We're not going near any of that.

CHAIR - The cost of that will be including the information you give us with regard to the grants.

Ms COOPER - Yes.

Mr BRAXTON-SMITH - It will.

Mr ABETZ - In relation to patronage, I've been provided with some figures, 2018-19 and I'll round these figures off 8,500,000, 2019-20 -

Ms O'CONNOR - Hang on. Eight million, five hundred trips.

Mr BRAXTON-SMITH - Eight point five million.

Mr ABETZ - First boardings patronage.

Ms O'CONNOR - So 8.5 million first boardings in 2018?

Mr ABETZ - Yes. In 2019-20, 7.3 million; 2020-21, 6.8 million; 2021-22, 6.9 million; 2022-23, 6.9 million; and 2023-24, 6.8 million. We can provide the full figures on notice.

Ms O'CONNOR - It has really plateaued at a certain level, hasn't it?

CHAIR - Lifestyle.

Ms THOMAS - I want to follow up on the infrastructure. This might be a bit cheeky, but I'll risk it. If TT-Line can be expected as a passenger transport service to build a wharf, minister, perhaps it's not unreasonable for the government to expect Metro, as the major public transport provider in the south, to build bus stop infrastructure. To contract and resource Metro to do this, deliver this infrastructure to ensure there is disability compliance across the state. Is this something that you have considered to ensure bus stop infrastructure, particularly in the south, is consistently delivered and meets disability access requirements?

Mr ABETZ - Look, in relation to the first part of your question, no. The second part, the importance of disability access, most definitely. The Tasmanian disability sector has a great champion in minister Palmer who pursues these matters with vigour, but the actual policy situation is something happy to turn my mind to, but there would be, I would have thought, substantial costs involved. We would then have to get all the local mayors to agree as well.

Ms THOMAS - I'm pretty sure they'd be happy with that.

PUBLIC

Ms O'CONNOR - They agreed with your DAPs legislation. They thought that was terrible, all 29 councils.

Ms THOMAS - I'm pretty sure that'd be quite happy for DSG to contract Metro to deliver that. Whether Metro would be happy might be another question. You mentioned - and then I'll leave this issue alone - the road management act review being the issue of infrastructure and asset ownership being considered as part of that review. I note feedback on the initial discussion paper closed in November 2023, a year ago. Where is that process at? You're not sure?

Unknown - Don't know about that, I'm sorry. That's a department one.

Ms THOMAS - Take it on notice?

Mr ABETZ - Yeah, that's a Department of State Growth issue, but happy to take it on notice and see if State Growth can assist.

Ms THOMAS - Thank you.

Ms O'CONNOR - Thank you. Is Metro Tasmania required to be a child-safe organisation?

Ms COOPER - There's classifications. Sorry, am I jumping in?

Mr BRAXTON-SMITH - No, no.

Ms COOPER - Yes, is a short summary, but we're not a reportable - I think is the classification that we don't have to do. There's two layers as I understand it going on memory from the training I did, albeit a few months ago now. Yes, we do have and our staff have undergone the appropriate training.

Ms O'CONNOR - It's a statutory framework that's coming into place. Would Metro drivers as a matter of course have working with vulnerable people registration?

Ms COOPER - Yes, they're required to.

Ms O'CONNOR - They're all required to?

Ms COOPER - Yes.

Ms O'CONNOR - Okay, thanks. Does Metro have a system to make sure young and potentially vulnerable students who don't have a parent with them are in view of the driver? How does Metro accommodate for those kids?

Ms COOPER - The driver is driving the bus and that's where their attention focuses. Obviously, they're aware of what goes on behind them to a point, but really their safety focus is trying to ensure they're driving safely. If the children would like to raise anything with the driver, they can take it. They can obviously take the feedback on board, but the driver is really, focusing on driving for the majority of their journey. If the children choose to or would like to sit near the driver, there are seats available for them to do so, but at the same time, they've also got the option to sit where they would like. We don't force seat anybody on the buses.

Ms O'CONNOR - We used to have bus monitors when we were kids. That kept us all in check.

CHAIR - Didn't help.

Ms O'CONNOR - On our bus. Do Metro drivers receive any specific training or is there any kind of learning module to help deal with students generally, but school age students and particularly the younger kids?

Ms COOPER - Would you like me to?

Mr BRAXTON-SMITH - Mhm.

Ms O'CONNOR - I mean, this could deal with some of the antisocial behaviours as well potentially, but it's a unique cohort of vulnerabilities that are being transported by Metro every day and thank you for looking after the kids.

Ms COOPER - No, no, that's all good. We're very happy to and our drivers do a great job. We provide a range of training for our drivers. Obviously, there's the technical training of driving, but from a soft skill point of view, this year we've rolled out positive workplace behaviour training which 156 of our staff have done. That's about behaviours, et cetera, for their modelling. There has been 103 of our staff completed their online respect training and we've also done some resilience training. There is another bit of training that drivers are going through - I'm trying to think of the term of how I put it, but it's almost it is that sort of positive behaviour training. This includes how to interact or what's the requirements for, under working with children. We do a module that covers code of conduct, and a few of what I would call compliance training activities, but how to engage with people, in that sense.

Ms O'CONNOR - On one of the Metro buses, if there is, for example, an antisocial incident or a fight on a bus on the way to school, what is the communication between Metro and the school, in order to deal with some of that antisocial behaviour as it happens? Is there a requirement sometimes to hand over footage? How does this work?

Ms COOPER - It's a very broad question. It probably depends a little on the incident that takes place. Sometimes the drivers, if they are familiar with the children, might address it and have a conversation themselves as far as asking people to stop or, you know, to separate. Sometimes it might require escalation, and it might be that they report it through what we call a bus operator report that the bus operators can complete to report any incidents that take place. We have a process and a workflow which that goes through across the business that might be addressed. It might be that we need to address something with the school, it might be that we need to engage the police, or that we have one of our customer experience team or customer service team respond, if need be. It does depend on the circumstance.

Ms O'CONNOR - Have there been any examples in recent years of an incident on a bus causing an issue for the driver and an accident? To me, that's the kind of extension of risk, in some ways, that you have such strife on a bus that it affects the driver and -

Ms COOPER - I couldn't say 100 per cent, because I haven't read every report that comes through. Nothing comes immediately to my mind, in my tenure.

Mr BRAXTON-SMITH - You would imagine that it would be raised, because it would be one of those exceptional circumstances.

Ms O'CONNOR - You would think so.

Ms COOPER - Nothing immediately comes to mind.

Ms O'CONNOR - Do Metro drivers have sort of de-escalation skills or training in that regard?

Ms COOPER - We do. We do de-escalation and resilience in the workplace training. We did another training program last year. Obviously, for us, these started in the customer experience and how to self-manage, then also how to roll it out, and we're in the process of rolling that out across our staff. Yeah, 156 are doing that now?

Mr BRAXTON-SMITH - Since December 2023, de-escalation training has been delivered to 433 frontline staff. It is kind of a live issue.

Ms O'CONNOR - Bring them up here to the House of Assembly, which on a daily basis is a bit of a rabble. Oh, sorry, minister. Sorry, I forgot you were here.

Mr ABETZ - I've been told it's required in the Legislative Council in recent times. Only in recent times. Since May.

Ms COOPER - If I can move to respond, I have the data you asked for on the breakdown for grant funding, if you'd like that now.

The grant summary as at 30 June 2024 (round figures):

- Ticketing implementation about \$1 million.
- Intelligent Transport Systems, which is what we call our IT system, is about \$1.2 million.
- HASTUS, our rostering and networking system, is \$1.5 million.
- Security screens are circa \$2 million.
- Nothing left remaining on the battery electric buses.
- Hydrogen electric buses are sitting at \$3.8 million.
- Which gives you the total of \$9.7 million.

CHAIR - That doesn't account for the other three-something of grants. That was the tied grants. Then there's the \$3 million in grant income on page 38.

Ms COOPER - Grant money - money that has been received from the grant but not yet spent, but it has to be spent in line with the relevant deeds. On page 38, sorry. I'm trying to find where you're referring to.

CHAIR - Under note (b).

PUBLIC

Mr BRAXTON-SMITH - Grant income. Yes, this is revenue received during the year - \$3 million versus \$422,000?

We'll take that on notice. I think I know what it is.

CHAIR - You might know this right away, but the equity contribution that was made in 2024 was \$3,268,000. What was that for?

Ms COOPER - I need to confirm it, but I'm pretty sure that's for zero-emission buses, because it's a combination of grant and equity.

CHAIR - To some of the other workforce matters - on page 13 of the annual report you talk about the gender mix and your average age of the workforce, as well as a few other measures. I'm interested in what the gender pay gap is in Metro.

Ms COOPER - I will need to take on notice to get you the exact number, at the moment. That's primarily due to today being payroll day, so they've locked the system down to get that processed. What I can say is that the majority of our employees are paid under enterprise agreements, and all bus drivers are assigned to rosters. This means the allocation of hours is consistently applied to meet customer demand, but it also supports a fair division of overtime and other premium pay, or penalties, et cetera, which obviously contribute to a gender gap. To get you the actual number, I will need to come back to you and confirm.

CHAIR - It would be really helpful if you made a commitment to reporting it along with this other data every year in your annual report. Then I won't have to ask every year of every GBE, except for TasNetworks, because they do it. They've been doing it for a few years now.

Ms O'CONNOR - Since you first started asking the question.

CHAIR - That's why they got onto it. I'll keep going, keep asking.

Ms THOMAS - I'm interested in Metro's contract with DSG. My understanding is the last service contract was signed in June 2022. Is that right?

Ms COOPER - We've done an extension since then.

Ms THOMAS - When does it expire?

Ms COOPER - I think it is December 2029, or is it June? It's in 2029. I thought it was New Year's Eve, December 29 - I remember thinking it was a challenging date.

Ms THOMAS - It looks like the service contract has gone down by \$2.89 million from 2023 to 2024.

Ms COOPER - Are you referring to revenue paid to Metro?

Ms THOMAS - Yes. Is that right?

Mr BRAXTON-SMITH - Which page are we on?

Ms THOMAS - I am on page 38 where it says 'Passenger transport operations - service contracts' and the amount for 2024 is \$54,219,000. In 2023 it was \$57,113,000 - so a drop of \$2.89 million. Does that reflect that Metro is required by the department to run less services, operate differently? My expectation would be that costs are increasing to run services, so when contract cost goes down, that would have an impact.

Mr BRAXTON-SMITH - You're very correct. Costs are increasing with cost pressure on inflation. There is a mechanism in the service contract with DSG that enables them to adjust for any services that are not operated. The reason for that movement is because of the temporary service adjustment. There is a deduction for each trip not operated, whether it's planned or unplanned event.

Ms THOMAS - Okay. That makes sense.

Ms LOVELL - EBA negotiations are underway at the moment for drivers. There's been some media coverage of that recently. Can you provide an update on those negotiations?

Mr ABETZ - With Metro, there are three EBAs in operation. One has been finalised. That's for the administrative staff. The engineers voted up an agreement.

Ms COOPER - As of 5 o'clock yesterday.

Mr ABETZ - The results were known. Two out of three have now been delivered. Then there's the third one, where I think discussions are taking place this afternoon.

Mr BRAXTON-SMITH - They are. The parties are continuing fruitful negotiations. We've put a revised position to the representatives of our workforce, and I believe that their discussions - I'm not quite sure if they've wrapped up or not, but our teams are having what we hope will be fruitful conversations about coming to an agreement on their future terms and conditions.

Ms LOVELL - Are you able to outline for the committee what percentage pay increase senior executives received this year?

Mr BRAXTON-SMITH - That was a 3 per cent increase.

Ms LOVELL - Across the board?

Mr BRAXTON-SMITH - Correct.

Ms LOVELL - In the budget on the 12 September this year, there was a provision of \$14.1 million for Metro to address recruitment and retention issues. It was just a day prior to that that the administrative employees, EBA, was put out to vote. I understand that was accepted and has been finalised. Will any of that \$14.1 million flow through to admin employees?

Mr BRAXTON-SMITH - So, reference earlier in today's scrutiny was made to the temporary pay increase, which was funded by government last year. That is the continuation of that funding which is specifically directed to bus drivers and funds the ongoing 10 per cent increase for them.

Ms LOVELL - Thank you.

Ms THOMAS - I have some questions about the transit officers. I know you mentioned earlier that incorporated into the measures to address antisocial behaviour is Metro police, which Metro has engaged for some time, but also the transit officers whom I understand are engaged by DSG. Is that right, rather than Metro directly? So, minister, is it DSG that has a contract with security firms to provide that service from Metro's perspective? Are drivers noticing a difference in behaviour? Is that service making a difference?

Ms COOPER - We're very supportive of anything that is going to help reduce that antisocial behaviour and we think, having Metro's positions, we're very supportive of having the transit officers at the department obviously operating and running. They're operating here and they operate on Metro. They operate on other operators as well and work across the service and we're very supportive. We're encouraged by them being there.

Ms THOMAS - Okay. Do you think - I know I asked some questions during budget Estimates about the powers of those transit officers and I know from speaking with some people in the community and in fact some of the transit officers themselves, that the limitation of powers that they have at the moment is perhaps something that means the service isn't as effective as it could be. I know that the answer given in Estimates was that there is a training package being established before the Transport Commissioner and will be able to grant those powers. Transfer officers will need to go through a training program which hasn't been fully developed or implemented yet. But does Metro see that as necessary to make that service of those transit officers more effective?

Mr BRAXTON-SMITH - Is the question about the granting of powers or the training? So, in terms of the granting of powers, one of the reasons that we asked for this cross-jurisdictional look at what happens in other jurisdictions is to understand if there's an evidence base that would indicate that there are any other alternative settings that would be more effective so we could provide advice to our shareholder minister and the government.

Different jurisdictions have different powers. What you've outlined is a very welcome step towards having more transit officers who are equipped to deal with antisocial behaviour but that is effectively treating the societal symptom and regrettably it doesn't matter how many transit officers the state has, with what powers. Unfortunately, there is sometimes still antisocial behaviour.

Ms THOMAS - Thank you and this may be a question for the minister perhaps more so than Metro, but I wonder if either Metro or the minister has given consideration to, as you say, rightly so it addresses the symptom rather than the cause, whether - I know the member for Hobart mentioned bus monitors were a thing back in the day, whether there's ever been consideration to youth workers or that sort of service or program to be able to support people noting that it's not just young people and it's only a small minority of young people who engage in antisocial behaviour. Let me make that clear. Is that something that's been considered or discussed as an option?

Ms COOPER - Yeah, we have historically engaged with certain youth workers and youth groups. That is something that has been actively done in I would say the hotspot areas.

PUBLIC

Ms THOMAS - But there's no sort of program in place, or is it a matter of ongoing discussions to try to address those behaviours in those hotspots rather than any particular program or investment that you see being necessary?

Ms COOPER - We are working with youth workers or PCYCs or varying areas and have engaged with them around best approaches and other avenues of trying to curb their behaviour. We've been - I mean we haven't done it in the last year obviously with the shortages, but we had a really active school program which we use Jack the Jumper as a bit of a mascot to break into that young kids' area because, as exciting as I am, I don't think they're going to listen to me. It was trying to bring in what we called 'the golden rules' of travelling on a bus. We're trying to and have had a multi layered approach trying to target antisocial behaviour, but your statement is right, Bec, it's not just kids. It is not just youth.

Mr BRAXTON-SMITH - Yes and it's not just on public transport generally. There are other locations where this behaviour occurs as well.

Ms THOMAS - Yes, which is why, sad as it might be, these powers of transit officers and I don't know if you have any further to add on that minister, any further updates since Estimates?

Mr ABETZ - Look, no, I don't other than the training - where was it in the package? I'm just having a look at the date, I think, on this 18 November. The package is currently being developed which is based on powers available, learnings from the southern based pilot and engagement with other Australian jurisdictions with similar factions.

Ms COOPER - Not on that. I just have an answer for an earlier question when you're ready.

CHAIR - Is this question on this point, Cassy, yours?

Ms O'CONNOR - No.

CHAIR - Okay, we'll go to that.

Ms COOPER - I can just say I've just been advised as to your question about the \$3 million grant revenue. So if I can give you again round figures for that. \$1 million was of the hydrogen electric bus trials, \$1.1 million was for Hastis, which is the network planning system, ITS is \$750 and the battery electric is \$250,000 - sorry, ITS is \$750,000 not a million and the \$2 million was for bus driver wage increases. It was recognised under other income and not paid as a grant deed.

CHAIR - Okay and the equity - oh, we talked about that, didn't we? Yes, sorry.

Ms COOPER - Yes, that's okay.

CHAIR - Just on some of those they appear in both lists, so you need to total.

Mr BRAXTON-SMITH - There's a mix of funding on each of those.

Ms COOPER - It would depend on where it is, whether it would be expensive or not. Where is it? Where does it fit in the actual timing?

Mr BRAXTON-SMITH - The magic of accounting.

Ms O'CONNOR - So, while the rest of the country is electrifying their fleets, we're still engaged in trials here in Tasmania.

CHAIR - We've got some hydro buses in the shed somewhere.

Ms O'CONNOR - There are apparently, and apparently there are some buses sitting somewhere that are waiting for hydrogen fuel.

Ms COOPER - That's right, yes.

Ms O'CONNOR - Which sort of points to the way we do things here, but isn't it a fact that those buses which have been built to run on hydrogen could also have an electric battery put in them and be used.

Mr BRAXTON-SMITH - If I can clarify, the three hydrogen buses that we have do have batteries as well. They are what you would call backup power. They, on the manufacturer's advice, can potentially operate the bus for up to 100 kilometres that would be in ideal motoring conditions, but it is intended as a backup. It is not the manufacturer's recommendation that they are run regularly on the batteries any more than a backup that you have on your family car, like a run flat tyre, would be a means to continue to drive until such a time simply to get you home and that is the purpose of the batteries.

Ms O'CONNOR - When are we expecting hydrogen fuel to arrive here? From where to run the buses?

Mr BRAXTON-SMITH - I might start this one if that's alright, minister, and then Katie might want to fill in some more details as to where we're currently at. The original agreement for the piloting of the hydrogen buses; it was clearly established that the responsibility for the supply of the hydrogen would be managed by ReCFIT and they have engaged with the CRC Blue Economy. Have I got that right?

Ms COOPER - Blue Economy CRC.

Mr BRAXTON-SMITH - Blue Economy CRC, which has the responsibility for building the hydrogen fuel generating cells, so they are the supplier of the hydrogen.

Our responsibility is to fit one of our depots, a satellite depot in Mornington, with the storage facilities and refuelling facilities. The program for the delivery of that infrastructure is on schedule and I think we've just reached practical completion.

Ms O'CONNOR - Okay.

Mr BRAXTON-SMITH - We have, as I understand it, a slight delay in the hydrogen supply, but it is near -

PUBLIC

Ms O'CONNOR - Where's it coming from, do we know?

Mr BRAXTON-SMITH - Where physically?

Ms COOPER - The generation, I'm not sure how much of it's commercial in confidence, but we've a supply agreement just about finalised with Blue Economy who will be generating hydrogen here. I'm not sure I can -

Ms O'CONNOR - On the island?

Ms COOPER - Yes in Hobart.

Ms O'CONNOR - Okay.

Ms COOPER - I'm just not sure how public it is to say where.

Ms O'CONNOR - Well, obviously -

Mr ABETZ - We'll take it on notice and what we can say, we will.

Ms O'CONNOR - Thanks for that, but I'm not quite finished. The question is, we've so publicly invested in new hydrogen equipped buses. They're sitting somewhere waiting for fuel. What is the time frame on having those hydrogen trial buses on the road? Stepping back from that and having a look at what the rest of the country is doing, what is the time frame for a modern electrified or hydrogen run fleet?

Mr BRAXTON-SMITH - Well, you can answer the question -

Ms O'CONNOR - The first one's easier, probably.

Mr BRAXTON-SMITH - You can answer the first one and I'll answer the second one about electric buses and zero-emission transitions.

Ms O'CONNOR - You don't need to give away any commercial-in-confidence information.

Ms COOPER - No, that's all right.

Ms O'CONNOR - We're just looking for time frames here.

Ms COOPER - From Metro's perspective, we're really well advanced. As was outlined earlier, we have a refueller commissioned and practical completion. We've had the buses arrive, which is great. That's, they need to be here to start the trial and we're hopeful it will be in the first quarter of next year. That will depend on when Blue Economy's CRC equipment is finished commissioning and hydrolysed. It's being installed as we speak. It's physically here and it's got tubes and hoses and all those lovely gadgets with it, but it has not yet been commissioned. We're waiting to hear - get their advice on when that would be. I am anticipating first quarter of next year, but that will be dependent upon them.

Ms O'CONNOR - Okay and where were the hydrogen buses manufactured?

Ms COOPER - They've been brought in from China. They have a company called Foton who do hydrogen buses in a number of places.

Ms O'CONNOR - We hear there was local businesses who worked on the 100 electric buses as I understand it. Is that not correct?

Mr BRAXTON-SMITH - No. To clarify, the most recent conventional diesel fleet was delivered by a company by the name of BusTech working with Elphinstone Tasmania. The battery or the electric buses are supplied from a supplier in New South Wales called Custom Denning. They're an Australian manufacturer of electric buses.

Ms O'CONNOR - Yes.

Mr BRAXTON-SMITH - The model we have is what's known as the Element 2 model, not surprisingly the second-generation model. We are one of the early customers for it along with Canberra and New South Wales. In terms of rollouts, the most ambitious rollout to your previous question was, is in New South Wales, my former jurisdiction. That rollout is scheduled to occur over a long period of time because they're talking about 8000 buses. They will not get there until well into the 2040s. I know publicly declared positions by elected members when it was first announced were much more ambitious.

Ms O'CONNOR - What a surprise, probably the same here.

Mr BRAXTON-SMITH - Yes, but the reality of it is you need both the buses, but you need the electricity infrastructure. The electricity infrastructure in a depot actually generally consumes a little bit more space, which can be problematic. It's reliant on having sufficient quantity of bulk power supply in a location nearby. The learning in the industry generally is that when you're ready to scale up, you need to start talking early to the electricity distributors and the electricity generators. This is so they can make arrangements to go through the design work to install a substation that's got the capacity and to put the infrastructure into the depot. From experience that we've heard elsewhere, the lead times for that typically with an electricity supplier are two years plus. You would be seen to be doing well from the point you kind of decide.

Now, at the moment what we're doing with the battery electric buses, which is precisely why we brought them in, is it gives us the opportunity to trial them in service here because they have different operating requirements and characteristics. Generally, you need to think a little bit more carefully about how you would manage the rollout of an electric fleet across a geography. Particularly Hobart, if you look at our network, we have one large central depot, which is in Moonah, whereas typically when you're looking for a rollout of electric, you want smaller, more-distributed depots. We have to think our way through that, but we need to understand their performance characteristics and how they affect us as a business and its operations, because there will come a time when government makes a call where we're all confident that we've got the data about what it means for Tasmania that we will need to have a sensible, structured conversation about the rollout of it, but also the commercial impacts. There will be a different profile for the investment that's needed upfront in both the buses and the depot infrastructure. It will change the operating cost profile of the buses. We need all of that data for our business because there is no established set of benchmarks either in Australia or globally for the long-run cost of operating an electric fleet.

PUBLIC

Ms O'CONNOR - Have there been any preliminary conversations with TasNetworks? Would it be TasNetworks?

CHAIR - For TasNetworks you'd need to have a discussion with -

Ms COOPER - They're familiar with the trial that we're doing. Our zero-emission bus team did the initial study before we commenced and I'm pretty sure they were involved at that stage because we needed the data from them to go through that. We're at the operational trial to determine what is the right methodology and they absolutely will need to be in the tent, so to speak, to go through that.

Ms O'CONNOR - This government has actually been pretty good on ferries. I was certainly talking about them and starting to get the infrastructure.

Mr ABETZ - Take a note of this.

Ms O'CONNOR - You have to give credit where it's due. There's been some catalytic moves towards having a bigger ferry network. Is Metro involved in that in any way at all? The original idea would be there was an integrated system and Metro was part of it.

Ms COOPER - We're not an operator of ferries. We engage with the department in that they tell us what they're doing, but we're not managing that.

Mr BRAXTON-SMITH - To your point about integrated network, we advocate and I think we've expressed a view that ferries are our friends because, if they can get customers across the waters quicker to our doorstep, as long as there's a bus stop there with an accessible bus stop.

Ms O'CONNOR - At each end.

Mr BRAXTON-SMITH - At each end, and we're operating services there, then it's good for public transport in Tasmania.

Ms THOMAS - The wharfs aren't built yet and no-one knows who owns them yet.

CHAIR - Can I do a bit more stargazing as well?

Ms COOPER - Sorry, Chair, if you'd like I have just been given a note on that further question if it's appropriate. We've had it checked, Cassy, they have actually got it advertised on their website. I can tell you who it is because clearly, it's not commercial in confidence, but it's with BOC in Lutana.

Ms O'CONNOR - Which would produce the hydrogen in cooperation with the Blue Economy CRC people.

Ms COOPER - Correct.

Ms O'CONNOR - Great, thank you.

CHAIR - Following on from the future, with regard to the environmental, social and governance [ESG] concerns and sustainability of reporting, this is going to become a requirement if it isn't already. I'm not sure what round you're in going into it, but how are you going to adapt and respond to these new requirements? What additional shifts in the future or in consumer preferences towards sustainability, how will that impact you as a business?

Mr BRAXTON-SMITH - If we're talking about ESG reporting requirements and legislation.

CHAIR - Sustainability reporting.

Mr BRAXTON-SMITH - The board and management spent some time earlier this year, organised by Katie and the team, with quite an engaged conversation, some initial training and awareness for us as a board and leadership team as to what the new ESG requirements look like. That predates the finalisation of the legislation. The legislation has since been finalised and it is one of the chief executive's KPIs in this financial year that the board has set to develop the framework for board approval. We are taking a measured and systematic approach to it. I'm sure Katie will be able to tell you more. If she's not yet started her homework, it's because she's been focused on other KPIs.

Ms COOPER - It's started, in fact. I'm working on this with our GM finance. We've currently had some proposals coming to get some specialist advice and we're just working through that to develop the road map. We are timing, we're in Group 2, so, our timing for reporting is a little bit further out than immediate, because of where we're at. We do currently comply with the standard EPA environmental reporting that we do every October, and that's all been in place for a long time. But the new rules, we're in the next tranche, not the first, but we're preparing for it now. So, we're ready to go.

CHAIR - Will it have much financial impact on the business? The requirements around that?

Ms COOPER - Not sure at this stage. It's a little bit too early to answer that at the moment.

CHAIR - Sure. Into the future, this is a little bit further than looking in the hydrogen bus in the shed. But, ultimately, we're going to be looking toward fully autonomous buses at some stage. I don't like when you look like that in your face, because, about 10 years ago, when I asked TasNetworks across the table - it might be a bit longer - but when the old building that's been knocked down. Anyway. I asked them about where they thought the future of batteries were and how they were planning for the need to strengthen their networks to respond to that. And they told me it was so far off to the future, what's the point of worrying about it. So, that's why I don't want you to look like that.

Mr BRAXTON-SMITH - My apologies. I've never been very good at poker face.

The reason for my reaction was because, in 2015, when I was a deputy secretary of Transport for New South Wales, the then minister assigned me the accountability of coming up with the future transport technology road map inclusive of autonomous public transport, because at the time it was being forecast boldly that by 2025 there would be autonomous vehicles on the network.

CHAIR - Well there are in some parts of the world.

Mr BRAXTON-SMITH - There are. In fact, I've had pleasure of riding on them. In fact, in Adelaide we organised a bunch of trials with them as well through South Australia. They are generally low-speed vehicles in contained environments and with a supervisor on board who intervenes when the autonomous vehicle does something not expected.

In the longer term, it may well be something that government needs to turn its mind to. It would be - within this jurisdiction, I would suggest - an agency responsibility as opposed to necessarily the operator responsibility at this early stage. Generally, this is what's happening around Australia. It is still very much around policy and particularly at the moment.

I don't want to speak on behalf of transport ministers and ITAM [IT asset management], but I'm aware from my time as a secretary that, even back in the day, there was a very energised conversation with a National Transport Commission with the objective of trying to get a uniform or consistent national framework to be established to enable the regulation of autonomous vehicles as they come into Australia. Particularly, I think the model, without speaking out of school, or disclosing confidentialities, is that in principle you would want a national regulator that has national vehicle standards, but then each jurisdiction would regulate and manage their introduction in a consistent manner.

That's kind of the level in which the conversation is currently had. Whilst operators like ourselves are staying very focused on the more here and now. Hopefully that gives you the answer, Chair, that explains my initial reaction.

Mr ABETZ - I can indicate that work is being done nationally. The DSG, the Department of State Growth, is part of that and trying to get an agreed regulatory framework for autonomous vehicles. So, that is underway.

Ms O'CONNOR - A very carefully thought out one.

CHAIR - How is Metro preparing for any other technological or industry-specific disruptions that could alter your competitive landscape? Not autonomous vehicles at this point. What is the capacity within Metro to respond to these sort of things, including do you have a comprehensive road map for digital transformation?

Mr BRAXTON-SMITH - If I could have first crack at that. The preparations that are being made for Metro at the moment are very much around making us what you might call, to use an oft-used phrase, 'future ready'. So, with the implementation of the new ticketing system, the introduction of the technology on board buses, what's known as 'telematics', to enable us to track the bus in real time, which will provide information to customers, but also provides information to operator.

The installation of HASTUS, which is a software program that helps you to manage bus fleets and manage them in agile - excuse me for using that word. Those three things together actually give a bus operator quite some capacity as technology develops. The thing that there's been some experimentation with on demand transport as in you dispense with a fixed network and fixed stops, you can get it at your nearest corner in the industry. That has not produced the results that were expected. We've just monitored those because frankly as a smaller operator

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and a smaller jurisdiction, we do not have the funds or the management resource and bandwidth to be out there on the bleeding edge.

We would rather be followers and considered followers of when trends emerge. On demands is kind of off to the side. The thing that particularly has been talked about in the industry is dynamic timetabling and responsive timetabling. The concept that you could have a slightly different timetable and manage it dynamically in accordance with changes in certain conditions, not only school terms, but peak hour versus off peak.

At the moment, we've a system which is beyond our capacity to say in the peak we'll run a timetable that's got a bit more time in it and in the off peak, we'll run a timetable that's tighter because that way we make efficient use of our bus resources and stick to time. That is -

CHAIR - You're working, when you say out of time, are you working on this?

Mr BRAXTON-SMITH - Well, we're working on what I would say are the building blocks and we're watching what happens in other jurisdictions to see how they go so we can follow them at a considered pace.

CHAIR - Are you confident you've got adequate cyber security dealing with these new systems which could completely disrupt everything if someone gets in and hacks it?

Mr BRAXTON-SMITH - Confidence is a very strong word in cyber security. I would prefer to say we are seeking and receiving assurance we are managing cyber security in relation to the standards expected, given our risk environment. Using what's known in shorthand sometimes as the essential 8, but we are constantly aware. The question is regularly asked at board level because it's very much on everyone's radar.

Ms COOPER - If I can expand on that slightly, part of your question was also do we have a road map. One of the things we have is an IT road map and a digital road map of what are we doing and what do we need to do to build those building blocks. We do have that in place.

CHAIR - We might wrap it up because we've got another one to get to. Thank you for your time and your team there, minister. We'll write to you with those questions on notice.

Mr ABETZ - Thank you very much.

The witnesses withdrew.

The committee suspended at 3.47 p.m.