

**THE LEGISLATIVE COUNCIL GOVERNMENT ADMINISTRATION B
COMMITTEE MET IN COMMITTEE ROOM 2, PARLIAMENT HOUSE, HOBART
ON FRIDAY 16 NOVEMBER 2012.**

INTEGRATED TRANSPORT OPTIONS

Mr NORM McILFATRICK, SECRETARY, WAS RECALLED, AND **Mr JAMES VERRIER**, ASSISTANT DIRECTOR, PASSENGER TRANSPORT POLICY AND **Mr PETER KRUUP** WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

CHAIR (Ms Taylor) - Welcome, gentlemen. I remind you that all evidence taken at this hearing is protected by parliamentary privilege. Any comments you make outside this hearing may not be afforded that protection. The evidence you present is being recorded and the *Hansard* version will be published on the committee website when it becomes available. Norm, would you like to start?

Mr McILFATRICK - I will make some opening statements. I gather it is a bit more into light rail but we may go other places. Maybe I did not make it clear last time that the removal of the freight hub from Hobart to Brighton provides a very important potential public transport corridor for the northern suburbs. That is without doubt. It is imperative that we protect this corridor and continuously evaluate the options for its use. That could be light rail or bus transport, but at the moment light rail is the focus.

CHAIR - Norm, does that extend all the way?

Mr McILFATRICK - Certainly to Granton and Brighton.

CHAIR - Sorry, I meant in the other direction - how far into Hobart? A bill just passed the lower House talking about remediation of the railway site.

Mr McILFATRICK - There would be no impediment currently going all the way, apart from there being an ice rink right at the end - but that seems a not immovable object. I think the corridor is a very important one - one we could never replicate. As public servants and members of parliament, we are charged with a duty to ensure public funds are spent in a manner that provides public value and needs to be assessed against alternative expenditure options.

In the case of light rail, while it is passionately supported, we are still a little distance away from a business case we could present. The work is not finished - and we will talk a little bit about the peer review later - but it is a significant capital expenditure. It is around \$90 million and our estimates are that it is between \$11 million to \$13 million per annum to support and operate the venture. If you compare that, it is one-and-a-half-times the asset value of Metro Tasmania, if we were to invest in it. I am trying to give you some context. It would be required to recover operating costs, which would represent approximately 50 per cent of the total rate base of the Glenorchy City Council. The investment will be sufficient to replace the entire Metro bus fleet and it could build

three new high schools in Tasmania. I am not saying we should not do it; I just think we have to put that in context. I expect it to be scrutinised every year by both Houses of parliament, to the value of -

Ms RATTRAY - Is that absolute truth - by both Houses?

Laughter.

Mr McILFATRICK - Yes, I get scrutinised every year.

Ms RATTRAY - You enjoy both houses.

Mr McILFATRICK - I have been on the record before. I think the upper House scrutiny is by far the most in depth, particularly going to the hub of the issue - but that is probably off the record. It probably can't be off the record.

CHAIR - No, I am afraid not.

Laughter.

Mr McILFATRICK - There, I have said it publicly now.

Therefore, you expect that I will be giving you evidence about return on investment by the department. So I need to make sure we have a sound business case and we will do that.

There have been some contributions into this debate that suggest that Infrastructure Australia has its cheque book ready and that, somehow, like manna from heaven, this free money will appear for the state. Those people know better. The simple truth is that my father straightened me out as a six-year-old when I thought money grew on trees. It doesn't. This money, if it is given to Tasmania and we put up a business case, will be as the alternative to other projects. The grants commission will discount that money. It has to be stacked up. That is why we referred it back.

I do not want to go too much further but we will come to the business case. As we progress, I want to put it on public record that some of the statements made in submissions to this review have gone to the integrity of my team at DIER. The project manager, Peter Kruup, in particular, has been a target for criticism which has, at times, been close to questioning his integrity and honesty. I have known Peter for 20 years - not all in transport. Let me say that I have never met a more diligent or ethical person. If you want to test him on his interest in public transport, you can ask him when the next bus might be leaving from Moonah or Brighton or anywhere else.

Laughter.

Mr McILFATRICK - So I think we have to take playing the man rather than playing the ball out of this equation. I have been offended by some of the comments that have been made in this debate. Public servants are not generally unethical and, if they are, there is a commission to look at it.

CHAIR - Thank you, that is good. You have raised a couple of issues. I am conscious of the fact that Vanessa needs to leave us first.

Dr GOODWIN - I can stay until 9.30 a.m. I have another committee.

Mr McILFATRICK - I have had my bit.

CHAIR - You have mentioned a number of things publicly, Norm. One of the things that has interested us, as you say from the record, is the Infrastructure Australia comments that have been made. We are speaking later today, via teleconference, to someone with Infrastructure Australia. One of the things that was raised, as you say, by Bob Brown and Anna Reynolds, was that the applications that were made to Infrastructure Australia last year have not been made public - the state's applications for funding. Can they be made public? We would really like that.

Mr McILFATRICK - I can't be sure where they are but certainly I will look at that.

Mr VERRIER - They are on the website.

Mr McILFATRICK - This year's and last year's?

CHAIR - I think last year's were there but this year's were not.

Mr VERRIER - Our IA submissions are there because I printed a couple off.

CHAIR - Of the previous year?

Dr GOODWIN - The current ones are certainly available - I do not know whether they are public but we have had them circulated to us in our parliamentary system.

Mr McILFATRICK - Let me talk a little bit about Infrastructure Australia.

CHAIR - Yes.

Mr McILFATRICK - It is an advisory board. Obviously, it does not have funding in its own right. Most recently, they have focused on nationally significant productivity-based projects. They have sort of set a reference for us that says any project around \$100 million plus will need to go to Infrastructure Australia. This one is right at the cusp of that. If it passes the Infrastructure Australia business proposal phase, then it can be referred to the infrastructure department. So we can have two bites at the cherry, if you like. The funding sits with the Department of Infrastructure, the federal department, which we deal with every day for everything from rail through to roads and other infrastructure. It was submitted and Infrastructure Australia looks at things about other projects of interest. Are they then projects that have been significantly developed towards almost shovel-ready and then are they supportable in terms of would they recommend.

We have different projects in Infrastructure Australia at different levels. Because we were at a feasibility study stage, not a fully developed business case stage, it is an early submission for them, if you think about other projects that we have on, like the

Bridgewater Bridge. We were funded to spend about \$3 million on the feasibility and to get it to a business case level. We now have money from the federal government to acquire the land and we are seeking another \$30 million to do the detailed business development. But that means the Bridgewater Bridge is, not certainly, but very likely to be built at some time in the five to 10 years because we are in that.

But we are not there with the light rail yet because we do not yet have a feasible business case that we can put forward to them. For instance, the next phase might be to seek detailed planning money from the Department of Infrastructure to plan their position or planning for the final result.

We have an opportunity in the way Infrastructure Australia and the federal government are working at the moment under their MB2. They are saying that active transport project they want to see put forward, not on a five-year basis but an annual basis and they want to see detailed submissions on those by post-May 2013. We have another window which is to go into the active transport proposals to the federal government in mid next year, whereas the big infrastructure project, like the Bridgewater Bridge et cetera need to be factored into that for the 2014 to 2019 period. There have been different ways that we are approaching the department.

CHAIR - That is one of the reasons why we have asked if we can speak to Infrastructure Australia because we do not understand the difference.

Mr McILFATRICK - They have four levels and we did have success with one project that we submitted in our last two rounds to Infrastructure Australia, last year and this year, and that was the railyards project and the Hobart gateway project which said, here is a piece of soon to be dormant land sitting right in the gateway for shipping, tourism, the Antarctic and for the future development of Hobart. They saw that initially as a project of interest and because of the continued submission and dialogue with Infrastructure Australia they recommended to minister Albanese that that should be funded when he asked the question and we received \$50 million.

That project has taken a couple of continuous submissions to get to that stage. I think it did get up the ladder a bit quicker than we thought it would. But having those submissions in there and having Rod Eddington, the Chair of Infrastructure Australia looking at all our projects and then Mike Deegan helped us get that \$50 million over the line.

CHAIR - The suggestions that have been made to us are that the state has not put the rail project forward and that Infrastructure Australia would love to see it coming forward. They are suggestions that have been made to us.

Mr McILFATRICK - One member of the Infrastructure Australia board certainly would. Peter Newman is a very strong advocate of light rail projects. You may have heard from him.

CHAIR - He is one of the people we heard from.

Mr McILFATRICK - One of the feedbacks we had from Michael Deegan was that all of these projects are competitive and we need to look at passenger transport in the northern

suburbs as a whole. The context for light rail should not be seen as a competitor for bus transport in the northern suburbs.

CHAIR - That point has been made here.

Mr McILFATRICK - We are continuing with corridor planning down the Main Road conduit because that will always be a transport transit corridor - how we can improve buses down that corridor and we have been doing work with the Hobart and Glenorchy councils on that. But we need to prove that there is going to be movement of a transport option from light vehicles to the rail or, alternatively, from bus connection to rail. There needs to be a viable, future use of an asset like this. One of the issues we have had is that - I will go to the current business case, and it is being peer reviewed because of the public criticism of some of the aspects of it, so we are currently very close to completing that peer review so I cannot say what the answer would be.

But in any business case it needs to have the parameters that are considered in the same way you would consider other projects. You have to be very ambitious to see this project returning the \$11 million to \$13 million a year in operating because of the numbers. Now, the bus transport that you said was going to substitute all of the bus transport in the northern suburbs, particularly in - I guess - the Claremont inward; I think there are 20 000 to 25 000 passengers on that Main Road network - if they all went to the light rail we would still not have a viable business case. So if the business case peer review is upheld, it shows that there needs to be 90 000 passengers a week on the network at the current investment to make it viable. Once you get below about 30 000 to 38 000 it has a zero business case. Now, with 20 000 to 25 000 on the Metro network it has to be a massive increase in the number of passengers.

The other aspect of the business case is that to get, for instance, all the school children on there, that was discounted out of the business case.

Ms RATTRAY - Why was that?

Mr McILFATRICK - Because it could compromise the true use of the thing as a rapid commuter transport network - not to say you would not have students on there, but it would not be the primary purpose. But if you did have all the students on there, it would not be a \$90 million asset because you would have to have the capacity to take the students. So you are probably talking about more investment. So that as soon as you start to say - this isn't a static asset - if you say, well, we assume we are going to get all the students on there and they are not going to be travelling by bus any more and they are going to walk the 2.8 kilometres in some cases to the train or be connected, it would be a different business. You would have to have more trains at the peaks than you would have now, and we would have to have potentially more redundant assets at the off-peak, so that the business case might not be \$90 million for capital; it might be more like \$150 million.

So just by changing some of those parameters, which what we want to do is to make sure that when we get the peer review, and if the peer review adjusts the model and either endorses the model or adjusts it or says we need a new model, that new model or adjusted model has to be able to factor in all of these things. We have taken a base case and said it needs a lot more people than we think we can get now, but if there is another

case then that is where you are. We are trying to build a case to make sure that we do not build something and hope people will come.

Dr GOODWIN - I was just going to ask you, because of course there has been the ACT election recently and it looks pretty likely that their light rail project will go ahead, and I do not know how far advanced that is, but I was wondering if you are up to speed on what stage they are at, and whether they have had some of these issues.

Mr McILFATRICK - I was in Canberra recently and talked to the people from the ACT. They are keen to build light rail; it is a bold proposition.

Dr GOODWIN - Is that what ours is too, a bold proposition?

Mr McILFATRICK - It is a bold proposition from one aspect. Canberra is a ring-road city. It has had a very good bus transport system - it has never had anything else than buses. What has happened to the patronage on buses in Canberra in the last 20 years? It has dropped by 50 per cent.

Dr GOODWIN - Wow, 50 per cent.

Mr McILFATRICK - And you have declining passenger transport usage, not like Melbourne or Sydney where there is increasing public transport usage; they are looking to build a light rail, but that might be - and their only justification for that - it must be and should be that they will be able to take the light rail to places which are more concentrated in density and they can make connections.

There have been other aspects of presentations here. I have been to cities with great light rail systems - Zurich and Melbourne. Even small cities around the world have good light rail systems, but we are talking about a part of a small city. If you take the collection zone from Glenorchy out to Brighton there would be approximately 61 000 potential customers. To make this case viable, every citizen - man, woman and child - in that catchment area would have to travel on that light rail at least one-and-a-half times a week to make it viable at the current business case. That is the challenge. It is not that we do not want to build a light rail - we do not want to build a light rail and have it costing us \$11 million to \$13 million every year and not enough people using it to make it viable.

Dr GOODWIN - Presumably part of the issue with Hobart is we have a pretty good chunk of our population on the eastern shore.

Mr McILFATRICK - It is hard to get light rail across the Tasman Bridge.

Laughter.

Mr McILFATRICK - Hobart has a difficulty in interconnecting hard infrastructure-type rail. It is easier to conceive the corridor having a public transport system on it but once you get into Hobart, what would you do with it then? It is not very likely that you could extend the light rail network beyond that ribbon, say, right up to Brighton to Hobart and then down to Sandy Bay potentially, but beyond that it gets difficult. We probably wish we still had the tram network in Hobart, but at some stage in the 1950s or around then it became unviable. We all drive over the old tram routes but it is the context of whether

we can make this viable for a population density much less than some of the areas where light rail is successful - some cities with densities of 2 500 to 8 000 people per square kilometre.

Our ratios in this area are around the 900 per square kilometre and further out is down to maybe 100 per square kilometre. Glenorchy is the best case because it has the highest density and the proximities are good, which was why in the initial business case it was to say we are going to see if we are going to make it viable from the 10 kilometre range rather than the 20 kilometres and then see if you then could make that viable, could you extend it rather than starting with something that was going to be unviable from the start.

This is not a finished exercise, but we cannot go forward with a business case that says, 'We hope'. We cannot go forward saying this \$100 million will suddenly appear and we won't have to account for it. Even if we got it free, the business that was operating it, maybe a Metro or a northern light rail corporation would have to account for the depreciation on that. Even if you said we were going to account for the interest on the money, it is going to be \$5 million or \$6 million a year and you need to recover that. It is not feasible to expect that light rail would replace the buses; buses would still be required. This is a marginal benefit in movement of passengers between one public transport means and the other.

It is also not feasible to expect the growth we expect on the Brooker Highway over the next 20 years would be eroded completely by light rail. It would be mitigated, but we are expecting an increase of 13 000 passenger vehicles a day on the Brooker, some of them hopefully with more than one person in them, in the time when we're trying to build a case where the light rail could get that number of people per day to be viable. Even if it got that number of people, it would still mean the Brooker Highway was at the volumes it is today.

Interestingly, one positive thing about the volumes on the Brooker, as Mrs Taylor would know, is that it is one of those roads that is not as 'peaky' as most others. It has good volume all day which means that there is a case where you could see public transport in the Moonah corridor and on the light rail corridor taking some of that traffic some of the time all of the day. Also, the Brooker is an area where there has been - as I have said before - Hobart does not really have a congestion problem. The Brooker is one piece of the network that has, over the last five years, seen a change in travel times. The change has been that there has been an increase in traffic throughout the day rather than a peak. Will it somehow magically take the need to spend when our current Infrastructure Australia submission for the Brooker is around Glenorchy, Elwick Road, Howard Road and the whole interchange there? Would it take the need for spending \$37 million away at that interchange? No. It is going to be needed for freight and the traffic we have now. So, it is not just a substitute, saying we can spend \$90 million here and we won't have to spend it there. It will take some pressure off but in the long term, the Brooker will still be a major conduit.

A major problem is getting people's minds around the fact that public transport is a viable option to the car. I know last time one of the members of the committee tried to convince me that we could just ban cars from Hobart or we could make the ferry service viable by stopping people travelling over the Tasman Bridge. As I might have said at the time, that would be a bold political move.

Mr VALENTINE - You might have a problem with the council too.

Mr McILFATRICK - The next steps are to test the model with a peer review. The peer review is not just a desktop analysis; it is a \$40 000 to \$50 000 worth of work. It isn't just going around and testing a few numbers; it is going back to the basics, talking to the people who were involved initially. I trust ACIL Tasman and I have also worked with AECOM before. They are both very good national consulting firms. They are not going to listen to Peter Kruup telling them to just come up with a model that suits DIER. They are going to come up with a model that meets external scrutiny.

CHAIR - Norm, you have had criticism about the fact it appears that you did not go out to the marketplace to seek widely or advertise in the paper for people to do this peer review. Did you just -

Mr McILFATRICK - There are a certain number of people in Australia who are experts in this. We could advertise in the newspaper, we could go to academia, or we could go to our engineering and other peers that we use every day. We chose to exclude the people that DIER works with every day like Pitt and Sherry or SKM. So that closed them. In choosing to exclude them, we couldn't actually go to the general market but we went to people who were experts in their field.

CHAIR - Okay.

Dr GOODWIN - Can I clarify something, Norm? Did you exclude the University of Tasmania or academics?

Mr McILFATRICK - No, we didn't exclude. We went, as we can and should do under the current Treasury guidelines for anything below \$100 000. We don't generally go to tender because it is not the -

Mr VALENTINE - Special interest.

Mr McILFATRICK - We go to at least three parties. I think we went to six.

Mr VERRIER - Yes, half a dozen I think.

Mr McILFATRICK - Six in this case, which to our knowledge, were people that had previously been interested in this type of work; not a general ad and a tender.

Mrs TAYLOR - I suppose you have left yourself open to criticism. Academia, for instance; we have heard in this committee that there might have been academics, universities which would have been interested in looking at it and didn't get the opportunity.

Mr McILFATRICK - But we are open to criticism wherever we go. We could have gone with the strict guidelines and just get three quotes. We did not do that. We excluded, in the process a party that was related to GH&D which we use every day, to their detriment. They understood that they were excluded not because they were not an ethical group, but they had an association with someone that might have seemed [To be confirmed; 9:00:30 inaudible]. That took it down from six to five.

CHAIR - It is good for you to have that on the record here.

Mr McILFATRICK - We were aware that there was criticism. It could have been an in-house job. But AECOM have done work on light rail projects around the country. I am not prejudging what the peer review might say. I doubt very much when you review a model in an exercise like this that you won't find some tuning required, but I would have great doubts that we would find that the model is not robust. Part of the feedback at the moment is to get back to those people who have had criticism to make sure that we cover the options. We think probably about December we will have the results.

Mr VALENTINE - Madam Chair, I apologise for being late. The expressions of interest documents that were sent out - is it possible to get those, or are they already available somewhere?

Mr McILFATRICK - There would be no reason why they are not. Under our acts of disclosure and right to information I think we could put that in.

Mr VALENTINE - Thank you, I appreciate that.

Ms RATTRAY - Norm, I want to take you back to the business case model and you talked about it being viable. But no public transport is viable that I am aware of. There has to be some subsidy.

Mr McILFATRICK - Absolutely.

Ms RATTRAY - What level of subsidy would you consider?

Mr McILFATRICK - All public transport should recover its costs, apart from those concessional travellers and the people who do not have alternative transport. If I am travelling on the bus from North Hobart to the city to go to my job, I should be paying my way because I can afford to pay my way. But there are plenty of other people who can't and don't have opportunities. Public transport is for two reasons. It is for commuter transport as an alternative to cars and parking, or it is for public transport as an alternative for people not being able to afford the other alternatives.

But you can't start from the point of view of saying that all public transport should be provided below cost because that is not the case. The difficulty at the moment is that we do have a public transport network which services this area completely and has serviced it for many years - and that is subsidised.

What you are proposing to do is to add \$90 million of capital to subsidise the same group of people. It is not just the fact that we have a Metro transport. You have to recover not just the subsidy of the person travelling day-to-day but you have to recover the cost of the capital. We have less than two thirds of the capital that we are proposing for this project invested in the total assets of Metro Tasmania. It is not a small investment.

I am not saying it would not be subsidised but the hurdle we have to get over is: can we afford the capital and would we get benefits, such as removing cars from roads and savings on other elements of the public transport network? For instance, one of the

savings would be that we certainly would not be running express buses down the Brooker Highway. But we would still be running buses for commuters and shoppers, et cetera, going down main roads. We would not be taking that out of the equation.

You cannot ever start this saying that it is never going to make a return because the ideal thing for this would be if we could get 20 000 people a day not using their cars - that is, you know, taking 12 000 cars off the road - and saving them money so they can save enough money to pay the real cost of the transport. That is how the thing needs to be modelled. Otherwise, we are adding not just the capital expenditure to the equation, but we are making our current public transport less efficient, and therefore the implied subsidy is actually greater.

CHAIR - Norm, one of the things that has been said, I suppose a number of times, is that there is no argument about doing a business case but we do not see a similar business case for road infrastructure - that what you apply to public transport and to the possibility of future public transport, for instance, when you do an application to Infrastructure Australia for - I understand what you are saying about the Glenorchy hub, but you are talking about far more than that. I understand that you have asked for 100 000 for -

Mr McILFATRICK - We are forecasting a 25-year business plan for -

CHAIR - A sizeable amount.

Mr McILFATRICK - A sizeable amount, yes.

CHAIR - And are you required, or do you do exactly the same sort of business case for that? Because again, it is investment in public transport I suppose.

Mr McILFATRICK - Every time a person who drives a vehicle turns up at the petrol pump, they provide excise to the federal government. Every time they pay their registration to me every year they pay for the bit of road that they use. It is not directly hypothecated from the federal government to the state governments or local governments but it is there. There is a pool of money collected from people who drive vehicles. That pays for the roads that they drive on.

CHAIR - Now, does it? That is the question. Is the business case there?

Mr McILFATRICK - What I am saying is -

CHAIR - I am not suggesting it is not. I am just saying that that's -

Mr McILFATRICK - I am on a national board looking at the investment and charging for road systems at the moment. The big problem is that it is not directly related. The money that is collected goes into consolidated revenue, then it comes back. In essence, everyone who drives a vehicle, heavy or light, is in some way - in some cases more than some way - contributing to the road system. So the business case that we would put forward for a road system would be to ask, 'What are the numbers of vehicles on that road?'. There are certain parameters. What is the impact on the maintenance of those vehicles? What access do those vehicles need that they have paid for, such as a heavy vehicle needing a B-double access up the Midland Highway? Are we providing the

utility that those people are implicitly paying for in paying for their fuel excise and their registration fees? In terms of heavy vehicles, essentially from most arterial road systems the heavy vehicles generate the impact on the road. A truck would have a thousand times more impact on the pavement than a -

Mr VALENTINE - They guzzle more gas.

Mr McILFATRICK - So, in terms of how road assets are paid for in Australia, they are paid for by a backward-looking view about what has been spent on the roads. Then the registration and fuel excise charged to heavy vehicles is actually from that. So there is a pretty direct thing.

I would like to see it as a forward-looking thing so that before we spend money we have to - but that is the national debate at the moment. But don't for any one moment think that people driving cars are not paying for the road systems that they are on. They have paid for it for the last 100 years. Whether there is a direct linkage there is debatable but we do have to provide business cases on the same basis as public transport.

Mr FARRELL - Just related to that, Norm, when bike lanes go in through the city, that is paid for by the money generated by motorists then in the same way?

Mr McILFATRICK - No; because we don't have that direct hypothecation it isn't. It is paid for out of consolidated revenue. Much of it is paid by local government, from rates, and I guess the way bike paths are going at the moment, local government is in partnership with the state government and then they grovel to the federal government occasionally. But, generally, they are paid for by the three levels of government, probably the majority of them by local government, and that is then a rates-based approach.

Mr FARRELL - And that includes the bike lanes on the existing roads.

Mr McILFATRICK - And we have some proposals through our infrastructure bids at the moment for bike paths in Hobart, Launceston, Devonport and Burnie. They are going in more under what the federal government is now talking about as 'active transport initiatives'. So it is more about getting people walking and cycling to the public sector and public transport nodes which you would have read about in our urban passenger transport review. That is the thing about moving people's minds towards that type of walking and cycling to get to such public transport.

We are not the same as Canberra. We have not had a 50 per cent loss of passengers on our Metro and our private network but we are not growing substantially like Melbourne and Sydney, so the justification for spending more money on public transport is not there in terms of growth at the moment.

CHAIR - Except that we have growth and a big projected growth in car use.

Mr McILFATRICK - Yes, that is right. So the thing will be to get those people to shift from cars. That is the chicken and egg thing. When we can get to that point where we see the movement towards people being willing to move we put good frequency services in; we give the people the passenger transport options that they need and where they need them - that is what we need to be doing to get people across. The stepping stone to that is

to improve our current services and not to necessarily jump to a light rail solution just now.

CHAIR - There is the opposing argument that says that fast service is going through direct routes, which is fine, but it means that we are getting more and more people living up the hills and they are just not willing to walk down to the main corridors; you are getting fewer services going up those because it is not viable and it is not efficient and all that sort of stuff, so feeder -

Mr McILFATRICK - That is what I said at my opening, the transit corridor that is provided once freight rail is off there is a huge potential asset for passenger transport in the northern suburbs. We have to explore all the options. One of the options could be to run a bus rapid transit down the corridor in the future. I am saying that that is one of the -

CHAIR - Following up on that, though, again we have heard from submissions from other people who say that it would cost you more to redo the infrastructure to put a bus lane on that corridor. It might not cost you more in annual operational costs, I understand that, but to concrete that corridor is a far greater cost than if you were to put in a light rail system.

Mr McILFATRICK - Maybe, but I am saying that there are alternatives there that have not been explored yet and the hurdle at the moment is getting that sort of capital investment to get the number of people on the route. That is the big -

Ms RATTRAY - I want to ask you about your Infrastructure Australia submissions and you said they consider opportunity into the future. Were you meaning whether communities were supportive of it, or are you just talking about the \$11 million to \$13 million per annum for the ongoing costs? Can you just flesh that out a little more?

Mr McILFATRICK - No, they are talking about opportunity costs. That is what the whole business case is about: how does the return on this investment stack up against other returns? A direct question from Michael Deegan to me when he came down was, 'Wouldn't you first want to improve your frequency of services and your viability in the northern suburbs corridor that you currently have which is essentially a main road? Wouldn't it be better to get better frequencies and better reliability for passengers there, move the passenger numbers up and then see whether they could be transferred to light rail?' That was just a question. So one of the reasons we have been looking at the northern suburbs corridor for that very reason is to say, 'Isn't that a good stepping stone towards improving public transport, not as a substitute but proving that we could potentially get growth in bottoms on seats in public transport and then improve the viability of a future rail or other service?'

We think at the moment there is an opportunity to include improved frequency and utility of the northern suburbs main road for much less investment - pick a number, a much smaller investment than \$90 million.

Dr GOODWIN - Is it just about the frequency? Is that the main barrier to more people using public transport, or are there other barriers that need to be factored in?

Mr McILFATRICK - Probably if you want to get on a bus in the morning and it is full of school kids, that might be a barrier to some people.

Dr GOODWIN - We talked before about the stigma public transport has for some people. I don't quite understand that but it is there.

Mr McILFATRICK - I guess if you are talking about commuters, their current transport system is now evolving with the commuter more in their minds. Previously it has been supplied as a substitute for people who can't afford to travel by car, or it is more convenient for short distances for people to hop on a bus, but it isn't necessarily designed to get people from home to work as quickly as possible. Therefore it is struggling against the car, particularly in those high-volume transit corridors. If we could get to that position, and I think we can in the short term, what would you want in the Glenorchy-Moonah corridor to get people on to buses?

Mr VERRIER - The things that have come out of the transit corridor study are nothing new compared with what we found through the framework of looking into national examples. It really is frequency, frequency, frequency for public transport.

CHAIR - And the time it takes.

Mr VERRIER - Yes. The first point is, particularly when you move away from the corridor and hit those low frequencies – 15-minute, 30-minute frequencies and out to an hour frequency - that all becomes part of the travel time. The quickest and easiest way and road infrastructure method of improving travel times, particularly in a place like Brighton, is to increase the frequency of the service. You are reducing the average waiting time for the passengers when planning their overall trip. The less time there is between the services, the less planning a person has to do around their trip of just arriving at the bus stop. You are removing one of those first barriers.

You then come to the point of what happens when you are on the road. That is an issue and your next area there is around that transit priority and what you are doing to move the services through areas of congestion, recognising it is one of those balancing acts in that those period of congestion are on particular parts of the network at particular times of the day. Taking the northern suburbs as a whole, the areas of congestion are limited to that couple of sections along the main road. In terms of the overall catchment for the northern suburbs, most of it is about the services that are available. Your point about the walking distances to the buses is again that balancing act of how you design the routes to provide that balance between minimising the walking distance and also minimising those winding, indirect bus routes.

There is no one magic bullet. It is about that package of initiatives and going back to the passenger transport framework. This is in the working people section of the framework. The points we identified were the frequency and span of services; the standard of the off-bus infrastructure; the price and way in which products reward people travelling more frequently; and the information provided - the standard of how people are able to find out. You then start getting into areas such as real-time passenger information - which is something we have put into the federal government as well - looking at that integration between modes. The obvious one is cars to public transport, but you also have bikes and pedestrians to public transport. If you have to walk 300 metres, how can

you make that 300 metres a more pleasant experience or a more attractive option? You then start getting into transit priority; that can be from looking at things such as traffic signal priority right through to complete separation, which is the rail corridor.

Mr VALENTINE - How have you sampled this to get this detail?

Mr VERRIER - This started with the Hobart case study that Parsons Brinckerhoff did - that is going back to 2008.

Mr VALENTINE - So it is not just public transport users?

Mr VERRIER - No. This list comes from the work Parsons Brinckerhoff did. They looked at Hobart as it currently is and the range of initiatives that are generally seen to be available around public transport and active transport. They did, I think, six case studies looking at different cities in New Zealand and Canada. Then it was taken from that. Boiling that down - 'Here is a summary list of what's coming through from that'.

The last one is marketing, that is that sticking point. It is about what you are actually marketing and the product you are trying to sell.

Mr VALENTINE - Would that New Zealand city have been Wellington or Auckland?

Mr VERRIER - Auckland, Wellington and Christchurch.

Mr VALENTINE - With respect to modelling, I am convinced that people don't get out of their cars, and I have said this few times during this inquiry. People don't get out of their cars if they have children to take to child care and if they need to do only one change. They drop their kids at child care and then they get on public transport. But if the child care is nowhere near the public transport, they are never going to get out of their car and they are going to continue through.

People live west of the main corridor and more so, right up into the hills now. Have you ever modelled different public bus services coming to the central spine and being able to maintain a greater frequency there?

Mr McILFATRICK - Like rotating smaller -

Mr VALENTINE - Yes, and that don't just go on one route.

Mr VERRIER - There are probably two elements with that. There is the modelling we did with the light rail business case which was looking at the existing bus network in the northern suburbs and exactly that point of using those existing services to bring people down to the spine that would then feed into the light rail. There is the modelling within that.

Mr VALENTINE - You did do that modelling for that?

Mr VERRIER - That showed the response from improvement in the bus services.

Mr KRUUP - We set up a hypothetical bus network model which fed into the light rail spine and that was going at reasonably high frequency. It showed that it was really essential to get people onto the light rail is to have a good feeder network. That is really important.

Mr VERRIER - That is feeding into those nodes that you are talking about.

Mr VALENTINE - The fascination factor only lasts a certain period of time. But the fact is that rail would be a new form of transport which many people would see as very positive these days; it is happening all over the place. There is a fascination factor that is associated with that. Did you take any of that into account - that this might be a lever to get people onto public transport by using the light rail?

Mr VERRIER - Yes. The area that was discussed in the business case was this concept of the sparks effect -

Mr VALENTINE - Sparks?

Mr VERRIER - Yes, as in sparks from the electric rail. Literally, by providing rail, there is an inherent attraction in that which means that you are going to get a greater take-up of the service than you would with a regular bus system or, arguably, BRT.

What you are really saying there is that, aside from anything else, excluding travel speeds and any other competitive advantage, the mere presence of rail is going to attract people.

Mr VALENTINE - That's exactly right.

Mr VERRIER - The consultants looked at that and coming to that case, Norm was talking about the 90 000 people. That was taking that sparks effects to the extreme that we could find which was using examples from Perth and the response there from conversion from a bus system to a rail system. It is an area of conjecture. It is something for which there is general recognition that there is that inherent attraction of rail. But to pin it down and say, 'This is a reasonable number to estimate over and above what your base modelling shows' - that is the trick in the business case. How far you can push that number, staying within the bounds of research and experience?

Mr McILFATRICK - From memory, the Perth model was based on about 2 400 people per square kilometre and we are down in the Glenorchy area at about 900.

Mr VALENTINE - Including Brighton?

Mr McILFATRICK - If we were trying to estimate the spark effect in Glenorchy, you have a lot less density. I think Moonah is probably the closest to Perth.

Mr VERRIER - Moonah is around 900. 2 500 is the Subiaco transit -oriented -

Mr McILFATRICK - It has been factored but it is a hope over expectation thing. That is how we have arrived at the minimum break-even business case by factoring all that in. Unfortunately, when you take some of those factors out, you are down to a lesser business case. But that is where I think we have opportunities in the reviewed model to

factor in a few of these. And there have been issues around questions such as: Were the fares enough? Were the parking fees enough? Was the right fuel used? Well, we think we used the right parameters but once you get the model proven, what I have said to Mr McKim is that we will run some of these scenarios with the proven model, and that means we can get to more refinement of the model as we go on.

Mr VALENTINE - Does that include costs at the end, like people not having to park their cars for the week in the city?

Mr McILFATRICK - The problem with the parking was that at the time many people travelling to the city were not paying parking fees. The previous Lord Mayor probably opened up some parking on the fringe of the city for people where they were not paying.

Mr VALENTINE - Yes, that is exactly right.

Laughter.

Dr GOODWIN - I have one final question and that was just to see how actively you are exploring other options for that rail corridor. You mentioned the buses.

Mr McILFATRICK - We are not at the moment. At the moment we want to prove viable or not viable the light rail, because, as you said, it possibly may be more costly for a bus in terms of infrastructure for the concreting, but obviously the vehicles are less expensive. There is no point not taking one to a conclusion before you try another. What we are doing is enhancing the work on the main road corridor, which we know will be beneficial whatever we do. That includes potentially all the things James has talked about - looking at giving bus priorities, getting higher frequencies, getting real-time information, looking at the traffic light systems to make sure the bus gets away earlier - a whole range of things.

Now, there will be some issues around that with some of the commercial operators, particularly on the shopping strips, but it is potentially doable in a short time, which could get to where we want to get, to say, well, is that then improving the patronage?

CHAIR - I am not sure that what you say is entirely valid about us knowing that that will improve. I know that the studies have shown that that is what people say, but also when you ask people would they catch a train they all say, 'Yes'. Now, you know that that is not proven either.

Mr McILFATRICK - No, it is not proven, but it is intuitively more proven than the fact that we can get four times the number of people travelling on a train than we have currently on the buses. So what we are saying is that for a small investment -

CHAIR - Actually, there is also the history from many other places around the world. Most of them are not comparable; some of them are, relatively.

Ms RATTRAY - I did not hear Norm actually identify December for the likely conclusion for the review.

Mr McILFATRICK - Well, we have to allow the consultants to get out and talk to all the stakeholders but December is probably a good part of it.

Ms RATTRAY - So that is more likely to be January then, when you are really being realistic about these things.

Mr McILFATRICK - It will go to my minister first, and then he will - because parliament is not sitting, he may - but I think his obligation will be to report back to the key stakeholders.

CHAIR - He will want to do that anyway.

Mr McILFATRICK - And the group of people that were on the original project panel, I think, are the key area that we would report back to first. I can see that would wait until parliament.

CHAIR - It was interesting, I think, that one of the witnesses who gave a submission to us was actually the chair of the panel, who himself expressed - you will have read his submission - concerns which I did not hear him say at the time at all. Perhaps he just saw himself as the chair and therefore not wanting to put forward his own opinion. Craig?

Mr FARRELL - I am pretty fine, I think. Some of the issues I had that had come up through other witnesses were well and truly covered.

Ms RATTRAY - You can tell Norm has been keeping a watching brief on what we have been receiving.

Mr McILFATRICK - I just get good advice. There is plenty of material I have here. If anything comes up, such as what population you need to justify light rail, we can just supply that directly to you. If a question comes up, I will just slip the piece of paper through. Most of these have been supplied along the way anyway.

Mr VERRIER - Just one thing, Norm. On that student side, I know that is one that has caused quite a bit of confusion about how intuitively you can actually write that you would be saying if you are encouraging students you are actually not necessarily improving the business case. It was one thing that we have talked about, and this goes back some time, just the example in terms of students who are already travelling on the bus system as compared to students who are travelling by other modes. If you look at the Brighton catchment at the moment, there are about eight buses coming out of Brighton every morning with school students. They do an interchange at Brighton to get the students on to the right bus if they are coming in from the southern Midlands, Kempton and such. Theoretically, you could say I can take those eight loads of students, 400 children, and put them on to the rail system at Brighton.

CHAIR - But you would have to take them all at once.

Mr VERRIER - You have to take them all at once. You are looking at what you are doing to your peak rail capacity, your 400 students into two vehicles. Furthermore, you already have to get those students to the railhead. You have those buses; you still have to bring

them down to the rail. You have paid for the buses; we pay for the capital on those in full because the operator has to provide the service. The driver of that bus has a minimum sign-on period of two hours, morning and afternoon, so it does not matter how far they drive the bus, the driver is going to get the same pay. The only thing you are saving by moving the students from the bus to rail is that marginal operating cost of those additional kilometres from Brighton to wherever the school is.

In that sort of situation, you have already paid for the school bus capital; we are now paying for an additional lot of capital for the rail. Overall, it is a net loss in your investment. When we have talked about student travel, that is what we have been thinking about - where there is an investment that is already there which you cannot get rid of, or cannot avoid, and transfer to the rail. It means you are making a double investment. Once you get to that point, you are starting to damage the business case. That is where that side of it just highlights what I am going to argue.

Ms RATTRAY - My people in the southern Midlands need to get into that hub.

Mr VERRIER - Exactly, that is the thing. They have to get there one way or another.

Mr FARRELL - Following on from that, James, and what Norm said before, a light rail system between central Hobart and central Glenorchy running a short distance more frequently without school kids taken into the equation would be a more viable prospect?

Mr McILFATRICK - If you can prove that, then you can prove that the extension might be worthwhile. I think it is the volume corridor for commuters that should be the focus, initially.

Mr FARRELL - Yes.

Mr McILFATRICK - That was debated in the working group and I know Matt Foster did not agree but if we had gone with the Brighton scenario from the start, we could have killed it very early. So the whole thing is let's go where the concentration is. If we can prove it there, then potentially it is extendable.

Ms RATTRAY - Small steps.

CHAIR - That is one way of looking at it. Rob -

Mr VALENTINE - One final question. In your modelling and in the business case you are reviewing, what sort of timing did you factor in on rail going from point A to point B? Someone was talking about 30 minutes, I think, for the trip. I am thinking, 'What about slowing down for all the crossings?'

Mr McILFATRICK - The timing is there; I don't have those but there certainly was - it could certainly replicate what you would do in a vehicle. It was not more or much less but it was much -

Mr VALENTINE - It was not quicker?

Mr McILFATRICK - No, it was not necessarily quicker. It certainly was not much longer than a vehicle but it was quicker than your normal bus service.

Mrs TAYLOR - It was quicker in peak times.

Mr VALENTINE - Presumably that is factoring in the slower speeds over the crossings?

Mr KRUUP - Yes, average speed, depending on the type of vehicle, is between 40 kph and 45 kph. Transit time from Claremont is 20 to 22 minutes, which is about twice as fast as a bus. Once you are on the rail corridor it is going relatively faster, subject to the curvature of the line, which is pretty extreme.

Mr McILFATRICK - The other thing is that the stations are further apart than bus stops are. You would have about four stops between there and Hobart. The technology these days allows the stop to be on and off pretty rapidly.

It is comparative to a car but not so comparative that it would have a big time saving advantage. Though you come into all the other advantages. It is much quicker than meandering in the current circumstances.

Mr VALENTINE - I just wanted to check the crossings issue.

Mr FARRELL - You can check your emails on the way to work.

Laughter.

Mr VALENTINE - It is more productive.

Mr FARRELL - Work as soon as you leave home; wonderful.

Mr VALENTINE - Not that you can do that on the bus.

CHAIR - I have two general questions, Norm. I do not mean this first one as a challenge to the department. I know people say, 'I don't mean it as a challenge but -', but I don't mean it as a challenge, it really is a question.

Within the department, because the only public transport that you are currently dealing with is bus transport, do you have people with skills, expertise, enthusiasm or whatever for other modes of public transport? Buses are what you deal with and we talked about this the first time you came and I remember asking something about what the ferry infrastructure currently is and you said, 'No, I probably don't'. I hope I am not misquoting you.

Mr McILFATRICK - Have you noticed our new passenger transport person yet?

CHAIR - I believe you have a ferry expert or a light rail enthusiast.

Mr McILFATRICK - We have just recently gone out to the market for our passenger transport services manager role. I am confident that that person will have broad

experience in maybe another state's passenger transport area. Peter is a transport economist; he is not a bus economist.

Mr KRUUP - I call myself a light rail enthusiast. I have travelled on systems in France and Germany and I am really very enthusiastic about rail.

Mr McILFATRICK - Our current expertise is limited to what we do day to day, but we would go broadly and look at other alternatives. We do not have a passenger rail section but we liaise a lot with our peers in other states. The most viable rail corridors that have been developed are very high volume - the Gold Coast and others that have been promoted for a number of years - but we have to work within our own context.

CHAIR - Sure. My other general question was about Perth and we are going to hear later today from someone from there because one of the things Peter Newman said to us in his submission - we had a teleconference with him - was about how the new lines are funded. He spoke to us - and I am not quoting the transcript here - and said that the first time that they talked about putting rail in down one of those highways -

Mr McILFATRICK - Mandurah.

CHAIR - It might have been Mandurah, but I don't know, it was just to Fremantle first, wasn't it? They had enormous difficulty persuading Western Australian Treasury that it was worth investing the money because they had all the same kind of things as everybody does about how do you make it viable and it will never work, et cetera. Now that has proven itself and is now extended to Mandurah, and it has proven to be really good. Then they did the one up the middle of the highway going north, east -

Mr KRUUP - North off the Mitchell Freeway.

CHAIR - North off the Mitchell Freeway and that obviously has been a huge success as well. He says that the attitude of Treasury in Western Australia has changed over time and as they have shown that it does work, and that you do get density of population going around corridors, and that bus feeder systems do work to the rail nodes. Now they are actually being approached by Treasury to say, 'Please, will you do a line out to a new area that we want to develop.' For us, read Brighton, and obviously not the same concentration of people because we do not have the same population and partly because they are being funded by - did he say 'opportunity costs', that there are private investors and private developers paid land opportunity costs -

Mr VALENTINE - Value capture.

CHAIR - Thank you, that's it - paying for the infrastructure to go in because they can see it is of benefit to them. That is particularly what we are going to ask him about today but I wondered if you have at all looked at that sort of thing?

Mr McILFATRICK - Looking in the context that yes, there is value provided by transport corridors and the peripheral thing but it comes down to that a kilometre of rail costs the same here as it does in Perth, and if the density is a fifth of the density then you have a lesser case. Perth is an excellent case but it has much higher densities and much more congestion on their conduits that we have. They have done well in getting the rail

networks up but for us to be thinking about replicating what we have with the current density - we have a greater challenge.

CHAIR - There were two things for me, though. First, they are putting out lines where there are no people yet.

Mr McILFATRICK - As an economic stimulus.

CHAIR - Yes, saying we have shown that it happens. It is not a hope because past experience shows us that this will happen. Second, the government is not paying for it.

Mr McILFATRICK - Not all of it.

CHAIR - Okay. We do not know the facts about it, which is why we are talking about it.

Mr McILFATRICK - You are better to get it direct from the source.

CHAIR - My question to you is, have you looked at that sort of scenario and whether that might be a possibility for us?

Mr VERRIER - The point in Norm's letter was that the criticism of the work that has been done to date has been about the business case and things that have been missed. Land capture value is one that was picked up.

The point in response to that is that the business case has been done looking at federal funding and that was the original dream - federal funding - which brings with it the guidelines and restrictions of what Infrastructure Australia would consider as part of a proposal. Land capture value is not something that we are able to include as part of a benefit cost analysis for a submission to Infrastructure Australia. The business case looks at and recognises the potential of land capture value but says it is not one of the things that we can include. Take that separately and say that if we are moving away from federal government funding and we would like to look at alternative ways of pursuing light rail, then that is one of any number of alternative options that come from looking at alternative sources of funding. That is the distinction there.

The business case has been prepared with a particular funding source in mind and has been undertaken and drafted with that funding source as the primary sole target. If we say that can pursue its own course but we are going to look at alternative funding, that is what we would start doing. But we have not sat down and said what are the development opportunities and the methods of funding.

Historically, Melbourne is a classic example of where a suburban system has been developed from land speculators in the 19th century. When you have a large population and population increase, they have people feeding in who had to find somewhere to live so they know they have that guaranteed source of people to start putting into these areas. So the rail becomes a means of actually directly your population growth. Again, I draw the comparison back here. The population growth is not there, so in terms of rail, how does that compare with the Perth example where we would be using the rail as a more speculative means of attracting population rather than guiding it.

CHAIR - I do not have an answer to this. My question is really that we need to look at - what is the capacity of the department to look at other options. You are right and you are wrong, in a sense, about the first study because, as I recall, when we first looked at that study, it was not solely with Infrastructure Australia funding in mind. What we did say in the terms of reference was that we need to make sure that this would fit within Infrastructure Australia's scheme. We did not do it because of Infrastructure Australia but we did say that that needed to be taken into account - that is going to be the most the source, so let us prepare it so that we could then take it straight to Infrastructure Australia.

Mr McILFATRICK - Again, all of these things are there for the next phase. As I said before, we are not closing this off but it is not yet at a bankable business case. You would need very large population growth expectations to justify it on its own but it could be one of the factors, and it should be one of the factors.

CHAIR - Maybe we are not like others; we are not Melbourne; we are not like Perth. I understand that. We will hear how they have used those developers to drive some of that and to pay for some of that cost.

Mr VALENTINE - Yes, that will be interesting.

CHAIR - If that is a possibility for us, if we are not relying just on our own government resources or Infrastructure Australia resources, then it is something that we should look at. It may not come up as anything at all but we would be silly not to -

Mr McILFATRICK - I think we were pretty much of the view when we went into this that the forecast of state government funding for the whole project in the next two or three years was pretty unlikely.

CHAIR - Absolutely.

Mr McILFATRICK - Because we knew we were in budget constraints. Now these projects are long term; they are not decided on whether it is this month's business case. I was talking to Tony Foster the other day and he said they first talked about the Brighton bypass when he was first a councillor. Then the Premier said that her father first talked about it 30 years ago - and so it was opened on Monday.

Ms RATTRAY - Meander dam - 30 years.

Mr McILFATRICK - So keep them on the agenda. Just at the moment, we have a passionate group of people who want to have it tomorrow.

Ms RATTRAY - And we have a couple of them here.

Madam CHAIRMAN - Often that is what drives things. Let's face it, if you did not have passionate people saying this needs to happen tomorrow, then the whole machine would not slowly move along. So there is nothing wrong with that.

Ms RATTRAY - That is right.

Mr McILFATRICK - That is your job.

Ms RATTRAY - This has generated so much interest, Norm. I have been in this place eight years now, and the number of submissions and the people who continue to want feedback about how the committee is travelling and what we are gaining has just been terrific.

Mr McILFATRICK - I had a former deputy prime minister call me Attila the Hun, I think.

Laughter.

Mr VALENTINE - Costello.

CHAIR - It was Tim Fischer.

Mr VALENTINE - Fischer, yes.

CHAIR - Tim Fischer is passionate, as you know, and to some degree he is right in saying that if we do not do anything sooner rather than later, then much of what is currently useful in the corridor might well be lost. Once you stop, once heavy rail goes, and once freight rail goes and is not used, then you get all the problems associated with vandalism and disuse of rail. So you can understand, I think, that there are people saying, 'Let's try and get this sorted so that there is a smooth transition between freight rail and passenger rail'. I understand that that is a very tight time frame - you hope!

Mr McILFATRICK - Sure.

Mr VALENTINE - Can I ask one more question? This is an integrated transport option, so let's steer away from the central corridor for the moment and look at the eastern shore and all of the traffic that comes in over the Tasman Bridge. We know that has a limited life, et cetera.

Mr McILFATRICK - Not too limited.

Mr VALENTINE - Well, at some stage. You are talking long term so we need to look long term.

Mr McILFATRICK - Not in our lifetime, probably.

CHAIR - The study after the bridge fell down, if you remember, came out and said there is a chance of this happening every 11 years. It has not happened since then.

Mr VALENTINE - I am cognisant of the fact that there are a heck of a lot of people starting to live further out - Dodges Ferry is now a commuter suburb, and further down, even Dunalley. I am keen to hear whether you have explored any public transport options from that end. I am looking now at this possibility of rail again. You know that Sorell used to have one, and I am looking at the option of -

Mr McILFATRICK - Do you want the long answer or the short answer?

Mr VALENTINE - No, no.

Mr McILFATRICK - The short answer is 'no'.

CHAIR - Not yet because you do not have a transport rail to -

Mr McILFATRICK - I think, Rob, to get a rail corridor re-energised out to Sorell, for instance, would be a huge hurdle compared to -

Mr VALENTINE - I just want to hear this.

Mr McILFATRICK - I was not being facetious, but if we cannot make light rail work in the customer densities we have along the northern suburbs, it would be very difficult. It would be the Perth analogy. Do we want to see a population grow in there? Do you want to facilitate growth? What we do know is if that corridor grew substantially we have two impediments: we have two causeways. We have the constraint of not being able to build a four-lane highway across to Midway Point and to the Sorell causeway, so you would have to look at alternatives.

Mr VALENTINE - The Penna route is what I am talking about. And I am just saying -

Mr McILFATRICK - So is it on the agenda? No.

Mr VALENTINE - I am simply saying that Sorell is a hub and being straight up the valley - I appreciate that, that's all I wanted to know.

CHAIR - Are there any further questions? Thank you so much. Can we ask you about ferries again? Last time you said that you had not looked into them, but we thought that this might be something you would look at.

Mr McILFATRICK - In fact, we got to a point with Hobart City Council where we were suggesting it potentially was a trial ferry service that we would -

CHAIR - We know where that has gone temporarily.

Mr McILFATRICK - It has gone to the background a little bit but mainly because when it was the southern -

CHAIR - Tasmanian councils.

Mr McILFATRICK - Southern Tasmanian councils were looking at it; we were supporting them, but I think the trial they were first looking at was too short to prove anything.

Ms RATTRAY - And January we thought was -

Mr McILFATRICK - It is not off the agenda.

CHAIR - Well it has changed a little, we understand. We are getting the water taxi person talking to us today because he has, I believe, started a service which is probably more frequent.

Mr McILFATRICK - More door to door.

CHAIR - No, he is talking about ferry services, we hear. It will be interesting to hear his comments today but I believe he is looking at two ferries now, and small ferries rather than just the water taxi, and starting that service which is why I think STCA may have put their plan on hold temporarily because there may be better alternatives.

Mr McILFATRICK - In terms of conversations I have with my minister we would be supportive of a trial providing it was not short-term and it actually tested the market properly.

CHAIR - That is right, yes.

Mr McILFATRICK - It cannot be short and it has to be a trial that connects the bus to the ferry.

CHAIR - Yes.

Mr McILFATRICK - It is not just something you would want to do so people go on it for a ride. You want to prove that it would be a viable -

CHAIR - Correct. The question I am sure that any ferry person would be asking is what would be the view of the department regarding extending the Metro subsidies to concession holders, to people using that because this would be a private operator basically, rather than state public transport.

Mr McILFATRICK - A private operator in competition with whom? In competition with taxis, potentially, because his fare prices are not like a public ferry, are they?

CHAIR - I do not know.

Mr VERRIER - Six dollars a trip.

Mr VALENTINE - Yes, but if you take students straight across the river to university it could compete with public transport.

CHAIR - That is right.

Mr McILFATRICK - Without seeing the case I would not be able to say, but it would not be off the agenda to look at it.

CHAIR - Good, okay.

Mr VALENTINE - This is important because it is the railyard site and if there were the opportunity for light rail to be seriously considered, as we are talking about here, there needs to be access through to the waterfront or an area closer to the city. Whether that is Mawson Place, feasibly or otherwise, is another thing but the opportunity could be cut off by the railyard site development.

Mr McILFATRICK - When I said the protection of the corridor I mean we would be inputting to the railyard project. It is early days, I think - the legislation only went through yesterday.

Mr VALENTINE - No, I understand it is not even through yet but -

Mr McILFATRICK - It has not even been to this.

Ms RATTRAY - No, it has not been to the Legislative Council.

Mr VALENTINE - I wanted to make sure it was on the radar, that is all.

Ms RATTRAY - We have knocked back a few this week.

Mr McILFATRICK - I did say before you came that there is an ice-skating rink on there at the moment, or being put there, but all of those things are not long term impediments.

Mr VALENTINE - If they can get through that site that is the main thing.

CHAIR - Norm says that corridor protection is firmly in his mind.

Mr McILFATRICK - Yes.

Mr VALENTINE - Thank you.

Mr McILFATRICK - You could never get it back.

Ms RATTRAY - Once it is has gone that is it, that is right, Norm.

Mr VALENTINE - Thank you. I apologise for asking the question that has been covered already.

CHAIR - No, no, that is good. Two questions are twice as good. Was there anything any of you want to say before you left?

Mr VERRIER - I do not think so.

THE WITNESSES WITHDREW.

Mr RORY BRENNAN, INFRASTRUCTURE AUSTRALIA, WAS CALLED VIA TELECONFERENCE, AND EXAMINED.

CHAIR (Ms Taylor) - Good morning, Rory. We are looking forward to your evidence. Peter Newman has given you a wrap up. The reason we want to speak to Infrastructure Australia is because a number of people have mentioned to us the states' submissions to Infrastructure Australia for future funding for public transport or roads. We are not quite sure how it all fits together.

We have just had Norm McIlfattrick this morning, the head of the Department of Infrastructure, Energy and Resources here, and he mentioned to us that there are four levels of applications at various times and for various kinds of submission. Could you clarify that for us because we are a bit in the dark? We have been told by Bob Brown, when he came before us, that the state department has not made, in his opinion, adequate requests to Infrastructure Australia for light rail, which is one of the projects that is of importance to a number of lobby groups in the south of the state. I think Bob intimated - and I hope I am not misquoting him - Infrastructure Australia would like to see submissions from this state in relation to other public transport options. We would like your opinion on that as well, but if you could first of all clarify for us how the system works.

Mr BRENNAN - Infrastructure Australia was established in 2008 as an advisor to the commonwealth government, state governments and the private sector on infrastructure of national significance, primarily because the new government thought the commonwealth had not been active enough, particularly in the area of economic infrastructure. We look after transport, energy, water and communications. They asked us to do an audit of infrastructure capacity and identify any gaps or bottlenecks and what should be done about them. We developed a reform and investment framework which helped to assess the best way of removing bottlenecks, with the idea that we could improve national productivity. That is one of our key objectives.

At the same time, COAG entreated all the state and territory governments to put forward to Infrastructure Australia their priority projects for which they would seek support from the commonwealth government. The majority of projects we have have been in the transport sector - the overwhelming majority, probably around 90 per cent. That is largely because more or less effective and efficient market arrangements exist in the water, energy and communication sectors, which mean that users, through their consumption decisions, give signals to the owners of infrastructure of when new infrastructure is required. That is not the case in transport, either freight transport, commercial and private transport via road or rail or public transport. Generally those market arrangements are absent, which is why we have so many submissions.

Over the last four years we have advised state governments of a schedule for them to submit projects to us so that we can then assess them and provide advice to the commonwealth government that feeds into the budget cycle to allow them to consider projects for funding in the annual commonwealth budgets. Previously, we asked people to submit projects by November but this year we have brought it forward because that simply did not provide us with enough time to assess the projects and get them into the budget cycle at the appropriate time. If we got them in November, the budget was pretty

much done and dusted by that stage or shortly after, so this year we asked people to submit projects in August.

There is no reason why people cannot submit projects at any time. Most states have established a coordinating agency or committee to filter the desired projects from line agencies - typically, they do come from line agencies - and for them to take a view as to what really states' or territories' priorities are. Most states and territories put forward between, let us say, five to eight projects - they want to increase their odds rather than having a scatter-gun approach - and really that reflects what are the real priorities or we hope what the real priorities are, but everything can't be a priority.

CHAIR - Is that so for Tasmania when you say most states?

Mr BRENNAN - Yes. This year in this round of submissions we received four submissions from Tasmania and the passenger transport in Hobart's northern suburbs is one of those. We also have two roads - the Brooker Highway and the Midland Highway - and then the Tasmanian rail revitalisation program. They are the four priorities that have been put to us by the Tasmanian government.

CHAIR - In order of priority?

Mr BRENNAN - I am not sure that there was an order. Those four are the priorities for the government.

CHAIR - Excellent, thank you - sorry to interrupt you.

Mr BRENNAN - Our role in terms of project submissions is to advise our minister so that the Infrastructure Australia Council takes a view on the project as a result of the assessment work that this office does. The Infrastructure Australia Council then endorses the priority list - the relative priority of projects from all states and territories across four categories. We have the early stage where we think people have identified a significant problem but probably not much else; real potential, where they have gone on to identify the options which probably would have the most impact on the problem; threshold, which is they have done an economic cost-benefit analysis of the preferred option and, hopefully, at least an abbreviated cost benefit analysis of all options to identify which is the preferred and then a detailed cost benefit analysis of the preferred option so that we can be confident that the benefits that are claimed in relation to the cost are likely to be achieved and then ready to proceed. They have also assessed the risks, provided for the risks in the cost estimate or other management processes, have a well-developed governance arrangement for the project as it sits at the moment when it proceeds into procurement and delivery and then into operations.

CHAIR - Does the state indicate, when they put their projects forward, which of those levels they are at, or do you decide that - whether it is early stage or whatever?

Mr BRENNAN - They quite often try to be helpful and suggest to us where it might be assessed. We take that into account but we do our own assessments to decide which category they will be in. Typically, it is the level of development of the project and the amount of investigation of work that has been done that determines which category it sits in.

Ms RATTRAY - Rory, when you look at those projects, do you try to spread them around the nation?

Mr BRENNAN - No, we have no regard to an equitable spread of projects amongst jurisdictions. We simply assess projects on their merits without regard to where they from.

CHAIR - That's good. Can you tell us at what level the northern suburbs light rail project was categorised by our state government? Did they give you an indication as to whether, in their opinion, it is early stage or threshold, or whatever?

Mr BRENNAN - Let's see -

CHAIR - It was passenger transport, wasn't it?

Mr VALENTINE - Not light rail, is that right?

Mr BRENNAN - The title of the submission was 'Passenger transport in Hobart's northern suburbs', and light rail was the lead option.

CHAIR - Was it? It was not just about improving bus transport because that is one of the things we know the department is very keen to do and needs to do.

Mr BRENNAN - I am looking at the draft brief of assessment. I am not sure that they suggested a category for it.

CHAIR - Is that document publicly available?

Mr BRENNAN - No. We have these briefs of assessment going to the next Infrastructure Australia council meeting which is next week. We make recommendations as to what category the projects might be put into. The Infrastructure Australia Council decides which category it might be put into. Then that seals their fate as far as our annual report to COAG which has the priority list in it.

That information is unlikely to be made public probably until the budget next year when the government will announce which, if any, projects it is going to provide funding assistance to. There is likely to be interaction between our office and Tasmanian government officials in the interim if we think that it would help a project submission to progress up the priority categories, if we had extra information or if the government was to do some extra work. I think there already has been.

We have already been back to the Tasmanian government particularly in relation to the road and rail proposals. There appears to be a bit of inconsistency between the objectives of the rail and road. This is the freight rail and freight road projects. Both seem to be seeking increased mode share. The rail is seeking increased mode share for the rail and the road projects are seeking increased mode share for the road. I am not quite sure how that lines up with a state objective. What is the state's objective? Does it want to go with rail, or does it want to go with road?

Ms RATTRAY - It is called fifty cents each way, Rory.

Laughter.

Ms RATTRAY - Seeing what you fellows want, really.

Mr VALENTINE - Go rail.

Ms RATTRAY - We are saying 'go rail' here.

Mr VALENTINE - No, we are not giving any advice whatsoever.

Laughter.

CHAIR - You are absolutely right, Rob. Thanks for reminding us not to be flippant.

Ms RATTRAY - It has been a long week, Rory.

Mr BRENNAN - I can imagine.

CHAIR - Go on.

Mr BRENNAN - We have already discussed that we think it would be a better idea for Tasmania, particularly in terms of freight, to come up with an integrated strategy for the north-south corridor. Two bob each way is really not the way to do that.

Ms RATTRAY - I should not have said that; you might have that in your mind now.

Mr BRENNAN - No, not at all.

CHAIR - In this inquiry we are talking about public transport rather than freight. We are talking about passenger transport.

Mr BRENNAN - In terms of the process, we engage with jurisdictions on their submissions with a view to trying to get submissions which we think have merit as far up the priority list as we can. We want to have a healthy priority list so that the government is embarrassed by riches when it comes to the budget.

Laughter.

CHAIR - That's good.

Mr BRENNAN - Rather than try to exclude projects, our objective is to get as many projects as we can up to the ready-to-proceed stage.

CHAIR - That's terrific.

Mr BRENNAN - There is a bit of practical difficulty, given the fiscal situation for the commonwealth and most jurisdictions. There simply is not a lot of money. I think some jurisdictions have perhaps looked at that situation and thought, 'Is it worth us spending a

lot of money to do a lot of development work on projects when there isn't any money to fund it?'. We have found, particularly over the last couple of years, that it is difficult to get jurisdictions to the sort of work that's necessary, particularly very large projects, to get them up to that ready-to-proceed stage. There has work been done on smaller projects; they cost a lot less.

Ms RATTRAY - Wouldn't that be a good thing, Rory? Doing a lot of those smaller ones when finances are a bit tight or under pressure? From your perspective, wouldn't that be a good thing, or do you rather look at the big ones? Would you prefer to focus on the really big ones saying that states should be able to manage those smaller ones under their own steam, if you like?

Mr BRENNAN - We do not necessarily take that view. I just go back to why we are here. We are here to advise the government on nationally significant infrastructure. The Infrastructure Australia Act helpfully provides us with a definition of what that means. It means investment in infrastructure that would provide material improvement to national productivity. Some small projects can do that; some struggle. For example, we have a proposal in from one jurisdiction to do a range of largely operational improvements to the commuter rail network which would give a significant capacity increase to the urban passenger rail system. They have an alternative proposal - a very significant capital project. What they have said is, 'We can do this operational stuff which will give us a significant material increase in capacity and it will enable us to defer major capital investment for some time'. We think that's a good idea. If we can get improvements of existing infrastructure, we would always prefer that over big new spends. It is just a better pay-off.

Mr VALENTINE - Do these projects have to be linked to Auslink in any way?

Mr BRENNAN - No, so perhaps I should just also clarify that. Until this year the government has used our priority list to choose projects for funding from the Building Australia fund, which was established at the same time as Infrastructure Australia to fund nationally significant infrastructure projects. It was funded from existing surpluses in 2007 and forecast future surpluses at that time, which was initially \$20 billion. 2008 and the financial crisis saw the future surpluses disappear, and the fund was reduced in value to \$12 billion; \$4 billion of that was reserved for the national broadband network, which left roughly \$8 billion. Most of that was committed in the 2008 budget. That is why people were seeing there was really not much money left.

From this year the priority list will also be used as a source of projects for the Nation Building 2 program, which was Auslink, and also the regional infrastructure fund, which is the fund that has been set aside - I think about \$6.5 billion nominally, to come from the minerals resource rent tax. Jurisdictions are submitting projects to us notionally for the Building Australia fund as well as the Nation Building 2 program and the regional infrastructure fund. Each of those funds has slightly different criteria in terms of which projects are eligible. Nation Building 2 is very similar to our standard criteria; the regional infrastructure fund must be resource-related. So it does not have to mean it is infrastructure for miners, but it could be infrastructure, for example, to support communities that are critical to resource projects, particularly in remote areas.

Mr VALENTINE - Those regional infrastructure funds coming out of the - what do they call them? - IRAs, the bodies that actually - there is only one in Tasmania I think, I can't think of the acronym.

Mr BRENNAN - The regional infrastructure fund will come directly from the revenue that flows from the mineral resource rent tax.

CHAIR - Because it's not RDA money.

Mr BRENNAN - No, it's not.

CHAIR - So how does RDA money fit, then?

Mr BRENNAN - The Department of Infrastructure and Transport - as I understand it - administers submissions for RDA funding and there is a significantly smaller amount of money available for RDA projects. Now, it could well be a crossover between projects that RDAs think are appropriate and the regional infrastructure fund when they line up with resources. There could be quite a good match; when they don't, they will probably need to just follow the traditional funding sources for RDA projects.

Mr VALENTINE - So the RDAs have actually taken a slightly different turn, haven't they too, since - Crean was it?

CHAIR - Simon Crean.

Mr VALENTINE - Simon Crean, who has changed the focus with the RDAs - it is not just rural type regional, it is actually regional proper.

Mr BRENNAN - I am not all that close to minister Crean's department or whatever the RDA is. We are familiar with them but we do not deal all that closely with them.

Mr VALENTINE - That is okay.

CHAIR - Did we let you finish - you were telling us about how the whole system fits together. Did we let you finish, Rory, or should we ask you questions?

Mr BRENNAN - I think so. I suppose the other point to make very clear is that Infrastructure Australia does not make funding decisions. We recommend projects to government, typically capped, but the funding decisions are made in cabinet on the recommendation of the Minister for Infrastructure and Transport.

Mr VALENTINE - It takes recommendations from the Infrastructure Australia Council?

Mr BRENNAN - That is right.

CHAIR - Then you do the work in preparation for it to go to the council?

Mr BRENNAN - That is right. We do the analysis of the projects, we come up with our recommendations as far as which category they should sit in; we have also been asked in the 'ready to proceed' category to rank the projects, which we do. The council then takes

that advice, they make the decision on the substantive categorisation of the projects, and then pass that on to the minister.

CHAIR - Thank you. Rory, I am sorry but I do not know what your position title is? What is the body called that you are part of, that advises the council?

Mr BRENNAN - I am substantively Executive Director of Infrastructure Investment. I am acting Infrastructure Coordinator at the moment - Michael Deegan is on leave. His is a statutory appointment as Infrastructure Coordinator. Our office is called the Office of the Infrastructure Coordinator. We are the executive arm of Infrastructure Australia.

CHAIR - Thank you, that clears it up. You will understand from our point of view, as you have just said, there are many different funding sources and criteria and ways of getting funding that it is not always obvious to all of us how the system works. You have said that you ask all the jurisdictions for projects each year.

Mr BRENNAN - Yes.

CHAIR - Normally by November, but you have asked for them earlier this year and that makes sense to us because I know our own state budget is already being looked at and the groundwork has to be done before the end of this year to make it through the processes before budget time next year - someone has mentioned May next year. They have talked about annual project submissions and also if you want to go to a major project that might last for the 2014-18, that that is due in May. What are we talking about there?

Mr BRENNAN - No, most of the projects that we get are quite large, usually in the order of hundreds of millions of dollars. We typically do not consider projects less than \$100 million. For the Regional Infrastructure Fund, the minister has requested that we look at projects under that limit.

Ms RATTRAY - How far under, Rory? You are not going to go down to \$50 000?

Mr BRENNAN - No.

Ms RATTRAY - Close to.

Mr BRENNAN - We have not decided that. We use our usual reform and investment framework which requires that first of all projects be of national significance - that materially impact on national productivity. It is very difficult for a very small project that is not in the tens of millions of dollars to have any impact on national productivity.

Ms RATTRAY - Mind you, you do not get much for \$1 million these days either, Rory.

Mr BRENNAN - No, you do not .

CHAIR - The light rail project has been costed at around \$90 million but one would imagine when you take into account how long it would take to do and on-costs and other things, that we would be looking at least your minimum figure.

Mr BRENNAN - Yes, that is right. That is why we have accepted it.

CHAIR - There is no difference in terms of when you apply; you can apply anytime, but there is no difference in whether you are applying for a big project or a small project. All you are asking is for jurisdictions to make project submissions annually to you.

Mr BRENNAN - What we have said to jurisdictions is, if you want to get your project considered in the next budget then you need to get your projects to us by August. By all means you can give them to us earlier, you can give them to us later - but if you give them to us later then they are not going to get into that budget cycle.

Ms RATTRAY - The earlier better.

Mr BRENNAN - Yes. I should also clarify that most projects that we look at are usually delivered over three to five years in terms of the procurement and construction period. They typically are big projects and the funding stream goes out into the forward estimates, and beyond sometimes.

CHAIR - Would you already have, say from our own jurisdiction, projects already in line? When you said we have made project submissions this year, there must be other projects we have made submissions for in previous years that are now in train? Would that be a fair assumption?

Mr BRENNAN - I don't think there are any that have been recommended as ready to proceed. There are certainly projects on the priority lists in the earlier categories. The water and sewerage program and the food bowl are two on the priority list, but they are down the early end.

CHAIR - And the Bridgewater Bridge?

Mr BRENNAN - I don't think that is on there.

Mr VALENTINE - Do you have flow charts that demonstrate the process?

Mr BRENNAN - Yes, we have our website - www.infrastructureaustralia.gov.au. In the publications section there is a subsection 'guidelines' and there is the reform and investment framework, which has some graphics and flow charts of our process as well as more detailed information about how we perform our assessments and the sort of information jurisdictions need to give us of their projects to get up to the pointy end of the priority list.

CHAIR - It has been suggested to us by other people in hearings - and what you have just said negates all that for me - that Tasmania has made submissions and put priorities and put the light rail project right down the bottom so it will never be considered. So that is not true?

Mr BRENNAN - In this year we have four projects from Tasmania: the Brooker Highway, Midland Highway, Tasmanian rail revitalisation - which is about freight - and passenger transport in Hobart's northern suburbs.

CHAIR - Which is about rail and -?

Mr BRENNAN - The lead option under that is to convert the freight rail line into a light rail line for passenger use.

CHAIR - And all those, so far as you are concerned, would come in as equal value and you assess them independently?

Mr BRENNAN - Yes. We do not give any weight to what their categorisation is.

CHAIR - They may be sorry to hear that.

Mr BRENNAN - We take on note which of the projects the jurisdiction thinks is its priority. If there is a relative priority amongst them, we will take that on notice. If the jurisdiction comes to us, as many do, saying, 'This project is ready to proceed and you can sign the cheque now', we will form our own view about which category it sits in according to the assessment under our framework.

Ms RATTRAY - Tasmanian would never be so bold, Rory. Perhaps we should be.

CHAIR - That has been very helpful, Rory. Thank you so much for your time.

THE WITNESS WITHDREW.

Mr RODNEY DAVID HOWARD, HOBART WATER TAXIS, WAS CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

CHAIR - Having now sworn you in, I have to tell you that this is a public hearing of the Legislative Council Select Committee on integrated transport options for southern Tasmania. All the evidence taken at this hearing is protected by parliamentary privilege so you can say anything you like here but I have to remind you that any comments you make outside of this hearing may not be afforded such privilege.

Have you received and read the information for witnesses? We sent you, I think, a form.

Mr HOWARD - Yes.

CHAIR - The evidence you give is being recorded and the *Hansard* version will be published on the committee website when it becomes available. For the record, please advise the committee of your field of interest and expertise.

Mr HOWARD - My field of interest is ferry services on the river Derwent. I am the owner-operator of Hobart Water Taxis. I have been operating since September 2006 so I am very interested in providing ferry services for the locals and tourists alike. We have been doing a commuter service for Bellerive for nearly five years and I want to expand on that to other areas.

CHAIR - We would like to hear what you are aiming to do and how that fits in with public transport across the river. One of the things we would be particularly interested in is how we improve public transport - both Metro and ferries - and the possibility of an enhancement of the ferry services and light rail, possibly.

I was talking to David Hunn last week. We were told earlier in hearings that the Hobart City Council and Clarence were talking about doing a trial service of one ferry across the river some time early next year. It was a little matter of concern to us, I suppose, because if there was a trial we would like it to be a decent trial so the results of it are valid; just one commuter vessel might have been a little light on, perhaps, to try to provide a commuter service. I understood from David Hunn that STCA was moving towards putting that trial on and then, having spoken to you, decided to put a hold on that for the time being at least because you were providing an enhanced service bigger than just the water taxi that you have been doing.

That is why we asked you to come because we know nothing about it, really, apart from that bit of hearsay. We would love to have you tell us what you are doing and what your plans are.

Mr HOWARD - Yes, it seemed that everybody wanted a service from Bellerive to the city and it was just duplicating what I was already doing and have been doing for nearly five years.

CHAIR - You were just a water taxi first capable of catching how many -

Mr HOWARD - Originally it was a 12-passenger vessel. By the end of 2008 when I originally started - I started March 2008 - half a dozen customers approached me and

said, 'Look, can you take over the service because Mr Fell is giving it away?'. I said, 'Sure'. I knew them all, anyway, so we started and quickly grew to numbers that were outside that boat, so I upgraded. I needed to get a bigger one so I found the one I have now. It is a 19-passenger vessel and I have not had the problem of having to knock people back. There are only 30 regulars who catch it at the moment.

CHAIR - Are you running on a timetable?

Mr HOWARD - Yes. The first one is an 8 o'clock departure and then 8.30 a.m.

CHAIR - From?

Mr HOWARD - Bellerive. Then 5 p.m., 5.30 p.m. from Hobart. In between, sometimes it is 5.15 p.m. when some come back from Bellerive to the city and the same in the morning, 8.15 a.m. there will be some to go to Bellerive from Hobart. There are students going across to the Cottage School. There are a couple who work at the surgery there. Another guy works at Workplace Standards.

CHAIR - Are you without government subsidy of any kind?

Mr HOWARD - Yes, I have totally been doing it on my own bat. I have lost a fair bit of money in purchasing vessels and whatnot. It has not been very profitable; I can admit to that. I basically do it because I love the water and I supply a personal service to those locals. We all know one another. The last two years have been very limited on customers for me so I have relied on them to keep me ticking over in the hope that things will come good again. There has been a downturn in the economy.

CHAIR - Where do you operate from?

Mr HOWARD - Bellerive wharf and Hobart waterfront.

CHAIR - I had an approach, at some stage, not as chair of this committee but someone spoke to me about the difficulty you were having in being able to market yourself at the waterfront here because you needed a white line painted or something on the wharf to say this is where you have it.

Mr HOWARD - Yes. I do not have a shopfront.

CHAIR - Do you have a particular berthing place?

Mr HOWARD - Tasports let me use Waterman's Dock and we just tie up there and put two signs out. Originally we were not allowed to put permanent signs up.

CHAIR - Now you are?

Mr HOWARD - I have never looked into that. I don't think we would.

Ms RATTRAY - So you just have a sandwich board?

Mr HOWARD - Yes, that is all I have - a sandwich board. I also rely on my website and word of mouth with the locals. Unfortunately, earlier on this year, I did try to sell the business because of family - my daughter moved to Darwin; I was going to spend more time at home but I didn't sell. I had some interest but they would have destroyed the business and I didn't really like that. My wife and I had a break and my daughter is back now so I am still here. Unfortunately, the *Mercury* did a bit of an article about me retiring and everybody had the idea that the water taxi had gone but it hadn't.

Ms RATTRAY - Have they done a recent article saying that Rob's still here?

Mr HOWARD - No.

Ms RATTRAY - That's sad.

Mr HOWARD - Well, it was good for advertising the sale of the business at the time but it was detrimental to -

Ms RATTRAY - To the ongoing.

Mr HOWARD - It was only the last few months that I have come to realise how bad that was. I have been plugging away with the locals. I have always had the idea of having a service from Lindisfarne to the city as well but my original vessel was just too small. To employ a driver for 12 passengers just was not viable. I had the opportunity to purchase another one so I have sold my little one and doubled its size. The new vessel I have happily takes 33 passengers. It is outboard. It is bow load again, which means you just nose into the jetty so you don't have tie ropes and things. That is the way my little one was. It is quicker, fast and easy; a one-man operation.

CHAIR - Would you be looking at running two vessels then?

Mr HOWARD - Yes.

CHAIR - Your 19 and your -

Mr HOWARD - Yes. My 19-passenger boat which I have now will be Lindisfarne-Montagu Bay into the city. The bigger one has a ramp on the bow so we can just fold the ramp out and I hope to call into the pontoon at Rosny near the college. It is a floating one. It is very shallow and this one can go in shallow waters so I will just nose it in, put the ramp down and hopefully we will be able to entice 20 passengers from that side of the harbour.

Mr VALENTINE - Would students go?

Mr HOWARD - Yes, students go and back the other way.

CHAIR - I might have heard a rumour about you taking -

Mr HOWARD - A rumour?

CHAIR - I know, which is why I am asking because it might just be a rumour.

Mr MULDER - The chair dwells in rumours.

CHAIR - Is that right? No, I am asking the questions because I have heard this and I don't know whether it is right or not, about the possibility of you going to somewhere like the Wrest Point jetty with Hutchins students or available for UTAS. One of the hearings we have had has been from the university who say that they would love to see a ferry service across the river from eastern shore to Wrest Point because students at the university and lecturers, for that matter, who live on the eastern shore would find that much more convenient than having to drive and they have limited parking as well.

Mr HOWARD - If the rumour is right, it will be Hutchins. They approached me two years ago when I had the little boat. I said to Warwick, the headmaster, 'You find the passengers, I'll do it.' Early this year he said, 'We have the numbers.' He is thinking about 20 to 30 students.

CHAIR - From where to where?

Mr HOWARD - From Bellerive to Wrest Point.

CHAIR - There would be no reason why you could not carry other passengers as well if you did that?

Mr HOWARD - I would have to introduce other time slots. We are not sure of the numbers. There may only be 20. If there are 20, yes, there is room for 10 others.

Ms RATTRAY - Another 13 seats.

Mr HOWARD - Right.

CHAIR - I think the university would be really pleased to hear about that because we had several people from the university talk to us about how that would be a fantastic service.

Mr HOWARD - If there was a lot of interest, it just means a bit of juggling on the times because that same boat I hope to use to continue the Bellerive service. I just have to adjust the time a bit.

Ms RATTRAY - Just start the students earlier, Rob, don't worry about it.

Mr HOWARD - Yes, 7.45 a.m. for that one. That puts you at Wrest Point at say, 7.55 a.m. and back by 8 a.m. because it is a pretty fast boat.

Mr VALENTINE - What about weather, Rob? Does that play a significant part in whether you run or not?

Mr HOWARD - No. It hasn't to date, even with my smaller boat. We just drive to the conditions. We drive around it, not through it. But this one is quite capable of handling the weather.

CHAIR - Have you found with your passengers that you have been carrying for years that they drop off in the winter or does the weather affect them?

Mr HOWARD - Sometimes, not really. Last winter we had good support but this winter was consistent at 15 every day with 15 over and 15 back. There are 30 regulars. If they used it every day it would be great, but they don't.

Ms RATTRAY - One day they have to do their shopping, one day they have to do something else.

Mr HOWARD - A lot of part-timers. Many of them work two or three days a week. Fifty per cent are public servants.

Ms RATTRAY - They are on flextime.

Mr HOWARD - Yes.

Mr VALENTINE - Have you ever toyed with the idea in terms of the ticketing, of working in with Metro's green card?

Mr HOWARD - Yes, I had a meeting with Heather and I am all for it; they want to follow it up.

CHAIR - Is there a connecting bus to Bellerive at the times that you go?

Mr HOWARD - Yes, I do see a bus go past at 8 o'clock, but I am not sure. Heather was maybe thinking that people wouldn't get off a bus on to a ferry. Our costs are higher than theirs. I am \$6 and they are \$3.50. I really can't see why people would, either.

Mr VALENTINE - Have you looked further south as a departure point, calling in at the others?

Mr HOWARD - Like?

Mr VALENTINE - Maybe Tranmere or further down at South Arm.

Mr HOWARD - Years ago, South Arm tried the trial.

CHAIR - Again, it was a pretty short trial and very limited, wasn't it? It wasn't you.

Mr HOWARD - No, that was Navigators. They started off okay but in the end it settled down to 15 passengers, which just wasn't enough to support that.

Mr VALENTINE - It wasn't viable.

Mr HOWARD - Then I did follow up with my little one but that was too small. Even the boats that I have now, I couldn't say to the passengers that we're going to get there every day because it gets pretty rough down there, and the jetty is so exposed; it wasn't well thought out.

CHAIR - Okay, so that's fine for across the river where you do now, but not as far as South Arm.

Mr HOWARD - Well, not every day. Most times we would get there, but that jetty is shocking.

Mr MULDER - It is not called Storm Bay for nothing, as the honourable member for Rumney says.

Mr HOWARD - It is just so exposed to the west-nor-west, which is our predominant wind. I did damage to my boat, even with the week that I trialled it. But MAST has altered the fenders since then. I mentioned to them that they should extend the fenders higher and they did, which made it easier for other boats too.

Ms RATTRAY - You had finished your trial by then.

Mr HOWARD - I had three passengers. I tried to get the word out in the shop and locals there. They were all really keen, but I think, being a small boat just turned them all off. So I gave it a crack. That was before I did the Bellerive run; that was way back in the beginning.

Ms RATTRAY - That was when you first established after you had purchased from Mr Fell.

Mr HOWARD - Well, no, before - I think that was early 2008 or late 2007.

Ms RATTRAY - Time goes quickly.

Mr HOWARD - It must have been, because early 2008 was when I started one of them.

CHAIR - So what would you need to have a viable service?

Mr HOWARD - Viable?

CHAIR - Well, viable in terms of - as you say, you are probably not making wages at the minute, and particularly if you are going to have to employ a driver.

Mr HOWARD - Yes, well, the reason I have launched this other -

CHAIR - Do you call them a captain or a driver with your size vessel?

Mr HOWARD - Master. With Hutchins and Lindisfarne introduced, my business plan looks good. Bellerive is my main area, even as a taxi during the day when the footy is on and cricket and whatnot, that is my main area, and that is profitable. You have a short period. Winter time is the hard time. I have found since MONA opened that all the tourists want to go there; they don't want to do a little cruise around this side of the harbour. We get the occasional ones, but we used to top up with the tourists who wanted to go for a half-hour spurt around the harbour and just have sightseeing, but we don't do a lot of that now. That is why I have concentrated on the commuters, because every day they want to go to work.

CHAIR - That's right, and you need a regular -

Ms RATTRAY - So what about the infrastructure? You said that it's lacking at Storm Bay, but at Bellerive is that infrastructure adequate?

Mr HOWARD - With my boats it is, because we can use what is there.

CHAIR - And for Lindisfarne you can use it.

Mr MULDER - There is a nice little pontoon there on the other side of the -

Ms RATTRAY - We will probably get to see that when we go on this electorate tour.

Mr HOWARD - Yes, there is going to be a new pontoon in the bay soon. As for the infrastructure at Lindisfarne, the Yacht Club is letting me use the marina.

Ms RATTRAY - And that would be good quality?

Mr HOWARD - Yes, that is where I keep my boat now - at the Motor Yacht Club in Lindisfarne. I started out at Bellerive but when all the boardwalk was built and the new berths, there was no room for my second one, and I just shifted yacht clubs.

Mr VALENTINE - So no passengers for Lindisfarne at this point.

Mr HOWARD - We have one or two, but I can't say to them that I'm going to be -

Mr MULDER - You run that as a taxi service rather than a ferry service.

Mr HOWARD - Yes, there is one gentleman that catches me infrequently. He just boards my vessel on my berth. We haven't started anything in the way of commuting; it's all taxi, which is \$36 minimum for me to pick people up, and that in itself is more expensive than a land taxi.

Ms RATTRAY - It is cheaper time-wise.

Mr HOWARD - It is quicker but we are more expensive. I have always been and I am not too fazed -

Ms RATTRAY - Isn't there a good time to drive yourself down to try to -

Mr HOWARD - No, it took a while to get to the level where I am price-wise to balance it out. I am not fazed by people saying it is too expensive because I know the running costs of boats and I am not going to wear my boat out for anyone.

CHAIR - No, that's right. So, Rosny you could berth at?

Mr HOWARD - Yes.

CHAIR - Wrest Point, you have permission to use that?

Mr HOWARD - Yes.

CHAIR - Is that a public or a private jetty?

Mr HOWARD - It is theirs, Wrest Point. I always make sure I get the right permission. When Hutchins were interested two years ago I asked and they said 'yes' and just recently I had to do it all again.

CHAIR - When are you planning to start that?

Mr HOWARD - The first day will be next year.

CHAIR - So will you only run it during school terms?

Mr HOWARD - At this stage, because they are the only ones requesting it. If the demand is there and there are others doing it, it will continue on.

CHAIR - The university would be the same; they basically run to terms as well.

Mr HOWARD - Many people have said to me that I should go to the university and advertise and get the feel of the times that people want to do it but with the smaller vessels and the running costs and the price you need to charge, I find that -

Mr MULDER - That's what the university transport people stressed to us - the students are very price sensitive.

Mr HOWARD - Yes, they don't want to pay much.

Ms RATTRAY - They need their Wednesday night uni night money for over at the Customs House; so they can't spend it all on transport.

CHAIR - The other thing is that they have to catch two buses at the moment because if they catch a bus, they have to catch one into Franklin Square and then another one to the university.

Mr MULDER - I was going to ask the question about the Hutchins people. I take it their parents drop them off at Bellerive but how do they get from Hobart to Hutchins?

CHAIR - No, they are going to Wrest Point and then they just walk up the hill.

Mr HOWARD - The way it is organised, one of the head students or one of the teachers will be with them and they will walk up the hill. He called it the 'bus on the footpath'.

CHAIR - A walking bus?

Mr HOWARD - A walking bus.

Mr MULDER - That's not going to work very well in the rain.

Ms RATTRAY - They have good jackets.

Mr HOWARD - They are the ones who want to do it.

Mr VALENTINE - They approached him; he didn't approach them.

Mr HOWARD - That is pretty much it. If they want to walk in the rain, they can do it.

CHAIR - That is always the case with public transport.

Mr HOWARD - With Collegiate, they were saying some of the parents have girls who go there so if the need arises I will drop them off at Wrest Point and then take the girls to Hobart on an early run but again the times would have to be adjusted to allow for it.

Mr MULDER - Just go up the rivulet then.

Mr HOWARD - Yes. I have a little marketing plan here which has the timetable in it of what I am doing, if anyone would like a copy.

CHAIR - Yes, thank you. You are going to rebrand as Hobart Ferry Services.

Mr HOWARD - Yes.

Ms RATTRAY - That's a good idea.

Mr HOWARD - Anthony Castray, whom you probably all know -

Ms RATTRAY - Who has the bug -

Mr HOWARD - Yes. He has been immensely helpful in the last couple of years with advice. Taxis just sound expensive, as you know, so we are trying to move away from that. If you look on page 3 you will find the new timetable and there is a little example of an around-the-harbour ferry service which I did trial two years ago but, on my own bat. I just couldn't afford to keep it going so I cancelled it. With some sort of backing, that could happen all day long. I found that it was tourists that mainly wanted to jump on and do just a circle around the harbour for the cheap price but that has probably changed now with the MONA ferry. They tend to get on that and just go up the river and back for a little ferry ride as well as a nice museum and restaurant.

CHAIR - It is too far for you to go up there.

Mr HOWARD - No, I go there quite a lot. I used to. Not so much now - they have their own ferry. We have a minimum price to go there of \$156.

CHAIR - For your 19 person?

Mr HOWARD - That will cover 8 people as a taxi. That picks up from anywhere around Hobart.

CHAIR - Your vessel carries 19 though.

Mr HOWARD - We have a flag fall and then after the eight passengers you add another \$10 per person.

CHAIR - I see, okay.

Mr HOWARD - It is still a little complicated but I tried to keep the prices to a minimum.

Ms RATTRAY - On page 8 in your weaknesses you talk about no shopfront on the wharf. Is that something that you think is worth investigating with TasPorts?

Mr HOWARD - It is probably a little hard where we are. When the new jetty goes ahead I was hoping to get a berth there with one of my boats - the one that does the Bellerive to Hobart run. At the moment I pay double berthing fees. I pay to keep my boat at the Motor Yacht Club and I pay to use Waterman's. I have \$6 000 for one boat. It is crazy.

Ms RATTRAY - Holy moley.

Mr HOWARD - I have nowhere else to keep it. If we get a berth on the new wharf, hopefully maybe \$5 000 and at least I have a \$1 000 saving.

CHAIR - You would keep it there then?

Mr HOWARD - Yes, operate off that wharf rather than Waterman's. Less travel. At the moment the boat travels empty to Bellerive. Sometimes there is one passenger. I started the Bellerive run when I was at Bellerive so it was all good.

CHAIR - Yes. Where are you now?

Mr HOWARD - Lindisfarne.

CHAIR - Okay. You are happy to operate out of there.

Mr HOWARD - I will keep one boat at Lindisfarne - the one doing the Lindisfarne run - now that the Montagu Bay jetty has been reinstated, much to the delight of all the passengers around that area. We picked up quite a few there over the summer period. That is a nice little jetty now.

Ms RATTRAY - Rod, I know that you said it is difficult in winter months. I do not think that there is not a small business in Tasmania that does not struggle with the winter months. I do not have any answers for you but I think sadly it seems to be a fact of the family business in Tasmania.

Mr HOWARD - Seasonal. We were better but I am working on improving it.

Ms RATTRAY - You have a good start.

Mr HOWARD - If I stick to the commuters, taxi work is a bonus. That was my plan until there was a ferry service wanting to be advertised and that made the anxiety rise a bit while I was investing in this boat.

CHAIR - That is why we set up this committee, because we want to encourage a ferry service and we were a bit surprised that the councils were going to try to pick up a trial service. We are very happy to hear that a private operator might be able to fill that gap. There does appear to be a gap in that we are one of the few cities in Australia or the world that has this kind of waterway and no ferry service.

Mr HOWARD - Visitors always say that they are surprised - a harbour to have a ferry service like Sydney and Brisbane.

Mr FARRELL - It seems that the existing ferry service is tourist ferry focused and not commuter focused. Even the MONA ferry - that has been done as a tourism service rather than a commuter service.

Mr HOWARD - It is.

Mr FARRELL - I suppose for those operators the better money is in the tourist operation rather than the commuter services.

Mr HOWARD - Yes, that is right. The commuters that use my service just like to pay that little bit extra because they don't want to use the buses. That's the feedback that I get.

CHAIR - Why not? It is a serious question because Metro is interested in those answers and so are we.

Mr HOWARD - It's because of the patronage of the buses. I don't know how to put it.

CHAIR - No, you have put it very well.

Mr FARRELL - That has come out a number of times that they are not seen as the favoured options, bus transport.

Mr MULDER - It is not a nice way to travel. You find most people saying, getting a lot of rowdy people.

Ms RATTRAY - Foul-mouthed.

Mr HOWARD - Most of my customers are women.

CHAIR - Really? That's interesting.

Mr HOWARD - We are all friendly.

Ms RATTRAY - Have a chat and you converse.

Mr HOWARD - It is a personal service because you are sitting with the skipper.

Mr MULDER - A charming master and why wouldn't it be.

Mr HOWARD - We joke with one another.

Mr MULDER - You haven't said, and it is probably because it is not even your mindset, but you point to the fact that it costs twice as much to catch a ferry as it does the bus and that obviously has an impact on those cost-sensitive passengers. Metro is operating on a \$30 million a year subsidy. Don't you think that somehow or other, since you are in direct competition them and they are undercutting you by 50 per cent, based on a public subsidy, that maybe you should be making a case to this committee that your completely private service should be given the consideration if we are going to compete with the buses in that way?

I simply say that on the basis that we have yet to come across a public transport system that is not subsidised, but we have come across yours and your obstacle seems to be the price thing. If you want to boost your volumes you are going to have to compete price-wise with a subsidised public carrier.

Mr HOWARD - Yes, that's right.

Mr MULDER - The other issue that I have explored with other people in terms of the ferry is the fact that you have to get into Bellerive to catch the ferry. Unless you are within walking distance of Kangaroo Bay, there are nearly 50 000 people who have to find somewhere to park their car if they are going to catch your ferry. Are there any discussions with Clarence council, for example, like using the Percy Street car parking areas as park and ride?

Mr HOWARD - We haven't gone down that avenue. In all honesty, I don't think that there will be that big a volume that want to use ferries. Otherwise, I would have been snowed under by now. People know we are there but there are areas where they can park. There are quite a few.

Mr MULDER - I would use you a lot. I live down at Howrah, past the Shoreline and I would use you a lot if there were somewhere where I could park my car all day because you drop right down here and it would be great.

Mr HOWARD - Yes, there are quite few that drive and park along The Esplanade and that is probably another reason why I didn't advertise it too much because I didn't want to create a problem with parking.

Mr MULDER - To be honest with you, I don't think you have much to worry about with the ferry because the proposal is there to subsidise the ferry price because they didn't have any thought about where to put the cars. Their proposal was that people would catch a bus to Rosny Mall, jump on another bus to the ferry terminal and then they were going to get on a ferry to come across here. I thought it is hard enough getting people to switch from one to the other but not twice.

Mr HOWARD - That's not going to happen. People don't want to do that.

Mr MULDER - The suggestion was that if you modelled yourself on railways around Australia where you have urban sprawl, you have park and ride. People drive to a railway station, park all day there for nothing and then jump on a train and the cost of the park is wrapped up in the tickets. I am wondering whether something like that would encourage your commuters.

Mr HOWARD - With the Rosny side, there is that big car park there. I will be asking council about parking there and then I would promote it as such. People could park there and catch the Rosny.

CHAIR - Is it all-day free parking there?

Mr HOWARD - So far.

Mr MULDER - Yes.

Mr HOWARD - There is the college park plus the boat ramp park plus the bowls club. It creates issues. Anywhere you go there are going to be parking issues.

Mr MULDER - There is a fair bit of all-day Rosny student parking there.

Mr HOWARD - My catchment is mostly people who walk around the bluff; some walk a couple of kilometres, maybe, but that is it. That is why I was introducing the Rosny side - so we have all that Rosny hill part that is a short walk down to the ferry.

CHAIR - Good.

Mr HOWARD - Montagu Bay might not work because the jetty is on its own and there is quite a way to walk for some people, especially if it is wet, and it might be a zero day. It doesn't take anything to call in there on the way.

Mr MULDER - What about other wharves along the eastern shore? They do not exist yet but there was as time, as you would well know being a waterman, that the place was littered with wharves and jetties and we pulled them all down. We are at the point now where we have pulled them all down and people are saying, 'No, no. You cannot put one there; it is not suitable'. Well, there was one there for 100 years.

Mr HOWARD - That is right.

Mr VALENTINE - Like trains and trams and trolley buses.

Mr MULDER - I am wondering what impact it would have on your taxi and ferry business if there was a greater spread? I would love you to put one down at Howrah Point; it would be great for me.

Mr HOWARD - You will be pleased to know that my new vessel will be able to pick up off the beach.

Laughter.

Mr HOWARD - I would not promote that as a commuter - launching off the beach. As a taxi, I will be able to pick up off the beach. It has a big ramp.

Mr MULDER - So lower your ramp, D-day invasion occurs, and we go back again.

Mr HOWARD - I have not looked at what I will do there or charge. I have to be careful with OH&S.

Mr VALENTINE - Public safety and all that.

Mr HOWARD - The guys are going to want it for the cricket but that is not going to happen. I have enough problems as it is with -

Mr MULDER - That is at Bellerive.

Mr HOWARD - Yes. We have declined night work a lot, after the cricket and things. We have our customers that we take across. They book a return and they are the ones that I want to stick to because they are going to be sensible - mostly. But you have hundreds of them across the waterfront and they are well and truly intoxicated.

Ms RATTRAY - You do not want them on your boat really, do you?

Mr HOWARD - Definitely not. They carry on a treat.

Mr MULDER - The only time that water and alcohol should mix is when you put some in your whiskey.

Mr HOWARD - And when you refuse them they throw things at you. I have had my drivers threatened and bottles and glasses thrown at the taxi.

Mr MULDER - It seems that the taxi side of your business is going to grow enormously if they put a few more jetties down around there and split so that everyone did not have to come into the Bellerive.

Mr HOWARD - Yes, long term I think that there will be.

Mr MULDER - David Carr is out on [To be confirmed.]11:53:50 Inaudible]. He wants to put a jetty down there near the old [To be confirmed.] works on Droughty Point and the council knocked him back.

Mr HOWARD - It is very exposed.

Mr FARRELL - Have you had any discussions with Rick Metcalfe who met with this committee and he is keen to try to get a ferry service up and going to the extent that he has looked at all ferries that are on the second-hand market in Europe. Rather than being a traditional tourist ferry, they are very much like a larger version of what you are running. I know that he has spoken to other ferry operators but I do not know if you have -

Mr HOWARD - No, he has not approached me.

Mr FARRELL - It seems like what you are doing and what he wants to do are more closely related than what the tourist ferries are doing.

Mr HOWARD - There were a couple of his ideas that he might have been off the ball park, given the time frame from Kettering to Hobart.

Mr FARRELL - Yes.

Mr HOWARD - That's one good boat that can do it in 35 minutes.

Mr VALENTINE - Especially on a bad day on the Derwent.

Mr HOWARD - Calling into Dennes Point - I haven't had a close look at the vessels that he wanted. In the photos they showed in the *Mercury* they -

CHAIR - Craig's been to Paris and looked at them.

Mr FARRELL - They were a twin-hulled boat but not all that much bigger. They are more of a design that is similar to your boat with the same sort of canopy at the back.

CHAIR - Are they about a 70-passenger?

Mr FARRELL - Yes, 70 standing is full capacity but there is seating there for probably about half. A heated cab and the same sort of set-up like -

Mr HOWARD - My bigger vessel has 27 seated and the rest is standing.

Ms RATTRAY - Yes, you usually expect that some will stand in a boat situation.

Mr FARRELL - Is that a vessel that you have had purpose-built?

Mr HOWARD - No, it was a water taxi in Sydney. The particular hull design, the tri-hull, is a good load-lifting hull and the day that I trialled it in Sydney it was very choppy; there were lots of wakes around and I was impressed.

Ms RATTRAY - Obviously.

Mr HOWARD - There are others up there. To put it bluntly, there are a lot of water taxis in Sydney. In fact, there are too many and so they are bailing out.

CHAIR - Good price.

Mr FARRELL - I think that the Europeans ones were roughly about \$250 000 each. There were four for sale and I think the price was \$1.32 [To be confirmed.Million???11:56:59] landed in Hobart.

Mr HOWARD - I picked mine up for \$115 000 (thousand? [To be confirmed.]). It is outboard-powered which is more expensive in the long run but it is a quick turnaround if you have engine trouble. You can replace it - you have a spare on hand and unbolt one and bolt the other one on. It is also very manoeuvrable in shallow waters. I found with my 19-seat one, which is shaft-driven, that I need a metre of water and it is very limited in manoeuvring; I lost a lot of places that I could go to. With the little one, it was fine

but I could only afford to run the one boat. I picked the wrong time to buy the second boat really; it was just as the downturn hit after I bought it.

Ms RATTRAY - I bought a house at the time, when they were up, and then they went down, so we all do it.

Mr HOWARD - Yes. I fitted the one out that I bought the way I wanted it. I put a toilet on it and amenities and just made it like a little cruise boat. The new one hasn't any toilet facilities and is not likely to have any; it is just a quick runaround.

Mr MULDER - No more than a bus does.

CHAIR - And in fact that is what you need for commuters.

Mr HOWARD - Yes.

CHAIR - You need the equivalent of a bus just to cross water and save going over the bridge. Tony, do you have any more questions?

Mr MULDER - I am just wondering, you have your marketing plan here which I have been looking at. If the market meets your capacity and you see there is further room for growth, what is the thing? To run more services or to buy another boat to run at those peak times?

Mr HOWARD - Either expanding to a bigger boat and faster. Single-handed is the key for me, or purchase another small one.

Mr MULDER - Purchase another boat instead of running backwards and forwards. I think one of the other things that we have picked up here with commuters is that it is about an hour of a day where all the passengers occur. The rest of the time the buses are empty and your ferries are empty.

Mr HOWARD - Exactly right.

Mr MULDER - What I have got out of some of what you said is that the cost of competing with Metro, a subsidised Metro service, is a fully-fledged thing. Probably there are some additional facilities on either side that need to be sorted out as to how people get to where you are going. That's when you are able to meet the market at the times that it doesn't. It's just a fact of life with public infrastructure that your assets lay idle most of the time.

Mr HOWARD - That's right. I am looking forward to the golf course at South Arm. That might be another avenue there for my bigger one. I am not sure when it is going to happen. It is happening, isn't it?

Mr MULDER - It is under consideration at the moment. I think it is out for public consultation; we have some people up at South Arms who are threatening to drown some NIMBYs who are against any development.

Mr HOWARD - We get the occasional ferry or taxi service to South Arm, Opossum Bay and Dennes Point. I promoted that and I still do. I take people down to the Jetty Café.

CHAIR - How long does that take you?

Mr HOWARD - An hour in my little boat but it would be half an hour in the big one.

CHAIR - That is a considerable difference, half an hour.

Mr HOWARD - The one that I operate now is just a slow putt-putt.

CHAIR - The 19 seater. When will your big one come online?

Mr HOWARD - As soon as I finalise MAST. I am going through all the surveys.

CHAIR - Do you do that as tourist trips or as charter trips to Dennes Point?

Mr HOWARD - Yes. We have always gone there.

CHAIR - Just half an hour from Dennes Point does put it within commuter time for people. If you think about it, if you live on Bruny Island - and we have had people speaking about that to this committee already - and you have to catch the ferry across to Kettering and then drive from Kettering to Hobart or catch a bus or whatever, it almost puts you out of commuter range. Whereas a half-hour ferry trip from Dennes Point into Hobart or into Wrest Point or into Bellerive would make it a commuter type possibility, wouldn't it?

Mr HOWARD - If you were going down that end, you use South Arm and Opossum Bay as well. It might make it a little bit longer. But if there were something at Kingston you could have a 150 capacity boat and filling it, coming from there.

CHAIR - What would need to happen to make that happen?

Mr HOWARD - Basically, a jetty at Kingston or Taroona or somewhere there. But you need breakwaters and it is costly. Dennes Point is exposed and ferries do have trouble going alongside there. At Opossum Bay, again, they are navigators and they had trouble going alongside. At South Arm, I am not so sure.

CHAIR - It needs considerable work on the jetty infrastructure to tackle that problem?

Mr HOWARD - You need protection. In some of the countries that I have been to, the dirty great breakwaters are halfway out into the bay; they protect everybody. But, as we know, anything that comes off the foreshore here is very -

Mr MULDER - Sinks before it gets up.

Mr HOWARD - It does. It's hard.

Mr MULDER - That is an issue about our use of our coastline and the silly idea that it has to be same as it was in 1803 when we found it and things like that. I was picking up the point about Bruny Island and isn't this a problem that we get romanticised about ferries

without realising that you need a catchment? How many bums on seats would you get off Bruny Island?

Mr HOWARD - I am not sure how many travel or commute to the city.

CHAIR - You might not now but it is the kind of thing that in many places has been a driver for development for places that have been too remote for a commuter. Yes, immediately there probably aren't many, Tony, but that is the whole point about whether it is light rail or whether it's -

Mr MULDER - Are you saying that it is quite okay to build infrastructure and then let the development occur afterwards?

CHAIR - No, I am not saying any of that stuff. I am just saying that in - you are just baiting me, Mr Mulder.

Mr HOWARD - I think Bruny Island has the same problem Tasmania has as a whole because of Bass Strait. It is just that little strip of water.

Mr MULDER - It is a serious proposition though, isn't it? You have to make up your mind. Do you deal with the infrastructure and let the development follow or do you wait for the development to occur and then deal with the infrastructure that needs it?

CHAIR - Which doesn't happen.

Mr MULDER - So it is cart or horse on this issue, isn't it?

CHAIR - It is, always.

Mr MULDER - That is what my fear is with Bruny Island - that you are going to do an infrastructure down there in the hope of developing from that.

Mr HOWARD - The Kingborough Council contacted me and wanted to know how much I would charge, or would I be interested in going to Dennes Point or the ferry terminal. I quoted them and they didn't like what I told them because it is costly. I have to go empty, come back with them, go back down with them and then come back empty. So I have two empty trips whereas when Rob Pennicott was doing it they were asking for a Saturday or a shopping day. Rob Pennicott was bringing them up every now and then but he was coming out with them and going back with them, and that is totally different. I have two hours travelling empty if we go to Roberts Point - that is just about an hour's travel from Hobart.

CHAIR - With your current vessel?

Mr HOWARD - No, with the new one. It would probably be 45 minutes each way.

Ms RATTRAY - By the time they get on and get off.

Mr HOWARD - Yes, so Bruny Island has a bit of a disadvantage there, just like we have with mainland Australia.

CHAIR - Yes.

Mr HOWARD - It is very expensive to get things across that water. I know, it cost me \$8 000 to get my new one here.

Ms RATTRAY - You didn't drive it yourself?

Mr HOWARD - No, it is a bit small.

CHAIR - Thank you very much, Rod. Any questions anyone?

Mr FARRELL - It was very interesting.

Mr HOWARD - Thank you for letting me put my case forward.

THE WITNESS WITHDREW.

Mr WESLEY HINDMARCH AND Mr PAUL JOHNSTON, TVT TRANSPORT DEVELOPMENT AND ROAD SAFETY RESEARCH, WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

CHAIR (Mrs Taylor) - Welcome to this public hearing. The evidence taken at this hearing is protected by parliamentary privilege but I do have to remind you that any comments you make outside of this hearing may not be given that privilege. Have you received and read the information for witnesses that we would have sent to you?

Mr HINDMARCH - Yes.

Mr JOHNSTON - Yes.

CHAIR - Thank you. The evidence you present is being recorded and the *Hansard* version will be published on the committee website when it becomes available. Wesley, would you like to start and advise the committee of your field of interest and expertise and make whatever presentation you would like to us?

Mr HINDMARCH - I am a local architect. I am a director of my own practice in Hobart and Melbourne now, Dock 4 Architecture, and my field of interest and particularly with this concept of the Hobart urban growth corridor has been an advocacy role essentially for the community and also through the Institute of Architects to basically provide an alternative proposal to the use of the corridor going out to Brighton, the rail corridor and essentially this involves advocating for the use of the corridor as a transport option but also the links into affordable housing and health so essentially that is what has been involved in on this project.

Mr JOHNSTON - I am a practising architect with my own practice in Hobart for the past 12 years and now I am a nationally awarded architect for Hobart as well. My interest and speciality is within affordable housing. Subsequently I was the recipient of a Churchill Fellowship in 2009 and studied design in affordable housing in the UK, Holland and Scandinavia.

My interest within the issues arising out of transport stem from an understanding of the relationship between affordable housing and transport and that has been a direct response from my experience through the Churchill Fellowship and the innovations that happen, particularly in northern Europe.

Wesley and I have an association that we both pursue in advocacy for a better understanding of the potential of the light rail as an affordable housing outcome and to stimulate economic development into the northern suburbs and up to the broad acre estates.

Mr HINDMARCH - That affiliation is under the title of Transform but that does not have anything to do with a [inaudible] or anything else, it is basically an advocacy title that we both use and that is -

CHAIR - One of the things that we have been told and I do not know how many times: it is always chicken and egg and what do you do first. If you put the infrastructure in will

people come, and how can you make a viable business case because you are building on hope? Experience?

Mr JOHNSTON - There is a certain chicken and egg scenario related to that but what needs to be appreciated is this notion of strategic planning which I don't think is actually appreciated well. In fact it has been demonstrated that we do not understand our planning system as well as what we should and the distinctions between statutory planning and strategic planning.

I was at the Abercombie lecture in Hobart last week, given by a senior policy officer of Infrastructure Australia who commended Hobart on the capital cities master plan on the basis that it had a good strategic background. So I think we are at a very really good point in terms of -

Mr VALENTINE - Depends which strategic plan he is talking about, Madam Chair.

Mr JOHNSTON - I think we are at a really interesting point where we are starting to look at the potential vision for how Hobart and greater Hobart may grow and that is really what strategic planning is all about in saying how we want our city to grow.

We have and have done for a number of years now a crisis within affordable housing. We also have huge disparity in our small town between levels of affluence that are largely a drive between different aspects of our city and the northern suburbs, continuing right up towards the outer areas. Brighton, Bridgewater and Gagebrook have a huge disparity in terms of their opportunities, in amongst issues to do with dislocational disadvantage.

One of the great opportunities for putting together light rail is to reverse a lot of those issues associated with dislocation and start to progress the level of connected housing right throughout the northern suburbs. There is also evidence associated with the real need for an increase in population in this place and the more that we see ourselves as a regional entity, the more we need to understand that we have a role in providing the basis for an increasing population to take some of the pressure off the mainland capitals.

We need to start thinking about how we can play our role at a national level and address some of the issues to affordable housing and the lack of it. We have a great opportunity here.

Mr HINDMARCH - We will kick off with a presentation because I think a lot of questions will be answered as to why we are here, where it started from and what point are we at. There has been a lot of dialogue between Paul and myself and the institute and various organisations that have been involved in this proposal. Starting in 2008, which has also been logged to the state government under the then minister for infrastructure, Mr Sturges. We need to make the committee aware that there has already been advocacy put forward to the state which, in our view, has not been followed up within the feasibility of the light rail and considered within the briefing of the various consultants who have put that feasibility together. It is not our role to say whether that is right or wrong but to make you aware that there are certain things that have been put in place with the state in terms of our feedback as representing the Institute of Architects, and the Planning Institute.

If I go through that process and that might answer quite a few questions.

CHAIR - Thank you.

Mr JOHNSTON - We started off with a position of let us discuss whether it is a light rail or a bus. Assume that it is a growth corridor, growth being related to economic growth and also to do with the factors with connecting to Gagebrook. Those other policies are to do with social issues. Paul's and my opinion is that we are talking about the chicken and the egg principle and that we are not talking about strategic planning and social issues which light rail will potentially attract will start to resolve. They might be things that you cannot put into an economic feasibility because the social aspects far outweigh the economic aspects. These are all things that we need to consider in conjunction with this debate about the growth corridor.

This started in September 2008. Paul and I saw the debate of the hospital on the waterfront going on and we saw that potentially that the corridor linking into Hobart as a city might be ignored. We decided we needed to say something about. I took it upon myself to set up a role as a chair to put four organisations in touch with each other with the concept of the Hobart western shore public transport corridor. This involved several groups: the Planning Institute, the Australian Institute of Architects and also the university through HACRU - the Housing and Community Research Unit - and then there was another wave of evolution that came.

We put these people together in a round table and we came up with a discussion paper. That discussion paper was then used as a document that each organisation could reference to say that we all agree that the corridor should be used in some form of either public transport, which supports housing and health, and that we should start to address issues of sustainability, building the city inwards instead of further urban expansion into our suburbs, and also start dealing with the issues of growth boundaries and the question of where Hobart is going to grow. The real growth potential is the corridor. Obviously the infrastructure is already there.

Those organisations agreed to that and they signed essentially a document which was stated here I suppose as a gesture to the federal government and also to the state government, that was lodged with Infrastructure Australia as a formal recommendation from those four organisations which basically said, 'We flagged to the state that we should look at this as an idea'.

So that is all officially on the record.

Mr VALENTINE - What is that fourth organisation at the bottom on the left? You have PIA, Institute of Architects, UTAS and you have -

Mr HINDMARCH - UTAS is part of the Housing Community Research Unit.

Mr VALENTINE - So the left one is Housing Community Research Unit.

Mr HINDMARCH - These are the official letters of endorsement that came down from each of those organisations which were then part of that Infrastructure Australia submission,

which we then publicly released to the media in August 2008. This is the kind of interest that has started to develop in terms of the issues. Then mayors were part of that initial discussion with Jim Jones, the former president of the institute, and there was a series of meetings that occurred.

To put that in focus, the commentary from other advocacy groups such as Northern Light Rail Supporters Group kicked in at about that time.

So Ben Johnson and that group followed in after this series of media releases. To put it in perspective, at that time we were not talking about the form of transport but what options we had for the city - which was to do with the feasibility.

Unfortunately, what we have seen is that maybe it has gone off in one direction without having going back to the roots of looking at the feasibility and exploring what is appropriate for the city in terms of the transport mode. But we do not want to weigh into that debate; that is up to whoever makes those decisions in terms of how this thing might go ahead.

Then we progress further. In October 2009, we extended that round table and that was extended then to Mary Massina of the Property Council; also Geoffrey Harper, director of the Institute of Engineers or Division of Engineers in Hobart; also Emma Riley was involved at that time; Richard Crawford, president of the institute; and Keith Jacobs, Housing and Community Research, University of Tasmania. We then decided that we were going to take this next step further and address a letter to the Premier with this discussion paper called 'Opening Opportunities for the Western Shore Transport Corridor' and I can certainly give you all access to that document. It is on the public record, anyway, if you wish to look at it.

It was then lodged with the Premier - the then-Premier David Bartlett - who then referred it to minister Sturges. He did then call those various bodies into a meeting; they were presented with the concept and, as far as I have heard - I don't know if you have heard anything more, Paul - it was not taken any further.

It was funny also that this did not then appear in the later feasibility that then came out. We don't know why because we did find that the one big gap in the feasibility was that it did not address the issues of the wider implications on affordability, strategic planning development - obviously the price of land would go up - and all these sorts of aspects, including sustainability. He was talking about reducing carbon emissions, other options instead of extending the Brooker Highway - all these other things would start covering it off. As far as we know, it went into DIER and we never saw much that came out of the other side of that. That is all on the record.

From the round table, recommendations were put forward that the state should look at these issues, also considering the capital cities plan and what the government architect potentially could pursue, based on five esteemed organisations saying to the state, 'This is a good idea'.

Mr VALENTINE - This prior to the capital cities plan being produced, wasn't it?

Mr HINDMARCH - Yes. This is prior to that because the federal Labor government then had to put out that this has to be tied in with any future infrastructure grants.

Mr VALENTINE - Under COAG.

Mr HINDMARCH - Yes.

CHAIR - Did we have a state architect at that point in 2009?

Mr HINDMARCH - No.

Mr VALENTINE - I don't think we did. I think he came in slightly later.

Mr HINDMARCH - I think he had just started.

CHAIR - He might have done because he was here a couple of years, wasn't he?

Mr HINDMARCH - That was about a documentation of 'why are we here?' and where the process is at and where we would like to see it go from here, as professionals. The reasons why we are taking this on is because we did have the endorsement of these organisations which said that this was something of interest. Paul and I took it on as advocates for that whole process to take it on ourselves personally because we did see very little assistance or response coming from the government. We took it upon ourselves to pursue it as a concept. In saying that, it is a concept, so a lot of this is a work in progress. I will hand you over to Paul who can start to talk you through some of it.

What we have here is simply a map of the Derwent Valley which starts to indicate some areas that we consider of interest in terms of how we might start looking at the city and where we might start to consider where the rail stations are and also in terms of what Paul Johnston was talking about.

Mr JOHNSTON - What strategic planning does is give a level of certainty in terms of understanding how things might be. It also provides a level of consensus. People can buy into something as well. That allows the ability of communities to be brought with it. One of the most strategic things is that when we are talking about sustainability, we are talking about the potential to reduce car usage, reduce resource and energy use and, complementary to that, is the issue of developing a transport system.

The example of Copenhagen is really interesting because it was designed on the palm of a hand and that was done just after the post-war period. It is the finger plan. Quite simply, what that means is that they developed transport corridors out of the central part of Copenhagen, so it meant that all the development was connected by rail systems back into the centre. You can go to social housing places within Copenhagen today and they are connected. They are vibrant places because they have been able to put in place a strategic plan that continually works.

When we are talking about issues to do with how we conceive our future, one of the principal ideas that happens throughout western thinking of planning is that we have reached the limits of the spread of our urban sprawl. That has a consequence in terms of

how we then proceed and the principle of building the city inwards is now very common in understanding how cities need to progress. That has complexity in how they are planned but it also has the ability of being able to support residential neighbourhoods that have access to services and facilities. It also has the ability of producing communities that are walkable. So there are health and social outcomes. It has the ability of producing diversity of housing and the levels of density that allow economies to develop as well. When we start to think strategically we can start to think about how we can replan our city.

One of the telling things about Hobart is that we have the old plans still in place. We have the rail line still presently there and that is the remarkable thing. What is happening in places like Melbourne at the moment is that they are acquiring land to extend line rail - a huge, expensive and disruptive process. We have it in place. Our status under development has a great appeal to be able to go back to pre-car dependence times and initiate it.

Mr VALENTINE - One line at least.

Mr JOHNSTON - Indeed. Let us face it, Hobart is a linear city despite the fact that many people might tell if you look at historically yes, certainly we have encroached into the foothills of the mountain but in general terms we are still primarily a linear city and that is how it should develop. We should develop further as a linear city.

The concept of transit-orientated development is something that I am sure that you are aware of because you have had an introduction by Peter Newman and he is the expert. Many of these ideas come from within his principles as well. Essentially what it means is that if you are creating levels of increased density through housing, then your transport is closely connected and you can start to develop levels of efficiency within that strategic plan that allow your new housing densities to be connected. This has benefits in offsetting car usage, which in turn has issues to do with the ability to increase density.

There is a simple equation there. If you can decrease car dependence by having a good transport system, you can then have less car space devoted to developments. Currently, about 40 per cent of any kind of development is given over to car area, which is substantial. If you can cut into that you can build more houses per lot, increase the density and the other element of it is that when you start to increase density you start to develop concentrations for commercial activity as well. Quite simply more people need more services, the more that they are located together; it is a simple equation.

Increasingly aged care and childcare centres need to be considered as part of urban developments, not segregated on peripheries but within the boundaries.

Mr VALENTINE - We have been talking about this on the way through that if you are going to get people out of their cars you have to have those things at the nodes where they are going to catch the alternative forms of transport.

Mr JOHNSTON - It is important that that kind of development is integrated. The concept then is the urban village. You are looking at levels of mixed use. We are not looking purely at housing and commercial - we are constructing villages. Those villages have the ability to take care of young people, old people, it is a mixture. That is where the real

issue to do with design comes into it. That has to be constructed very carefully in how that is done.

There are experiments within these kinds of notions all across the way now, they are flourishing. Some of them then take an additional step to talking about low carbon communities and the ability to decrease further the level of car dependence and encourage other things to happen.

When you start to think about those things you develop a level of complexity and, as Peter Newman would say, you then have the option through a light rail process to create centres and those centres become points of activity and those things can start to happen.

Mr VALENTINE - It does not mean that we have to develop them from scratch either, does it?

Mr JOHNSTON - No.

Mr VALENTINE - Claremont is close to the rail line, it is an opportunity, isn't it? It is possible to develop child care centres and all those sorts of things and a train to leave from there if we are talking about light rail.

Mr JOHNSTON - The key issue in the terms of this committee is integrated. So when we talk about integration we talk about issues of design and how you start to optimise these things. All these things need to come close and they are not going to happen overnight. But in terms of being able to lay down the foundations and laying down the plan, you need to have all these things effectively integrated.

Mr HINDMARCH - What we have is an opportunity. There are some things going on currently with infrastructure in Hobart. We have the new intermodal hub going out of Brighton where we are going to see a large relocation of warehouses; we are going to see a lot of what is traditionally infrastructure in Glenorchy relocating over a period of time out to the new precinct. We are going to see opportunities in Glenorchy where tracts of light industrial land will become available for development clearly located next to the corridor where we can -

CHAIR - The planning schemes go there.

Mr VALENTINE - Does that mean a need for public transport out to Brighton as opposed to just all coming this way?

Mr HINDMARCH - There is that as well, but there is the opportunity to link into Brighton with the light rail and also the opportunity that if we start looking at the areas in Glenorchy itself, they are potentially going to be freed up from warehouse use, from light industrial -

Mr VALENTINE - Yes, I understand what you are saying. I am saying that also generates a passenger demand to go the other way.

Mr HINDMARCH - Yes, absolutely.

Mr VALENTINE - Which makes it more economic.

Mr HINDMARCH - Then we start getting to this notion of the string of pearls or the hubs along the river which start to change the way we think about ourselves as a city, which has addressed us, addressing the waterfront and our river.

Mr JOHNSTON - We are not talking about a single centre, of Hobart being the centre. We are starting to disperse it so the notion of the string of pearls is from the Stockholm plan, whereby they are creating centres. You will find that places within Derwent Park, Moonah or Brighton will have the kind of mixed development that will attract both visitors and workers.

CHAIR - What effect would that have on central Hobart itself?

Mr JOHNSTON - All this is coordinated and depends upon how that is expanding but we are not talking about large elements. We are talking about components of it so you will have people who will be working in childcare centres, people working in health clinics and the like. So, yes, those things and there will be cafes associated with that kind of activity.

Mr MULDER - We are talking about the service economy. Those are the sorts of things that grow up in the margins.

Mr VALENTINE - It can reduce the transport demand, too, can't it? Because people are not going into the city; they might be working out there.

Mr JOHNSTON - Or you might find the people live where they work.

Mr VALENTINE - You might find the city turns more into niche shopping as opposed to some of the other services it currently provides.

Mr HINDMARCH - If we look historically how this city has developed those things are already happening in Glenorchy but what we have the option to do now is - it gives more people more options. So if you are a single person who has their place of work down the rail line, you jump on the rail line instead of jumping in your car. There are all these sorts of quality of life, liveability issues that start to come into play about how we want to participate in our city except in having to have a car, you then have an option which is viable in terms of how you want to deal with it.

CHAIR - Does the study that has been done about the light rail project have the wrong focus? Or at least, is the focus too limited? Should it be more about how can we use the transport corridor in relation to city building, health and housing and so forth rather than say, 'Is light rail a good idea?'

Mr JOHNSTON - In the terms of reference was the fact that light rail was considered transport and thus it became a bums-on-seats scenario.

CHAIR - Yes, and it is obviously proving very hard or it did prove very hard with the study to show that that, on its own, would be hard to make viable.

Mr JOHNSTON - We see that as part of the strategic plan you realise that light rail is the catalyst in development and understanding how the city is going to grow.

Mr MULDER - The point that the Chair started with is that if you look at the potential and then build the infrastructure to meet the potential, and it might be living in hope, but history shows that eventually that infrastructure - I will point out to people the fact that when Paul Keating decided that he was going build four lanes all the way out to the airport, and everyone said, 'What a load of rubbish.' Twenty years later, there is a traffic jam on it because although four lanes were visionary at the time eventually the development and the infrastructure became the limiter. It started off as a generator and then it eventually became a limiter.

Mr VALENTINE - Mind you, some would say that if you had not built the four lanes and had put in better train transport or something, you would have actually reduced the congestion 20 years in.

Mr JOHNSTON - Yes, indeed. The concept of strategic planning is -

Mr MULDER - I am just worrying about them going down underneath the Derwent, that is all.

Mr VALENTINE - It is a bit deep.

Laughter.

Mr JOHNSTON - Strategic planning is actually starting to bring all these different things together but it needs power to be able to do that.

CHAIR - Is that the bit we have missed?

Mr JOHNSTON - Effectively, indeed, because it is not seen as being integrated with potential development, affordable housing, health, energy, resource use and those kinds of things.

Mr HINDMARCH - Just to support that, in Tasmania for the next 25 years, we are going to see a minimum population growth of about 80 000 in southern Tasmania. We all hope for more, but it will be about 80 000. That is approximately 38 500 new homes in the next 25 years.

Where are we going to build those new homes? Do we continue on the same model of where we just keep expanding the suburbs? Or do we look at something where we build infill? Do we consider that the light rail and its investment - or whatever form of transport we look at - is actually going to be small fry compared to the next 25 years of having to build further suburban infrastructure? These are the sorts of the numbers we need to start understanding and getting our heads around. We are also dealing with health issues and obesity in Tasmania.

We need to start looking at how urban design - not just in Tasmania but throughout Australia - is going to start allowing us to walk, ride, and get to public transport. We have the principles here ready to go. In that feasibility study, there was an holistic view

of weighing up those statistics and saying that there are other things afoot here; it is not just about getting bums on seats.

Mr VALENTINE - In your urban design are you endeavouring to reduce the kilometres people travel as opposed to providing the options? Do you know what I am trying to say there? Is it trying to reduce the kilometres that people travel and provide the services they need in a greater number of places, as opposed to them all having to come into the city centre?

Mr HINDMARCH - I think it is more about providing the options. We are not saying that you cannot live in a suburban home; I am not saying that. That is a housing form which is appropriate to some people but not for others. What I am saying is that working in an area close to where you are living is an option but in a city the size of Hobart, maybe that is not something that is relevant.

Maybe it is actually about providing options to get from A to B and opening up the city economically for more opportunities. I think this is more the suggestion.

Mr VALENTINE - Because technology is actually improving the situation, is it not? People do not always have to travel to work to do their work. They can actually do it from home and in a lot of cases some people do.

Mr HINDMARCH - Exactly.

Mr VALENTINE - They do not actually go into the office; they work from home for various reasons because of differences in family circumstance.

Mr HINDMARCH - Yes, absolutely. We are seeing that the notion of recreation has very subtly changed in Hobart with the opening of MONA. We have seen now that Hobart is undergoing some form of minor cultural revolution.

Mr VALENTINE - It is.

Mr HINDMARCH - We have suddenly this wonderful piece of infrastructure which could tie into a housing precinct which is associated with MONA, and all these sorts of ideas. How do we support that with not everyone having to drive out and park their car there? These are the sorts of options where we start to break it down into what other tourism things we can support in this sort of endeavour.

Mr JOHNSTON - There is a level of complexity to the way people move and we should not reduce people's lives down to just travelling from A to B - to work and home and those kinds of things.

We used to have corner shops at one stage. Corner shops provided all kinds of different things that we have actually lost today. What they did allow is for people to actually walk to the shop, to meet the neighbours, and to be able to interact within a certain local community. It also allowed older people to live within their houses because they could access things whereas now they have to get into cars to go to a certain place.

Mr VALENTINE - Mind you, it is tending to turn around, is it not? Because of the Hill Street Grocer and those sorts of places.

Mr MULDER - A lot of little shops are now turning into neighbourhoods and if you go for a drive through some of our suburbs, you see people sitting out in the sunshine having a coffee with the dog tied to the table and chatting with their friends or reading the newspaper. So they have become little social centres again.

CHAIR - And the pharmacist is open next door and the hairdresser, maybe, and a doctor's surgery.

Mr MULDER - I think this has something to do with our ageing rather than -

Mr VALENTINE - It is lifestyle.

CHAIR - No, but nevertheless there is still that thing about building little hubs.

Mr VALENTINE - It is a lifestyle thing, is it not?

Mr VALENTINE - Look at west Hobart.

Mr JOHNSTON - The point I am making is that it is not dissimilar to what we are actually doing in terms of trying to create village life that is actually sustainable. It is sustainable because people want it and it also allows a variety of people to live in close proximity to things.

Mr VALENTINE - Yes. I think over time people have -

Mr JOHNSTON - But that does not stop the supermarkets from fading into non-existence because there will always be those things. You may create centres that have a certain character that makes them desirable. Let us face it; the Derwent Estuary right through up to the Derwent Valley is a remarkably beautiful place and it is totally under-developed.

Mr VALENTINE - A highway that does not wear out and we are not using it.

Mr MULDER - It gets a bit grotty when you get up to the narrower reaches of it.

Mr VALENTINE - I thought that was the jewel in the crown up there.

Mr HINDMARCH - It certainly is, yes.

CHAIR - I thought we heard this morning about the other end is actually the bad bit because it gets choppy - and Storm Bay.

Mr VALENTINE - Too right.

Mr MULDER - I was just thinking more of the people, not the river.

Mr JOHNSTON - The opportunity is to create a level of diversity. One of the things we did voice our objection to regarding the feasibility study was the termination of the light rail

at Claremont. For us that indicated there was a lack of understanding of what the stimulus activity of the light rail could actually be. Effectively, it would have turned Claremont - which is one of the most beautiful places on that stretch of the water - into a park-and-ride and car park facility, and a bus interchange. I think Claremont is one of those places that really would benefit from very careful and sensitive urban density development.

Mr VALENTINE - The top?

Mr JOHNSTON - Yes. It is ideally located because you still have the commercial centre adjacent to the old railway station. You have the land use changing because you have got school sites that have now become redundant and, potentially, could actually increase the housing density in a sensitive way around Claremont. Claremont could become a very interesting TOD - transit-oriented development.

CHAIR - The thing that has happened in Claremont though is that -

Mr JOHNSTON - Terminating it there meant that they did not understand that when you terminate light rail, you really need a place that is going to facilitate as a bus interchange and as a car park area.

Mr VALENTINE - Land value capture can help to pay for some of that.

Mr HINDMARCH - Absolutely.

Mr JOHNSTON - That is right.

Mr HINDMARCH - Just as a working case study, what we are just going to show you is us seeing how, in real time, what this TOD thing means on the ground on a particular site. We did have a look at the hockey site and Paul and I discussed it as being, I suppose, a resource which is firstly in council hands and also under-utilized in terms of the amount of area that is essentially there and not being used because of the old factory site. Also, Bell Street terminates at the Brooker so you have this road to nowhere. It is right next to the rail corridor and there is this wonderful opportunity to densify without having to impact significantly on the existing suburban -

Mr VALENTINE - Use it as a node, you mean?

Mr HINDMARCH - Yes.

Mr MULDER - We are about to find out, aren't we?

Mr HINDMARCH - Really, we started to look at what is available and what the sites are. You have the old storage warehouse that got demolished there. Obviously, there would need to be a discussion with the hockey centre. Again, this is about having a mutual understanding about what is in your best interests and our best interests. If there is housing on the site, you could actually put a whole concept forward such as, 'Well, let us make it student housing where there is no car parking and everyone rides; they can ride to the city'. Obviously, this is starting to get to concepts where we start talking about a

form of TOD which could have very much a commercial viability to a developer. There have been some discussions along that line.

CHAIR - Are you talking about the area alongside the Hockey Centre?

Mr HINDMARCH - Basically in that area you have the three fields and then you have that concrete apron which is directly in front of it. Then you have the whole of Bell Street which terminates at the end of the Brooker, which is redundant land. It is not really being used for anything.

Mr VALENTINE - When they have hockey games there they use it for car parking but there is no reason why they couldn't ride on transport to get there rather than take their car.

Mr HINDMARCH - Underneath and top. There is a real potential that we could have a working case study of a TOD with the notion that the corridor and the light rail will come and we could start to plan strategically the land use of this site in consideration of the corridor and its roll-on benefits in terms of car parking; we can potentially put out to develop it so that you can reduce the amount of car parking on the site. You could gear it up for development for bicycle riders - all sorts of roll-on aspects which then start to tap into the station that is there currently, which is the plant nursery, and starting to activate that whole precinct with a greater usage of in-field development, then also starting to align with the affordable housing policy with the Hobart City Council.

These are the opportunities and this is just one site of many. When we start to peel back the land use and strategic planning issues and we start to really look at sites and what is available, there is such an abundance of sites along the corridor that we can start to talk about affordability and how you access them and walkable suburbs. It is a very real possibility.

CHAIR - It is very exciting.

Mr VALENTINE - It could be. You might have a problem with the council but that is another thing.

CHAIR - Yes, but the concept is exciting, not necessarily a particular site.

Mr JOHNSTON - The hockey ground site was selected because it was council owned and that it would also align with the formal housing policy that they are starting to develop. Part of what we have been doing is looking at potential rail station sites and what potential development might occur on each of them. This is the one that we have developed most. But each site has its own particularities that call for different design solutions. This one was looking at wastage land that was left over because of the Brooker severing Bell Street. It was looking also at the potential of building over the top of car parks and how that could interact with the existing use of the Hockey Centre. You are maintaining car parking but you are providing residential circumstances.

Mr VALENTINE - Are you factoring in land value capture with that concept?

Mr JOHNSTON - Ultimately it will be because there will be a commercial development on how it pulls together. If you go back to the main plan, with that one you start to realise

that is only the rail side of it. If you start to look at the other side of the hockey fields, you realise you have all land up there but you also have secondary access off the Queens Domain. Part of what we are starting to explore is the fact that if you then have better access to the Hockey Centre via the Queens Domain, Queens Walk Road, you then alleviate all the traffic problems of going through New Town for accessing the Hockey Centre and you can start to develop much more of a pedestrian zone through there. But you need to have that wider understanding of what you can do.

You then have Stainforth Court across the way. You then have the possibilities of how that relates to this. You are starting to pull all these things together. The reuse of industrial land and transferring that is quite prolific in Moonah and Derwent Park. You have the KG5 redevelopment potential which could have used housing within that development as well. Then you have the other areas, such as Berriedale, which is quite minor, and Claremont which is ideal for high quality housing redevelopment.

Mr VALENTINE - A bit at Montrose too, is there?

Mr JOHNSTON - Possibly. You have outlying industrial areas there that have been long-standing. You also have waterfront areas allied to schools. Schools are continually rationalising their land as well.

Further out you have Austins Ferry which is a potential gold mine in what is going to happen there for housing with the sale of the Gunns site. That really says that that may go and then from that point on beyond that we have areas of Granton for park and ride facilities that will be the feeder for other parts. That is only stage one. Each site tends to have a different aspect about it.

CHAIR - Paul, one of the things we have heard several times now from DIER - and I think it is probably because of the narrowness of that study that was done - but they keep saying we cannot guarantee that people will come and we would be looking at how can we make the light rail viable. You are saying, and I would love to believe that: build the infrastructure and you could start doing the housing; the housing could start even before the railway line is done, I should say. How do you make that sort of stuff happen? Is it the strategic plan that is missing?

Mr JOHNSTON - Certainly it needs a strategic plan but there is groundwork that can happen first. The first thing is to determine capacity, to look at the sites that are there, see what land is available and crunch numbers in terms of understanding capacity for development.

CHAIR - Whose job is that?

Mr JOHNSTON - One would think it would have been the Office of the State Architect because you are really looking at somebody who is able to put together an understanding of quality environments to do with design and particularly sustainability.

CHAIR - You appear not to have one of those at the moment.

Mr JOHNSTON - I know, so in the absence of the State Architect we are at a loss to understand how these things can be progressed in a meaningful way.

Mr VALENTINE - The original land use strategy picks up some of it though, does it not?

Mr JOHNSTON – Yes, there would be, but then how do you actually turn that into understanding capacity is an important thing.

Mr VALENTINE - And driving the developments.

CHAIR - And it has to be an overview.

Mr VALENTINE - Yes, that is right, and it has to be broad.

Mr MULDER - It has to be enabling rather than limited.

Mr VALENTINE - Yes.

Mr JOHNSTON - And it has to be sustainable. We have to look at mixed development associated with different things so there is an equation there. We cannot just whack in housing wherever we can. It is about doing it sensitively.

Mr HINDMARCH - It is also the scale where we need to start considering the notion of an authority - who would actually be looking at heading up this kind of development in terms of its overall, overarching oversight of the thing which would cross boundaries between the two councils. There have been various examples of authorities that have been set up to look at these sorts of things which have a board and they have all the mechanisms to make decisions.

Mr JOHNSTON - No different to Macquarie Wharf.

Mr VALENTINE - This principle you are talking about, the pearl necklace, it seems to me that on the way to the Derwent Valley, on the railway side of the river you have all of that land that could end up being very desirable because it is near the river, to the point where you end up developing enough to provide that impetus for the line to go further and then you are tapping right into the heart of the Derwent Valley.

Mr MULDER - That was a question I was going to raise. I was going to ask it a slightly different way - at this stage your thinking is around Granton and all of the potentials within Granton. Of course we have the Bridgewater bridge, we have the original proposal that crosses there and of course once you are into that Brighton area it is not only just the side where the rail line was, you have the whole Brighton municipality and that is where the old quarter acre block - or one eighth I think is the standard these days - all that sort of development there. I am just wondering how what you are talking about fits in with the maintenance of the rail crossing at Granton?

Mr JOHNSTON - There is an economic equation that needs to happen obviously and that is going to relate back to levels of subsidies and those kind of things but these things happen. Infrastructure Australia, in the year we managed to make our submission, funded two light rail projects - one on the Gold Coast and one in Adelaide - so they were able to do it.

Mr MULDER - We talk about a rail corridor; everyone is focused on the rail corridor from Granton down and although there is enormous potential for infill and affordable housing within that corridor because of the changing nature of the industrial, there are also the open areas as you kick up into Brighton and if we do not maintain the corridor to Bridgewater then you are basically locking -

CHAIR - Limiting that forever.

Mr MULDER - -all that potential up there to be integrated with the transport thing.

Mr JOHNSTON - I agree, particularly if you start to look at what you could do to Bridgewater and Gagebrook if it was connected.

CHAIR - I need to call a halt here. I know that Craig's time is limited and he needs to go to another briefing.

Mr FARRELL - I have another 15 minutes. I have just sent a message.

Mr MULDER - Just give Craig the floor for a few minutes.

CHAIR - It is not only that. If he goes there won't be a quorum.

Mr JOHNSTON - Brighton is one of the growing municipalities and it would be foolish not to put in infrastructure to allow the light rail to extend there, if not now, then certainly in the future.

CHAIR - To keep it open, you mean?

Mr JOHNSTON - Particularly in terms of the potential for Bridgewater and Gagebrook. Bridgewater and Gagebrook are beautiful places - when we talk about land values, connecting that area with efficient public transport will change it dramatically. That needs to be put into the overall equation - the possibility for regeneration of Bridgewater and Gagebrook and the potential for changing land values and creating densities within that area.

Mr MULDER - Which leads to the matter of the Bowen Bridge. It has to be one of the most under-utilised assets in the country.

Mr VALENTINE - That's right.

Mr HINDMARCH - It is interesting because the old spur lines that run off from Glenorchy are still in existence, and they go out to Dowsing. Is that right?

Mr JOHNSTON - Yes.

Mr HINDMARCH - Those spur lines are available.

Mr VALENTINE - As we expand in the future, there is going to be more and more housing in the east, and there is the opportunity to utilise the Bowen Bridge as a railway line -

Mr MULDER - There used to be a railway line from Sorell to Bellerive.

Mr VALENTINE - That is right, but I am just saying, rather than going to Kangaroo Point you could come across the Bowen Bridge and meet up with those spur lines.

Mr MULDER - We have had these discussions but they are fairly rocky little lumps between Cambridge and the Bowen Bridge.

Mr VALENTINE - I don't know. Is there a way through the Meehan Range? There is not? I just wondered whether you had considered that.

Mr JOHNSTON - We started with fearing that the link was going to be cut with the city -

Mr VALENTINE - Not the holistic stuff across there.

Mr JOHNSTON - It is obviously integrated. It is different modes and forms as well. The TOD could operate on a ferry basis - if you have a centralised point of activity that will create development. When we briefed the Minister for Sustainable Transport's advisers prior to the feasibility study we said the most important thing that needs to be appreciated is that if something doesn't work now, it shouldn't be severed so that it can't happen later. In other words, if spur lines exist that may potentially connect to the Bowen Bridge, then make sure they are in a strategic plan and kept open so we have those potentials for future development.

Mr MULDER - Because the RACT in Brighton is keen to form some sort of link through the Back Tea Tree area between Brighton and the Bowen Bridge, as an alternative to getting the Brooker Highway going, because sooner or later you are going to start double-decking, and what are you going to do with it?

Mr JOHNSTON - There is a limit to all of it. It will either be a limit imposed by fuel prices, which is inevitable, or we are all going to end up driving electric cars and where are we going to get our power from, because electricity is getting more expensive than fuel.

CHAIR - Where you started, though, was in line with the strategic land use regional plans that talk about densification rather than keeping on going out and out. DIER might have mentioned that it is hard to make a light rail viable if you only have a population density of 800 or 900 along the corridor, rather than at least 2 500.

Mr VALENTINE - A fifth of Western Australia, wasn't it, he said?

CHAIR - Perth, yes.

Mr MULDER - Isn't that the expense of going into larger lots? The only real room for the end of this transport corridor is Brighton, if we are talking about the light rail. If you limit yourself by not having capacity to cross the Derwent at Bridgewater, you are limiting the potential catchment area in the future to whatever you can cram into high density living.

The market will demand it because not everyone wants to live on a quarter acre block and run the Victa lawnmower around the Hills hoist on a weekend. I have to do it, but I

don't want to. It was once assumed everyone wanted a three bedroom, brick and tile on a quarter acre block and that is why we did Bridgewater, Gagebrook, Clarendonvale and all those other debacles.

Mr VALENTINE - Then the five-acre blocks.

Mr MULDER - Yes, and the five-acre blocks on the outer of that. Although we are going to get more of our population growth going into high-density stuff, there will still be expansion in those areas out there. If we are going to keep the corridor open we need to keep it open to provide the connection to areas where there is sizable land available.

Mr JOHNSTON - Crossing the Derwent at Bridgewater is the logical way to go.

Mr MULDER - Because the crossing is there now. But we have a plan to submit to Infrastructure Australia for a huge, multimillion-dollar, sweeping bridge with no rail.

Mr JOHNSTON - Yes. That says it all.

Mr HINDMARCH - Also, we are talking about the development of the railyards site and critical to that is the preservation of the link to the city. These are all things that are linked to the feasibility of the rail. We are going to get to a point where people want options and different possibilities in terms of how they want to live, and we should offer that to them.

Mr VALENTINE - The important thing to recognise, too, is that Hobart port, being the second deepest port in the world, is not something we should be shutting off from rail, from a freight perspective. Sooner or later, the ships are going to be so big that they are going to need deep ports and it might be cheaper to work stuff out of Hobart rather than Melbourne.

Mr HINDMARCH - Yes, absolutely. There is no reason why the two can't run side by side - with the light rail. To put it in perspective, the last feasibility that was done was looking at somewhere in the vicinity of \$40 million to \$60 million. The Kingston Bypass cost us \$30 million.

Mr MULDER - It just extended the morning car park.

Mr HINDMARCH - We are a small community and when we start looking at investing strategically, we have to start making decisions on where we are going to get bang to buck. Do we continue going with roads, or do we start looking strategically at these relatively low-cost developments, where we are going to get so much more out of our investment in infrastructure.

CHAIR - DIER said today that, even if this was built, they would still have to improve the road infrastructure or expand the Brooker Highway. They don't think enough people would change over.

Mr HINDMARCH - We need a scope, or a feasibility, to answer those questions because we don't have it at the moment. The information that has been coming out of DIER, in terms of feasibility, does not tick those boxes - it doesn't answer those types of questions.

Mr MULDER - There a deeper problem, that you have alluded to a couple of times, when you talk about strategic planning. We have strategic planning for roads, and we have strategic planning for land use and never the twain come together. That is one of the issues you have. But we also have all this planning for sustainable transport, and all this planning for infrastructure, and we have a minister for one and a minister for the other. If anything, it is creating a silo where there never was one.

Mr VALENTINE - It is not just here though, is it, it is commonwealth as well?

Mr JOHNSTON - It is not strategic. If it is not inclusive of all aspects, then it cannot be considered strategic.

Mr VALENTINE - The big issue to my mind is the eastern thing I am talking about, with the rail connection through to the Bowen Bridge. If you do not provide those corridors now you lose the land. It gets gobbled up as residential or whatever.

CHAIR - You asked the question this morning, though. What are the chances of that?

Mr VALENTINE - Yes, but I am not talking about now. I am talking about in 30 years time.

CHAIR - Yes.

Mr VALENTINE - When there is a lot of -

Mr MULDER - The strategic approach here is that you keep a transport corridor open even if you have no idea of what sort of transport may operate on it in the future.

Mr VALENTINE - That is right.

Mr MULDER - You keep the transport corridor open. The light rail does not get up and in 30 years time someone comes up with some whiz-bang pods or something -

Mr VALENTINE - You could always sell it off.

Mr MULDER - - that run up and down the thing. Who knows?

CHAIR - I think fortunately that one is safe because everybody seems to be saying, 'Yes keep that corridor open.' It is a different issue on the eastern shore.

Mr VALENTINE - It is.

Mr MULDER - Strategically, what you do is say, 'Look here is a growth area, quite clearly that is going to continue to grow and there will be transport issues associated with it so let us just keep open a 50-metre wide strip and worry about what sort of transport is appropriate when the demand reaches a point where it is required.'

Mr HINDMARCH - It is also if we start thinking strategically in terms of planning and urban design and starting to consider the string of pearls idea, if we start thinking about

that now and how we are going to start to accommodate in 25 years this growth in population and we start to develop strategic planning with these villages now, then we start building up the kinds of densities we are going to need. If we just keep the status quo of course it won't happen because there will never be the density because we are going to keep going outwards. If we start thinking about urban planning now and thinking okay, in ten years we might hit a certain viability.

Mr VALENTINE - That is right.

Mr HINDMARCH - But that is not going to happen if we keep just ploughing down the same path.

Mr VALENTINE - In 50 years time we will all have jet packs and we will not need it.

Mr JOHNSTON - Fuelled by?

Mr MULDER - Another point that has come up a few times here, particularly when you are talking about this focus on Metro buses are the only future for transport, a lot of it is that they are more and more coming down to realise that the subsidies they get are not going to last forever or cannot keep growing the way they have so their services are contracting more to the corridors.

We have discussed a few times now about how does that, your string of pearls is going like this but surely from those strings of pearls there needs to be some form of public transport that feeds back to your transport nodes around which your villages are built. Some people will use that just to go shopping in the local village, other people will use it for commuting purposes because they have to get to Hobart and the other thing is we do not want to spread housing ad infinitum because of the issues it raises with linking but there is also the concept that - I lived in the eastern suburbs of Melbourne and I reckon that of the seven people in my family I was the only one who ever travelled into the city more than once a fortnight or once a month. The rest of them went to school, work, sports, shopping locally. Everything else was out there so it is only the commuters that are crunching down, funnelling into the city, and if we get the pearls idea going and the idea of the service industries out that way we are going to get to the point where there is as much traffic going that way as there is crunching in this way.

Mr JOHNSTON - Remember that a lot of the old pattern of development and services are in place, so all the high schools were all developed on the rail line. They are all existing, they are all flourishing so there is an existing pattern there that we can just start to revert into.

Mr VALENTINE - You have spoken with Emma Riley and company. Obviously Emma did a lot of the land use strategy stuff. How does this concept fit in with all of that? I cannot throw my mind back to it because I am starting to forget about that stuff over the years.

Mr JOHNSTON - It was Emma's piece that we showed in terms of the need for Hobart planning in the front of these slides.

Mr VALENTINE - It fits in with the land use strategy.

Mr JOHNSTON - Absolutely. It would be really interesting to see what a simple change in land use would start to actually prompt along the corridor. If that industrial area in Derwent Park became mixed zone then you will start to gradually see an infiltration of residential developments within those.

CHAIR - Is Glenorchy working towards that in its new planning scheme? I have lost touch with that.

Mr JOHNSTON - There is an acknowledgement of it but within their land use planning strategy review they talk about keeping watch so they are monitoring issues to do with the relocation to the transport hub and what would happen there. But Glenorchy is also very interested in maintaining a working population within that light, industrial area as well. What we say is, you can have both. You can have light industrial and residential like they have done for centuries in North Hobart.

Mr VALENTINE - But the Glenorchy area is as much service industry now, isn't it, as opposed to purely industrial? Lampton Avenue and those places -

CHAIR - You know there is a conflict between residential there.

Mr VALENTINE - I know there is that conflict.

CHAIR - Perhaps there need not be.

Mr MULDER - We are not still making munitions out there, are we, in the war factories?

Mr FARRELL - My mother used work out there.

Mr MULDER - As long as we can have a steam whistle somewhere, Craig will be happy.

CHAIR - How are we doing with that, are you just about there?

Mr JOHNSTON - Yes. We talked about the way before and the idea that the first thing is determine capacity. What numbers that we are talking about that are going to effectively applied to the principles in an urban village on all sites that are available. Only from that point can you then start to talk about the financial feasibility, of what it is going to cost, how many people and how that could feed into it. Out of that comes the idea of creating a vision that allows people to buy into that and then sell the idea.

Without understanding the capacity, you can't determine the feasibility and that's what needs to happen as part of an integrated approach to light rail - understanding what the future capacity is going to be and what the passengers are going to be. If we strategically started to consider developing high levels of housing density sustainably along the line -

CHAIR - But we don't have a body or a group of people currently who are or can be doing that.

Mr JOHNSTON - The last approach we made to the state government was a meeting I had with the Premier's economic adviser and all that I received back after requesting a formal

reply was, 'Very interesting.' There doesn't seem to be an impetus to even explore the possibility.

CHAIR - Does there need to be money to do it?

Mr JOHNSTON - There needs to be a concerted approach for a variety of different people within government that would come under the umbrella of somebody like the Office of the State Architect and start to develop these up and say, 'This is the potential for this site, for the site and for this site in a sustainable model. It can support this number of people. We predict this proportion of people would start to utilise this,' and we can start to put future projections in place.

Mr VALENTINE - Just as I left the STCA, there were discussions going on between government, the Planning Commission in particular and the STCA with regard to how they would continue to update these land use strategies and the regional plans. I have an idea that they recognised that without anything driving it, it would fall into disrepair. But I have an idea that was being resolved through the capital city plan, the need to keep the capital city plan vital for COAG. Have you heard anything in that regard?

Mr HINDMARCH - Obviously as architects we are involved. But we don't really know what's going on. I don't think anything is coming out of the institute that is saying what is happening with the capital cities plan or what the process is by how these ideas or visions are incorporated into it, what the role of the capital cities plan is in terms of the future vision of the city. The last we hear it was within DIER.

Mr JOHNSTON - It is the key document in terms of Infrastructure Australia funding.

Mr VALENTINE - I don't think it was DIER that was seen as the main agency. I think it was the Planning Commission and the STCA being a major stakeholder in that. It's a question we could ask and check up.

Mr JOHNSTON - The Office of the State Architect did put it together.

Mr VALENTINE - I realise that, but based on the STCA's plan.

Mr JOHNSTON - I think so, yes.

Mr MULDER - The Planning Commission has focused on land use and those sorts of things. Is there a need now to look at a strategic arm of the Planning Commission? Some sort of overriding body that starts to pull all the economic development planning that is going on - or greening, whichever you to call it - or some of that stuff together in a holistic -

Mr VALENTINE - Long-term stuff.

Mr HINDMARCH - We are all starting to use terms like 'string of pearls'. That is a concept; that is an urban idea. It is not in the realm of the STCA; it is not in the realm of the Planning Commission. This is a holistic urban design vision and these are things that are going to bring the public on line; these are things that people understand and can grab. This is where I think we need to go next - starting to produce some information for the public on the options and possibilities.

Mr MULDER - All four of us have been in local government and gone through this planning stuff. We all know that when someone puts up a development, there is a comment from DIER in relation to the traffic or the transport issues which is appended somewhere to the edge of the report rather than infrastructure being a central plank of the report. When you go up into DIER, it just makes a submission to the Planning Commission in relation to the traffic or the transport issues on the main road.

Mr VALENTINE - Land use is now part of the statute, so it is actually forcing a compliance to a degree.

CHAIR - I am conscious of the fact that Craig now is starting to fidget in his seat. He needs to go. Are there any further questions? It is an important discussion; thank you so much for coming and adding to it. While in a sense it is not directly about transport, transport is very much part of the whole bigger picture.

Mr JOHNSTON - You mentioned the silo thinking and we do that incredibly well here. You have demonstrated that in terms of DIER's thinking and its capacity to understand roads but very little else. So we are very much about an integrated approach that is about bridging those silos. I think that the office of the state architect was the only opportunity to actually start to move that forward in that kind of approach; without it we are at a loss.

CHAIR - I don't know if we can make that one of our recommendations, really.

Mr HINDMARCH - We used to have a buildings work department affiliated with the state government which had a group of state architects. I suppose if that is then affiliated with the Planning Commission, that would seem like a good idea because at least there is a repository to put this information and then inform government and council as to what some of the critical points of discussion are, and to hand that information to DIER as well.

Mr VALENTINE - You can't have integrated transport options without everything else falling into place around it.

Mr HINDMARCH - Maybe it is a loaded term now because everyone seems to be jumping on that term. But it might be that we just have reshape and recreate a new public works department.

Mr MULDER - The term 'architect' implies someone who designs a building. But we know it is a lot more than that, and that is why you need that strategic arm -

Mr JOHNSTON - I agree.

Mr MULDER - and I think the place we need to get it is into the Planning Commission because that is where this sort of stuff belongs, but its culture comes out of town and country planning -

Mr JOHNSTON - Victoria has VicUrban and New South Wales has - sorry, I have forgotten - and there is the integrated design commissioner in South Australia. There are different capacities of that actually happening.

Mr MULDER - I think you had better wind us up, Madam Chair.

CHAIR - If you want, we can continue at some further time but we do need to stop this for now. As we have no further direct questions, we will call a halt at this point. Thank you for coming, both of you. It has added very much to the whole discussion and broadened the field for us. I am not quite sure what that is going to mean in terms of the report we put in or the recommendations we make.

THE WITNESSES WITHDREW.