

UNCORRECTED PROOF ISSUE

**Tuesday 5 December 2017 - House of Assembly - Government Businesses Scrutiny Committee
- Metro Tasmania Pty Ltd**

HOUSE OF ASSEMBLY

GOVERNMENT BUSINESSES SCRUTINY COMMITTEE

Tuesday 5 December 2017

MEMBERS

Mr Bacon
Dr Broad
Ms Dawkins
Mr Jaensch
Mrs Rylah (Chair)
Mr Street (Deputy Chair)

SUBSTITUTE MEMBERS

Ms Ogilvie
Ms O'Connor
Ms White

IN ATTENDANCE

Mr Rene Hidding MP, Minister for Infrastructure

Ministerial Office

Mr Jonathan Wood, Senior Adviser

Metro Tasmania Pty Ltd

Mr Michael Harris, Chairman

Mr Tim Gardiner, Deputy Chairman

Ms Megan Morse, Chief Executive Officer

The committee resumed at 10.05 a.m.

CHAIR (Mrs Rylah) - Minister, would you like to make an opening statement.

Mr HIDDING - Buses play a key role in connecting Tasmanian communities and they are a key element of our strategy to reduce traffic congestion. The importance of Metro and its role in providing Tasmanians with safe, reliable and efficient road passenger transport services, particularly in urban areas of Tasmania, cannot be overstated. Metro is Tasmania's largest transport service provider and in 2016-17 it has continued to expand its customer focus in introducing a range of initiatives to improve passenger amenity, make operations more efficient and productive and to better connect Tasmanian communities.

The year in question has seen measurable gains in Metro service reliability, patronage and customer satisfaction. There are three highlights among many that I believe warrant particular mention. Firstly, we have seen the largest single investment ever made in public transport in Tasmania. Metro will be given funding to enable them to introduce 100 new buses into their fleet over three years, replacing older vehicles in order to significantly lower average fleet age. In addition to the accelerated bus replacement project, Metro ordered seven new articulated buses which were delivered between May and August 2017. The average fleet age for Metro will reduce from 16.3 years to 11.6 years by the end of the four-year capital investment program, bringing us into line with other capital city operators and reducing ongoing maintenance costs.

Second, we saw the proactive and successful Free Before 7 patronage campaign conducted in Hobart during January and February, which we will be looking to expand upon in the new year. This is a classic example of Metro actively participating in changing community attitudes to public transport by highlighting the potential for a bus to take up to 60 cars off the road. It reinforces the critical role Metro can play in making our cities more liveable and less congested.

Third, there has been a significant increase in southern adult patronage as a result of numerous changes designed to make public transport more accessible and attractive through implementation of the Hobart Network Review. Metro has implemented a number of initiatives in recent years that have successfully encouraged more full-fare-paying adult passengers to use public transport. Metro's redesigned Hobart network commenced in January 2016 and in the first 12 months adult bus journeys increased by 6 per cent compared with the previous 12 months.

The financial performance of Metro during the year was solid. Metro incurred an operating loss of \$3.02 million before tax in 2016-17. It should be noted that additional government funding of \$3.25 million is no longer recorded as recurrent revenue in the statement of profit and loss, but rather as an equity contribution in the statement of financial position.

The committee should also know there were a number of changes implemented to the Metro board over the year, including the appointment of Michael Harris as chairperson, and the appointment of two new directors, Ms Jude Monro and Ms Susan Fahey. I place on record the Government's appreciation to outgoing director, Geoffrey Hazell and the former chair, Lynn Mason. Their contributions to the operations of the Metro board was significant over a number of years. I also acknowledge the role played by former CEO, Stuart Wiggins, a key player in that 100 bus purchase contract. Unfortunately, he announced his resignation in May due to ongoing health issues. On a happier note, I congratulate Megan on her formal appointment as the new CEO, having acted in the role since Stuart's departure. She has won the substantive role as CEO against a national field of candidates and deserves to be very proud of herself.

UNCORRECTED PROOF ISSUE

It would be remiss of me not to also record my gratitude to the more than 450 Metro employees around the state who have performed their tasks with pride and professionalism throughout the year. We thank each and every one of those, particularly our very good bus operators. I look forward to Metro playing an even greater role in the Tasmanian journeys in 1917-18 and congratulate the business on its significant achievements over the past year.

Ms OGILVIE - We all concur with what a great operation Metro is running. Minister, you would be aware that from next week there will be massive disruption that will occur as a result of changes to the Hobart Bus Mall. We are worried, particularly those of us who have children who are using that mall. Before school and after school hundreds and hundreds of kids go through that bus mall. We are worried that there will be chaos, pandemonium and safety issues caused by the movement of bus stops to a location in front of the former *Mercury* building. We all know that kids, in particular, when they are late for school they will dash across a road; we have seen that happen, they should not but that does happen. This is just a couple of weeks before Christmas and the last week of school. There is a great deal of concern about this.

Could you set out for me what impact you believe these changes will have both on the safety issue with the kids getting to school but also on traffic congestion and the likely traffic flow impacts on Macquarie Street?

Mr HIDDING - Madam Chair, I am happy to explore this with the member and the committee but make the point that none of these circumstances were done as a result of anything Metro triggered here. I point out that where the bus mall sits in Hobart is a matter for the Hobart City Council and where it does not sit is also a matter for the Hobart City Council. The Hobart City Council chose, as part of its development application agreement to the building of the hotel in -

Ms OGILVIE - Which is welcome, obviously.

Mr HIDDING - We are all on board with that development. At the end of the day the Hobart City Council is responsible for how it manages this. It has chosen, essentially, to bump the Metro terminus out of the Mall.

From our point of view it is temporary. I am not accepting for a minute that Metro buses will not go back into the Mall but that is a matter for in two year's time. It is completely the decision of the Hobart City Council that buses come out of the Mall and then it is completely the decision of the Hobart City Council where the buses end up. Metro has had considerable discussion negotiating with the Hobart City Council, as has my department, to try to manage as best we can the circumstances. Again, the Hobart City Council is also responsible for all the kerb space on Davey and Macquarie streets. Not to put too fine a point on it, they are their roads and they appear to be determined that they stay their roads and that they stay responsible for them as well, bizarrely I think -

Ms O'CONNOR - Why don't you compulsorily acquire them like you are the pinnacle of kunanyi/Mount Wellington?

Ms OGILVIE - Sorry, I have the call I believe.

Mr HIDDING - They are responsible for the kerbside and they are responsible for the traffic congestion through there as well.

UNCORRECTED PROOF ISSUE

This is somewhat of a strange circumstance in that in other states you probably would not get into quite as big a pickle as this but I am confident the Hobart City Council has done their absolute best. I am certain my department has in order to broker the best possible outcome for Metro with the Hobart City Council and also to manage safety issues. If you never changed anything you have the same profile -

Ms OGILVIE - I will take my second question.

Mr HIDDING - I accept your concerns. I think that is on the forefront of everybody's minds, particularly Metro. Metro in all these arrangements where they are asked to manage their terminus kind of operations, safety has to be number one. These are big implements, big vehicles and it has been now been a full 12 months Metro has been negotiating with the Hobart City Council. Where it has ended up is about the best it could be unless they stayed where they are and it appears that is not an option. That is not to say Metro are not capable of managing the risk and they are putting a lot of work into that.

I want to give you that context it is the Hobart City Council's city, it is their streets, it is their mall and at the end of the day they decide what goes where. I will hand over now to the chair, if that is okay with you two, from their point of view.

Ms OGILVIE - Sure if you want to add to that absolutely but I do have a second question.

Mr HARRIS - Probably two points to reinforce the safety issue which is one of our primary concerns always whenever we do work, be it charter work or scheduled services, and it was forefront in our minds. Our preference was to stay where we were.

Ms OGILVIE - That's what I understood.

Mr HARRIS - The construction site effectively makes that impossible because of the amount of space that is being taken up.

Ms OGILVIE - So it's the western side?

Mr HARRIS - Yes, that's right. All those services are moving around and they are by and large eastern shore services, so they're the ones that are shifting. As the minister has said, it was a decision given to us both in terms of location and timing. Megan and the team have done a sterling job.

Ms OGILVIE - You've worked miracles with what you've been given, I understand.

Mr HARRIS - The first, second and third options put on the table were completely unacceptable from a safety point of view and rejected by us accordingly.

Ms MORSE - We're likely to have a few teething problems as other motorists become accustomed to our new operating environment, particularly from Monday evening's peak, but the move has been carefully planned and will be very actively supported by Metro. We will have staff within the interchange location in the new location to assist passenger to find their departure points from Wednesday of this week through to next week. We're not expecting pandemonium or chaos but it is a significant disruption in our network.

UNCORRECTED PROOF ISSUE

Ms OGILVIE - Thank you, and I appreciate Metro is working with what you have been given to work with.

Minister, Lord Mayor Sue Hickey has said that it was a Metro and State Growth decision on where that bus stop went, but you have said it was Hobart City Council and Sue Hickey's decision. Which one is it?

Mr HIDDING - The final decision on where buses and bus stops go has to be the Hobart City Council. It is their road. They are the official road manager, therefore the council owns the responsibility of where they go. Did Metro agree to the first, second or third proposals? They did not agree to anything without lots of discussion as to where it could be better sited. Where we have ended up is the best possible result we could have got for Metro and everybody. It is an iteration of a long-term discussion as to where it goes.

Ms OGILVIE - Sure, but I don't believe any of the schools have been spoken to about this. To paint a picture, I drop my son off there and pick him up. I am there at the school transfer time where there is a flock of children. They all have their schoolbags which are full and big - you know what I'm talking about, you've been there - and sometimes the schools have to send teachers to help supervise their classes. Sometimes there are so many kids there -

Mr HIDDING - In the bus mall here?

Ms OGILVIE - Yes, it is huge. It is a big exchange of children across town to get to school. Sometimes there are so many schoolbags dumped on the ground with kids standing around that pedestrians have to walk out and around them. I cannot see how that is going to work outside the Mercury building. Someone is going to get hurt. The traffic issues are already dreadful. We are heading into Christmas. It is 10 days before they break up from school. It is such a bad time of the year to do it. I am genuine when I say I am worried about safety. I bring that up every time we speak, particularly about the kids. They will dash across the road. It is the busiest intersection in Hobart. I am deeply worried about it and from what I have just heard, if it is in Lord Mayor Sue Hickey's hands to change it, would you please ask her to do so?

Mr HIDDING - No, I will be doing no such thing because after 12 months of negotiations for the best and safest way to manage this, the timing of it and everything, to now set something back - the only option would be to stay exactly where we are and not build the hotel.

Ms OGILVIE - I'm sure we can find a better solution but thank you. I appreciate the position you are in.

Mr HIDDING - I would be delighted for you to go away and do another 12 months and try to find a better outcome. Metro and traffic engineers have tried to negotiate here. It is not a question of blame but you can't change the fact that the Hobart City Council is the road manager and therefore manages the curb side and curb space.

Ms OGILVIE - Sure, but do you think they have consulted with the schools?

Mr HIDDING - That is matter for them, I don't know. Certainly Metro is very aware of incoming and outgoing schools and the rest of it. I will take some more advice on this, but if I find it would be necessary, I know Tasmania Police would be very happy to be helping.

UNCORRECTED PROOF ISSUE

Ms OGILVIE - I reckon the mums would come and help too because everyone is really worried about it.

Mr STREET - Chair, as a point of order, it might suit Labor's narrative to blame the Lord Mayor now that she is a Liberal candidate, but the Hobart City Council has 12 councillors who make decisions like this, it is not the Lord Mayor's sole decision.

Ms OGILVIE - Is this a statement?

CHAIR - Order. I am going to pass the call to Ms O'Connor.

Ms O'CONNOR - Minister, after four years of your Government it would be fair to say very little has changed in terms of traffic congestion except that it is as congested as ever. There has long been a call from bus operators - and I believe Metro Tasmania would like to see this too - for bus priority lanes, particularly along Macquarie and Davey streets. If your Government can compulsorily acquire from Hobart City Council the pinnacle of kunanyi/Mt Wellington, why is it not moving to compulsorily acquire from Hobart City Council responsibility for those roads in order to significantly improve congestion?

Mr HIDDING - While the point is certainly accepted, the laws here are two different matters. These roads are currently under the management of Hobart City Council as the official road manager and taking that off a council and investing it in another road manager is a different process than compulsory acquiring of real estate. However, the point is taken. I suppose at one level the Commissioner for Transport or someone may be able to do that, but in this day and age it shouldn't be necessary to be arguing with councils as to who could best manage these roads.

I will make the point again, although I have made it ad infinitum. Our road networks all discharge into the centre of Hobart where there is a couplet that is managed by someone else other than the manager of all the roads that feed in. It is the last mile sort of solution that ought to be participating in this congestion project. I reject entirely that there has been no progress on congestion. There has been some very substantial progress and the -

Ms O'CONNOR - It is as congested as ever, if not more so.

Mr HIDDING - We have a lot more cars on the road. At school holiday times we have very few congestion events but the major congestion events triggered the knowledge amongst southern Tasmanians that in fact we do have a genuine congestion matter which comes from a booming economy, and that knowledge has now resulted in much better traffic management and driver behaviour that has come about through Tasmania Police enforcing better driving behaviour and how people behave in congestion. We are doing all sorts of things, including the clearance of crashes quicker. Rather than having two people standing in the middle of the road exchanging telephone numbers, get the car off the road so everyone else keeps moving and then exchange your telephone numbers. There is a whole range of areas where things are improving, plus we are working on longer-term visions to correct this.

Back to your point about priority lanes on the Macquarie and Davey couplet, we think that is crucial. If you gave this problem to grade 4 primary school kids, they would say if one bus takes 60 cars off the road, put more buses on the road, but if you sat in your car and that bus was behind you and couldn't go around you, why would you get on a bus? You might just as well sit in your car.

Ms O'CONNOR - You've had four years. Has there been any consideration given to compulsory acquisition then?

CHAIR - Order. Allow the minister to finish.

Mr HIDDING - The Greens minister for sustainable transport also had four years. What we are talking about here is a culture shift and a council that is determined to hang on to a couplet that has regional and statewide significance. The Hobart City Council has participated in a whole range of measures, however in order to provide a full priority bus lane it needs a lot more than that. We are determined we will deliver this.

Ms O'CONNOR - Minister, I understand your frustration. It is probably not quite the frustration that people who are trapped in the morning traffic from the Southern Outlet onto Macquarie St feel, but has there been any consideration given by Government to the compulsory acquisition of those parts of the road that are managed by the Hobart City Council in order to provide that very significant congestion-easing measure?

Mr HIDDING - Up until now we have preferred to engage with the council, as we engage with all of our local government bodies in Tasmania, in a positive way and explain the issues, lay out the plans and show them the traffic analyses of movement on those roads. The Hobart City Council is a key participant in the group of four cities that I brought together where we have spoken about these matters. They are very aware that they have these responsibilities. Up to know they haven't found a way to accept them fully.

Ms O'CONNOR - That's the carrot. What is the stick? The state government has the legislative capacity to deal with this. Has there been any consideration by your Government for compulsory acquisition in the same way that you want to compulsorily acquire the summit of kunanyi for a private developer? This would be for the people of Tasmania.

Mr HIDDING - To date, it will be self-evident, we have chosen the diplomatic route, which as you have pointed out hasn't landed in success at this point. We are continuing and we are hoping that the Hobart City Council would see commonsense eventually.

Ms O'CONNOR - How long are you going to give them?

Mr HIDDING - For now my stance is diplomatic.

Mr JAENSCH - Minister, can you please give us an update on the very exciting project to construct 100 new buses for Metro up in my electorate in the north-west - our electorate, Madam Chair, Dr Broad - and the benefits of doing that in Tasmania? Secondary to that you would be aware that a couple of us recently spoke with the Australian Electric Vehicle Association people, who are very interested in the future electrification of our public transport fleet. Could you comment on the scope for that and the future with Metro buses?

Mr HIDDING - We are entitled to be proud of our accelerated bus replacement program, which are the 100 buses that are being built as we speak. Bus 002 is being built at Wynyard in the plant. I would encourage local members to go and have a look at this now fully dedicated plant to building buses. Bus 002 will be on the road in the first quarter of next year. There will be in a structured process where we will get up to 100 in just under four years. That will transform the

Metro fleet. Not only will it transform the Metro fleet it will provide the confidence and the transformation for the advanced manufacturing environment on the north-west coast. They believed they were among the best in Australia and possibly the world in what they do. It would appear, certainly the bus company they are building them for, feels very strongly that their partnership with Elphinstone in this construction is of great interest to them, not just for our buses but for other buses around Australia.

Bustech Pty Ltd, an Australian manufacturer of buses, was awarded the tender to manufacture this new Metro fleet. The bus builder anticipates it will inject about \$13 million in the Tasmanian supply base over the duration of the contract. Twelve other Tasmanian providers are also currently involved in the supply chain. That number is expected to rise in the coming months. The sides of the bus and the roof are prefabricated fibreglass from Penguin Composites. That assists the lightness of the bus and makes it cheaper to run. It just goes to show that the national quality skills we have in this state, particularly on the north-west coast, are remarkable.

The new buses will be air-conditioned, powered by euro six standard engines, which we will get back to in a moment. This new standard diesel engine is the lowest emitting diesel engines in the world. The new buses are the 12.5-metre low-floor model accommodating 51 seats and two wheelchair spaces, which will ensure that it is fully compliant with the disability standards for accessible public transport.

It is a key point that in coming to office we were told there was no way we would comply with the 2022 date for compliance with the Disability Discrimination Act.

Ms O'CONNOR - You are still only 52 per cent DDA compliant.

Mr HIDDING - At the end of the contract build our percentage of compliance will be 100 per cent. This moves the very old buses out of the fleet, which are the ones holding us back. We will be 100 per cent compliant as bus 100 rolls out. That is a matter all Tasmanians should be proud of.

On the matter of electrification, I have made private investigations into this. I was comparing that with other advice I was getting and seeing what is happening around world. In the Australian context, Bustech is genuinely interested in all its buses being electrified eventually. In Tasmania we are the only state that would be able to boast our buses are operated by fully renewable energy. So there is a strong motivation to do this. Bustech has a number of electric bus prototypes on the road. We are a few years off seeing them in operation in Tasmania.

Although to remain positive about that, it is all about the performance or capabilities of the batteries. We are not the first in the world to be doing this and so it is unlikely that Australia will provide a breakthrough in lithium-ion batteries, it will probably be somewhere else.

Topography in Tasmania, in Burnie for instance, is a problem. It is all very well having one running along the flat in the city, but when it has to go up Mount Street, where people live, it has to be able to get up there come back and go back up again. Currently that is not possible. The good news is, and this is another reason Metro was able to finalise its procurement process, the design of the bus is such that the electric motors can be switched out very simply for the diesel motors. There would be a strong second-hand market for them because they are euro-six diesels. The fuel tank can be switched out for a battery pack, when they are of a size. The very first one, bus 001, is already on the road in Hobart. In a few years time the first bus can be transformed to electricity quite simply. It would probably go back up to the factory in Wynyard, but the switch out is very

UNCORRECTED PROOF ISSUE

simple because there are no structural modifications required. They are built for that, with the holes drilled and the bed ready for that to take place as soon as the technology catches up.

Ms OGILVIE - Minister, I get your frustration and I can see you would love to fix the traffic issues we have in Hobart. They are real and we have been talking about them for a long time. I accept they are in the purview of the council and there is some difficulty around that. However, you are the minister, you are part of the Government and you have the power to make whatever laws you need to do to resolve that issue. When it comes to our kids, the bus stops and the traffic, this is hitting the pointy end towards Christmas. I have spoken to a quite a few parents who are concerned as well. I have also picked up the phone to one of the larger schools and asked them what they think and they are very concerned and they have not had any contact from the council.

We have a major issue and I love the police too and appreciate they would step-up, like all good Tasmanians would, but we need them to be doing policing. Is there another option on the safety side of things? Is Metro able to provide some safety officers? Do we need to get the schools involved in this? What options are there to find a better way? Are you prepared to start driving this with Lord Mayor Hickey, to get a result that makes us feel secure that those kids will be safe and make sure the traffic is going to flow?

Mr HIDDING - You placed on the record earlier that you believe there would be a tragedy and somebody would be hurt. I reject that. That is not -

Ms OGILVIE - I am worried about it.

Mr HIDDING - We are worried about that every single day on our roads. As far as I am concerned, as minister, me watching this closely, although from some distance because it is very operational and it is as a result of Metro being told to evacuate its current position.

Ms OGILVIE - I am not pointing the finger at Metro.

Mr HIDDING - I am aware, from the board, from Megan, right down to all her people, safety is number one for Metro. I have seen how they go about projects elsewhere, picking people up from the cricket, it is massive undertaking to make it as safe as it possibly can be and they are very good at what they do. I will ensure Tasmania Police are made aware there is a change in traffic circumstance. I know the Department of State Growth has contingencies underway. I will ask for the Chair or the CEO to advise of all the things Metro have underway, which are substantial.

Ms OGILVIE - Thank you. That would be great.

Mr HARRIS - The minister is right. I will give you one example of the place before I hand over to Megan for the more operational side of the matter. We do charter work for the cricket and have done for some time. The authorities at Bellerive Oval wanted to change that charter arrangement and the changes, from our point of view, were not safe. Point-blank, at board level, we refused to sign a contract until the safety issues had been addressed. The cricket authorities were adamant that was not acceptable to them so we said, 'In that case, we will not sign the contract, go and find another charter operator', at which point commonsense prevailed and the safety issue was elevated and the changes were made.

It is an example that safety starts at board level. It is a culture within the organisation, it flows from the board through all the senior management team. We have had active involvement in the

UNCORRECTED PROOF ISSUE

safety culture through the organisation to the point where we have changed our lost time injury frequency rate from high 30s and currently sits about 12. It did get as low as zero at one point. Two examples of how safety is of major importance. I will hand to Megan for the operational side of it.

Ms MORSE - I will address two elements of your question, that students are a key passenger segment for Metro and we have well-established and strong operational relationships with a range of schools. There are some schools where the public transport culture is more vibrant than other schools.

Ms OGILVIE - More robust, that is right, I appreciate that.

Ms MORSE - Exactly. Naturally we focus our engagement on those schools where those relationships are most significant.

In relation to Tasmania Police, Metro has a memorandum of understanding with Tasmania Police which sees four members of Tasmania Police permanently stationed with Metro. We make a contribution to the cost of that arrangement. The Metro police will be part of our implementation plan -

Ms OGILVIE - Of this specific change?

Ms MORSE - We have the ability to prioritise where they are deployed within our network. They will be deployed to support the interchange throughout the implementation period.

Ms OGILVIE - How long will the implementation period last?

Ms MORSE - We have a key focus on the first week, but we will be monitoring how we perform in response to, as you have talked about -

Ms OGILVIE - You have to get them through to the end of school at the very least.

Ms MORSE - That's right. Again, in contrast to perhaps facing implementation in February. We operate a highly seasonal network, we are busier in February and March than we are at any time in the year. To have students at the end of the school year where they are confident in the network is potentially less disruptive than when we're welcoming them -

Ms OGILVIE - With the new kids moving into grade 7 and don't know where they're going.

Ms MORSE - Exactly, that's right.

Mr HIDDING - This was a key matter. Your question was why do it this close to Christmas, the choice was then or to do it in the first week of school, which is of itself always a stressful thing.

Ms OGILVIE - You could do it the first week of January?

Mr HIDDING - There are no children.

Ms OGILVIE - People will get used to it. The same bus network.

UNCORRECTED PROOF ISSUE

Mr HIDDING - You are speaking of school children here and this is the culture that we are dealing with.

Ms OGILVIE - We do need to train them, that's right.

Mr HIDDING - It's a very structured decision-making process as to why this is occurring this week. I am very confident in Megan and the team giving this a thousand per cent.

Ms O'CONNOR - Minister, the Hobart City Council minutes show that in July last year it makes the note that:

The council notes that the Minister for Infrastructure has advised that the transfer of the Macquarie and Davey Street couplet from the City of Hobart is no longer being pursued by the state Government.

Eighteen months ago the state Government walked away, effectively, from seeking to ease congestion by having some control over that couplet. Why did you signal that to the Hobart City Council? What precipitated that statement?

Mr HIDDING - I'm not responsible for the Hobart City Council minutes, but I've never walked away.

Ms O'CONNOR - They said the state Government, the minister, you, have advised that the transfer is no longer being pursued.

Mr HIDDING - The fact is that we went to them directly and said, 'Why don't just hand them over to us.' And they looked at it, they took it to the council, they argued about it and decided not to hand the management of those roads over to the state Government, which they should have done.

At that point we could have just kept arguing about what they should do or we could engage them in them doing something.

Ms O'CONNOR - Or you could legislate to compulsorily acquire.

Mr HIDDING - That is your take on that, but this is not real estate we are taking, this is called the road manager status of a road. However, we moved to a process which we hoped would have them agree to certain matters, one at a time, so that we would end up at the same place. To a greater or lesser degree we achieved some of that. They agreed to a number of car spaces, a small number, coming out. We are still a long way from being able to discuss priority lanes.

Ms O'CONNOR - It stalled, didn't it, in July 2016?

Mr HIDDING - We stopped talking to them about what we would do if we had them and transferred the discussion to what we would like them to do as road managers and successfully, because we got some things done. The previous conversation was only about who managed it. We weren't winning the argument. It just appeared that there was a majority of aldermen who, for one reason or another, didn't want to give up the management of the two busiest roads in Tasmania.

Ms O'CONNOR - What do you think that ultimately has meant for congestion, given that very little has changed in the 18 months since you signalled that to council? Congestion, particularly in

and around Hobart is very significant and it seems to be worsening. It looks from this decision, or this note in council minutes, that really since that announcement was made by you to council very, very little has changed?

Mr HIDDING - No, there's been a lot of activity. We have *engaged* with the Glenorchy City Council on bus priority measures along Main Road. I have to say that failed as well. There was one project at Glenorchy we wanted to get underway and it failed for various reasons, so we have swung our attention to the fine-tuning and the acquisition of better equipment for the management of our traffic signals and while that sounds a little esoteric it has had terrific outcomes. The big new Elwick Road job has improved travel times very considerably on the Brooker.

We have also done what should have been done many years ago, which is exhaustive and continuing data collection. Frankly, nobody knew where anybody was travelling in Hobart so people were proposing sweep-around road networks and this bypass and that based on nothing, no knowledge at all of where people were travelling to. That has been a major project. We know a lot more now and we need to know a lot more still. None of that changes the reality that no matter what you do, even with data, it would be better if the road manager was the same road manager for the network leading into the city. That is ineffable logic. The aldermen independently say to me that they know exactly what we are talking about but they just cannot bring themselves to do that. For now we have been working with them on doing things themselves, again to a greater and lesser degree of success.

Ms O'CONNOR - I am going to ask the question that Taroona High School parents and students are asking about overcrowding of buses. We have semi-regular contact from parents and students about the Taroona feeder buses that are overcrowded every single morning, with students being left on the side of the road while buses zoom past because they are full. This may be a question for the chairman or the CEO, but are you getting complaints about school bus overcrowding? Given that safety is the number-one priority, what is being done to ease that issue because parents are worried about their kids in overcrowded buses and being left on the roadside?

Mr HIDDING - We are dealing with a phenomenon here with Taroona being an extremely popular school with so many out-of-area enrolments, but from Metro's and the Government's point of view we will do our absolute best to facilitate this outcome.

Ms O'CONNOR - Are more buses being planned?

Mr HIDDING - We have a policy of schools of choice and we will support that. I want to place on the record that my office, as well as Metro and the department, watch this very carefully, particularly at the start of the year until it finds its own level. Without question parents want to put their children on the most direct bus, but there are other options which they tend not to go to. They go to the best option first, obviously, but there are definitely other options and we research them very carefully. I will hand over now to the chairman to discuss this because it is a matter we have spent some time on.

Mr HARRIS - I am going to go to the expert in this, who is the CEO, because it is much more of an operational matter and I don't want to get the answer wrong.

Ms MORSE - To reinforce the point the minister has just made, Taroona is a school that has demonstrated exponential growth now over a sustained number of years. Since 2010 Metro has increased the number of services we provide to Taroona by seven vehicles, so essentially it has gone

up by the equivalent of one vehicle a year. There are 15 dedicated school bus services to Taroona this year -

Mr HIDDING - Pretty extraordinary.

Ms MORSE - in addition to four general services that students from Taroona can quite readily access. The challenge for Metro is that we operate a fixed vehicle fleet so each time we dedicate another vehicle to Taroona we have to find somewhere else in the network where that vehicle is drawn from. Again, we have made the most of the opportunities through the new Hobart network which was implemented in 2016 to build capacity into that area, but it is again with reference to my earlier remarks about the seasonality. We know we will be stretched through the February-March period and we are already talking with Taroona about how we will handle the back-to-school period in 2018.

Ms O'CONNOR - Do you see an extra bus being put on, or extra buses?

Ms MORSE - We have made provision for an additional bus in 2018, but that is reflective of growth in the student population, so we expect it will be tested. We have a range of contingencies in place with that school community as to how we can safely and reliably transport students to and from Taroona.

Ms OGILVIE - They all interchange in town as well; there are kids who come from Montrose to go to Taroona. Minister, I sense your frustration and I am with you on that. We have a challenge that has multiple moving parts and multiple stakeholders. We have the busiest road in town, Macquarie Street, particularly at that school run and tradie knock-off time. We have an incredibly busy intersection, a bus mall that is now going to have a construction site in the middle of it with cranes and trucks moving in and out, and a solution has been achieved that seems to have left out a conversation with schools. I'm not saying Metro. I am thinking Hobart City Council - I have heard anecdotally that some schools have not been involved in that conversation. The foot traffic issue is also a worry as to how that is going to work and the safety concerns.

The thing we haven't touched on is the impact to the tenants and owners of the Mercury building and how they feel about this change of use right outside the front of their building. My understanding is they have plans for development that sound quite interesting, so what conversations have been had about that? Has some thinking been done around the impacts that will have on their businesses?

Mr HIDDING - Metro does not doorknock streets to ask if a bus can park outside a building because the kerbside is managed by the local council. In any event, whether it is Hobart or Launceston, if you are in the CBD you are going to have vehicles parked outside your building or close to it. That is just the environment.

Ms OGILVIE - But it is a change and when things change you want to consult.

Mr HIDDING - Sure, if there was a change and people didn't know about it. The owners of the Mercury building reached out to us in the first instance. I explained to them that this was a process outside of our control but, to all intents and purposes, we can't not have buses in the city. They are being bumped from where they are now for development reasons, but they have to go somewhere. They need to be relatively close to where they were before and this will be a temporary arrangement. In any event, those questions need to go to the road manager.

Ms OGILVIE - Don't you think you should own the kerbs? Wouldn't that sort it out? Have you given some thought to a better arrangement with Hobart City Council?

Mr HIDDING - That is the same question Ms O'Connor has been asking. I can't acquire the kerbs.

Ms OGILVIE - Why not?

Mr HIDDING - It is not real estate.

Ms OGILVIE - But you have the power to legislate. You can change the structure of things to sort out the traffic.

Mr HIDDING - That's exactly the question Ms O'Connor has been putting. The kerbside belongs to a road that is currently in the management of the Hobart City Council. They haven't agreed to hand it over so they are responsible and the owners of the Mercury building have been engaged with the Hobart City Council. Their main concern was that in the first mud map on where buses were going to go, somebody had written the word 'permanent', which was an error.

Ms OGILVIE - Oh, right - and scared the horses. It's about a two-year timeframe, is that right?

Mr HIDDING - That is what Metro has been told. Metro would want it to be one year or zero years; they want to stay right where they are. It has been a massive project for Metro, as it has for everybody else involved.

Mr HARRIS - And not without cost.

Mr HIDDING - At substantial cost to Metro for managing this.

Mr STREET - In the first couple of months of this calendar year there was a 'free before 7' trial conducted by Metro. Can you detail for the committee whether that was a success and whether there are any plans to have another trial of that program?

Mr HIDDING - What amused me about this is that Metro put up its hand and said, 'With all the discussion on congestion, how about we have a crack at trying to swing some people into our early service as our buses are not very full at all and let's see how that goes?'. We accepted that with some glee. Afterwards there was a request as to how it had performed, in fact there was an RTI that under active disclosure was provided to the Opposition at the time as to the outcomes. I think they had asked for the passenger boardings for 7 a.m. services all around Tasmania. Anyway, they got it completely wrong because it was in fact a success. There was some commentary and media releases issued that suggested that it was not a success but it certainly was a success, which is why Metro and the Department of State Growth are proposing to do it again.

The whole idea of congestion management is to try to mitigate the fact that so many people want to leave home and get to work at precisely the same time. Across the public sector there are now flexible start times, but this Early Bird Free before 7 promotion incentivised passengers to commence their journey earlier where possible by offering free travel when boarding an urban Hobart bus scheduled to depart before 7 a.m. It went from 30 January until 24 February and was

promoted using a range of channels including radio, print, onboard, outdoor collateral and online. Media coverage was also secured by a media release and 40 000 unique users saw materials about the promotion on Metro's social media. Metro has outstanding social media and I want to congratulate all the people involved in that, Megan and her people. I know they are proud of their social media presence and they do it pretty well. The most successful promotion resulted in 2200 people clicking for more information and attracted 295 reactions, comments and shares.

During the campaign Metro recorded a 14 per cent increase patronage by full fare and concession fare adult passengers before 7 a.m. compared with the same period in 2016, with a 24 per cent reduction in incidences of buses reaching their full capacity during the morning peak travel period, so there was a switch. There were fewer on the very busy buses and more on the morning buses, which was precisely what you would seek to do. The next step is to fill those buses by having fewer cars on the road. It is proposed we stick with it; I think it is a great idea to do that. Around the world it has been consistently shown that patronage responds strongly to service frequency, reliability and span of hours. Price is shown to be a factor but we need to learn more about how we interact with other factors in the context of the Tasmanian market which is so strongly car focused, particularly in Hobart.

The promotion will be repeated in 2018 so we are doing it again. The 2018 promotion will operate on a similar basis to 2017 and coincide with the back-to-school period and the expectation of increased congestion. The period for free travel before 7 a.m. will be Monday 29 January through to Friday 23 February, a total of 19 business days, taking into account the Regatta Day public holiday. The school term commences on Wednesday 7 February.

Public transport is an important part of the solution to reducing congestion and this initiative was an important step to encourage Tasmanians to try something different by changing transport modes and travelling by bus at no cost to them and avoiding the back-to-school traffic. One thing is for sure - as we reduce the serious traffic congestion events in greater Hobart buses will be playing a pivotal role.

The committee suspended from 10.59 a.m. to 11.10 a.m.

Dr BROAD - Minister, after the Dorothy Dixier from Mr Jaensch about the electric buses, you talked about how you had looked around the world and saw that electric buses were a possibility now, yet two years ago in this same Metro GBE you said that you had no plans to change Tasmania's fleet to electric buses. You said:

Metro has looked into this. I have also looked into this privately generally around the world.

And so on, and in that GBE you described Labor's policy, which now includes a \$3.5 million trial on electric Metro buses, as 'voodoo economics'. What has changed in the intervening years and how come now you are seeing -

Mr HIDDING - Nothing at all, it is still voodoo economics. You have \$3.5 million to do what with?

Dr BROAD - Do a trial.

Mr HIDDING - Do a trial of what?

Dr BROAD - An electric bus.

Mr HIDDING - Where would you get it from?

Dr BROAD - There are electric buses available. You were just talking about -

Mr HIDDING - No, no, they belong to a company that is doing its own R&D. They are not available. What would your \$3.5 million buy?

Dr BROAD - Are you saying there are no electric buses available around the world? There is nobody who we could procure an electric bus from?

Mr HIDDING - There are some electric buses in service around the world, in some South American countries and other places that I have been researching, that run on the flat for short distances. They are so far away from being suitable for Tasmania. Incidentally, I am very confident that sooner rather than later we will see the first prototype buses operating in Tasmania. They will be converted out of these. Perhaps halfway during this build of buses we will stop putting diesels in and we will be putting electric in. That is how confident I am. I was just as confident back then, because there are movements forward. In that two years there is still not in Australia for Australian conditions any electric bus that would work in Tasmania.

Dr BROAD - We've had an example in South Australia where Elon Musk has delivered a world-first 100 megawatt battery storage system that obviously had not existed before. Do you think that there is no way that we could fund a trial of a bus, potentially on a flat run? You are dismissing the policy out of hand.

Mr HIDDING - Because your policies are nonsense, like many of your policies are a flat out nonsense. In this case \$3.5 million wouldn't buy an electric bus for trial. A number of these belong to bus companies but they are not for sale. They are trying to develop battery capacity in a way that wouldn't fill up half the bus with batteries. It has to be a small battery pack that can power a bus in Tasmanian conditions for a period of time.

Dr BROAD - Doesn't that depend on charging range, like where it gets charged and so on? Are these South American buses that are running around \$3.5 million each or more?

Mr HIDDING - Are you proposing to go and get one from South America and bring it over?

Dr BROAD - No, you are talking about South American buses. I take it that South American bus companies wouldn't be paying -

Mr HIDDING - I see these trials operate around the world and people say, 'They are working'. The fact is they are still trials. There are buses running around where a third of the bus is covered in batteries. They are trying to bring it down to the size of a normal fuel cell. That is the challenge here. I am confident that they will get there. Because of the Elon Musk kind of thinking, I am confident that the world is going to get there.

UNCORRECTED PROOF ISSUE

It is not there now and it may not be there in four years' time. In the meantime, because they aren't available now, to do nothing would mean that we would continue to have almost the oldest fleet in the world.

Dr BROAD - I don't think anybody is arguing to do nothing. At the electric vehicle conference Mr Jaensch described how the design of the buses took into account the potential to convert to electricity and that would also have to be batteries. If you are saying that currently the battery would take up a third of the size of the bus -

Mr HIDDING - They are very large batteries. The technology hasn't come down in size yet. This is what the challenge is. You can produce enough batteries, you only have to put them in series or in parallel and you produce enough batteries to drive a bus, but they have to be small enough so they can still carry passengers and they have to be powerful enough to do something like they currently do under diesel fuel. The technology is coming.

Ms O'CONNOR - It is not voodoo economics, is it? That was a silly statement.

Mr HIDDING - It is voodoo politics. There is no bus to purchase for \$3.5 million. There is nothing you can do.

Dr BROAD - Where do you start then?

Mr HIDDING - You encourage the bus companies to do it, which is precisely what they are doing.

Dr BROAD - They might need a bit of a kick along, a policy giving them an incentive to trial something.

Mr HIDDING - They will take \$3.5 million off you, don't worry, just like that. They are doing it in any event, that is the point. These bus companies are doing this in any event. Every bus manufacturer is working on full electric. Not hybrid, because hybrid is another issue.

Dr BROAD - I understand that. Do you think there would be a bus company in the world that would want to trial electric technology in Tasmania?

Mr HIDDING - Every single one of them would take your \$3.5 million off you in a heartbeat but you would get nothing more for it than what you are getting now.

Dr BROAD - It would be a bad thing if one of those companies trialled an electric bus in Tasmania?

Mr HIDDING - No. We want all of them to bring their electric buses to Tasmania and trial them. Bustech, the company with which Metro is contracted to build 100 for them, has two buses currently under development. I had a long conversation with them about this and they may well put more on the road to get them under development. They briefed me carefully that it is about bringing the size of the batteries down and still being able to handle Tasmanian conditions. That puts us a few years away from a result.

Dr BROAD - But not voodoo.

UNCORRECTED PROOF ISSUE

Mr HIDDING - The voodoo policy is that you have no-one to give \$3.5 million to. I know that impresses your Green mates but that is all it does.

Ms O'CONNOR - He is quoting from questions in *Hansard*. We are not mates, by the way.

Mr JAENSCH - Minister, Labor has made a commitment to provide all students with free bus transport to and from school. Have you any information about what the cost implications of doing that would be?

Mr HIDDING - First, Labor's bus policy shows that at a cost of \$9 million, which ordinarily, when you quote a cost it would be over the four ensuing years. For the cost of \$9 million, they are going to provide free transport for all those students who currently pay. The policy makes not a lick of sense and there is a huge gap because they have completely underestimated the cost to the budget of doing this.

We have an indication of the kind of immediate cost it would be to the budget and it is in terms of some \$5 million a year in cash in the first year and growing exponentially as there is a transfer from other forms of transport.

Dr BROAD - We did it in the past. When I was a kid, we did not pay for school buses.

Mr HIDDING - Nobody in the country pays now. What you are talking about is making free something that is already available to everybody on a concession card. It is already available to everybody in the country.

Ms OGILVIE - Are you saying we do not pay for the school buses, a fare?

Mr HIDDING - Currently in urban areas in Tasmania you -

Dr BROAD - I was in a rural area and I never paid.

Mr HIDDING - Exactly, which is what I am trying to educate you on. Urban student bus fares are not free. Country student bus fares are free. Then you have concession cards, where even in urban areas that is free. This is for families that do not qualify for concession cards, which means they have incomes around \$80 000 to \$90 000. You are proposing to make that free. There is a hit on the budget. It starts at \$5 million and gets radically higher after that. The rest of your passenger transport budget is over 10 years. If you are proposing it is a \$9 million hit over 10 years, you are about \$40 million or \$50 million short of reality and your proposed budget for Tasmania has a massive hole in it as a result.

Dr BROAD - Did you cost our policy or free travel?

Mr HIDDING - What is your actual policy?

Dr BROAD - It is to the closest school.

Mr HIDDING - Let us unpick this even further. This story gets better. To your closest school, no school of choice. All the kids who travel, travel to Taroona now -

Dr BROAD - Our policy is the closest school.

Mr HIDDING - That's right. Then, where it is not the closest school, what do they pay? They pay full adult rate because there is no other fare. There are currently nine buses every day that travel over Bridgewater Bridge into the city and all of those will be paying the full adult fare under a Labor government.

Dr BROAD - Why do you say that? Isn't there any other fare available? So you can't make another fare available for school kids?

Mr HIDDING - These are all contracted services and you either make it free or move up to the next level.

Dr BROAD - No other choice?

Mr HIDDING - No. You have a massive hole in your budget, in your all-aboard policy.

Dr BROAD - Did you cost free travel or did you cost our actual policy?

Mr HIDDING - We know what your policy says. You have a massive hole in your policies that show that as an alternative government you have nothing but pain in mind for Tasmanian families who choose to go to a school other than the one down the road from them. For thousands of reasons many Tasmanians choose to do just that. There is only of the two parties that supports school of choice, and that is us. You want to penalise people for going to the next school, at great cost, and your budget has a massive hole in it.

Ms O'CONNOR - Just back to the question of congestion and Macquarie and Davey streets couplet, 18 months ago you notified council the state was no longer pursuing management or ownership of that area of road. If you are minister after the next election, would you consider legislating?

Mr HIDDING - I couldn't rule it out. First, your assumption that legislation is necessary, I am not fully briefed on that. This is not the transfer of real estate, this is a responsibility transfer and it may occur through other methods. However, I would expect within a reasonable period of time the Hobart City Council to fully engage with the regional traffic congestion issues in a fully responsible way.

Ms O'CONNOR - What makes you think that, given it has taken so long to get nowhere on that issue?

Mr HIDDING - It is my judgment the next minister for infrastructure will be in a position to advance substantial thinking about the role of passenger transport in the congestion challenges in the south of the state and will need to bring those matters to a head.

Ms O'CONNOR - So, minister, when I asked that question you indicated you didn't think it was necessarily a legislative response that was required but you also said you haven't got any advice. As a former minister, I find that a bit hard to accept or understand that, given the question, you wouldn't have sought advice.

Mr HIDDING - These things come up in conversation in many different ways. I am advised powers may exist under the Transport Commission to direct or bring about certain circumstances

in certain ways. I would see it as a fundamental breakdown of responsibility between two road managing bodies. It shouldn't be necessary, but if it becomes necessary it becomes necessary.

Ms O'CONNOR - Just to get some clarity here, you haven't formally sought advice from your department about what legislative, regulatory or policy solution there might be but you have had informal conversations that indicate it may be a matter for the Transport Commission? You're not ruling out, after the next election, a move through the Transport Commission, potentially, to transfer management of that couplet in order to ease congestion?

Mr HIDDING - I am not ruling it out.

Mr STREET - Minister, has the usual patronage of Metro buses improved? In addition to that, how successful has the Metro Greencard been?

Mr HIDDING - In 2016-17 after adjusting for the different number of day types during school term, weekends and holidays, patronage increased by 25 037 hits. That is to 8.1 million passenger journeys for the year. Hobart increased by 81 000, Launceston decreased by 35 000 and Burnie decreased by 21 000. That metric demonstrates that with a new way of thinking about passenger transport Hobart responded with their new model. Launceston has a network review underway next year and Burnie will be likely next year as well as they have had a structured process under Project 2018. When their network reviews kick in we would expect that same kind of increase.

It is apparent from around the world that users of passenger transport rather than having buses running around every back street picking people up do better when they stick to the main routes but will leave far more often. This means that the customers may need to walk a little further perhaps, but -

Ms OGILVIE - Possibly the oldies with their shopping. That is what I hear.

Mr HIDDING - It is a two-way street. There is an argument on both sides, but the Hobart network review has demonstrated that the Turn Up and Go service where you do not need a timetable, you turn up and go, at the very worst if you see the bus disappearing into the distance you have a nine minute wait but ordinarily, all the chances being even, you will wait a few minutes and your next bus arrives. Then once you are on the bus you know it is going in the shortest possible direction to where you want to go without having to go sideways. That, without question, is the direction that passenger transport is going around the world. It has gone there in Hobart which suggests that we are no different to anyone else. These things change.

The very good news from the Government's point of view is that the full fare adult journeys, this is a whole new market. These are people who are leaving their cars behind and getting on buses instead and that is a very good outcome, not just for the dollar value but also for the transfer of cars off the street.

Student journeys have decreased somewhat over the last three years and that could well explain why our non-school holiday times are clogged with parents running kids to school. We would be hoping for a better usage by students of buses as well.

Metro has implemented a number of initiatives aimed at encouraging passengers to enjoy the financial benefits and convenience of Greencard in recent years. Greencard uptake increased from 75 per cent of boardings to 81 per cent in 2016. Using a Greencard instead of cash leads to faster

boarding and shorter journey times for all passengers. Greencard fares are discounted by 20 per cent and daily urban travel costs are capped. Greencard passengers can transfer for free within 90 minutes in the urban area. They are very strong reasons why people would migrate to the Greencard and with currently 81 something per cent that is working a treat and it is a metric that we continue to monitor how that is going. It is going in a very good direction.

Ms WHITE - Minister, I could not help but overhear your misrepresentation of our policy where you claimed that students who are currently paying student fares will have to pay an adult fare, which is not accurate. No student will be worse off, no family will be worse off. It is simply about a policy to provide free bus travel for students to their closest school. I ask again the question Dr Broad asked you which is did you cost our policy or did you cost a policy you made up?

Mr HIDDING - If no student would be worse off how is it then that a student who lives in Glenorchy but whose parents decides to enrol them in Taroona, you are prepared to give them free -

Ms WHITE - They will pay the fare that they currently pay now. If they want to go to their closest school they would have free public transport to do that.

Mr HIDDING - Yes, but that is not their closest school, it is Taroona, and there are many people around Hobart travelling to Taroona High School. That is just one example.

Ms WHITE - They would have access to their closest school and free transport.

Mr HIDDING - When you say no student will pay more, if there is no student fare, the student fare is wiped, the next fare -

Ms WHITE - Who is wiping the student fare? Now you are making things up. That is why I needed to come into the room to clarify the point, because you are misrepresenting our policy position. You haven't costed it so what you are saying is actually inaccurate.

Can we ask some questions about James Walker's proposed ferry plan? I will ask Dr Broad to ask the questions.

Dr BROAD - When did Metro first discuss the ferry plan put forward during the Pembroke election campaign with Rene Hidding and/or James Walker?

Mr HIDDING - Metro has not sought to discuss any ferries with me because the legislation talks about buses. In my office, however, in working through the issues that interest the Hobart City Council, particularly the use of the Derwent River to move people in another way than on roads, there has been discussions about how that might work best. I had indicated probably only in one discussion with Metro that if there were to be a ferry service at some time in the future, Metro would need to be part of the process rather than compete against it. At the time Metro shrugged their shoulders and said, 'We'd be happy to talk any time you want to do that,' but there has been no other discussions with Metro about that because there is not a proposal from Metro.

James Walker arrived at the view that the way forward for a ferry service from Bellerive to Sullivans Cove would be for the buses that currently run around on the eastern shore to prioritise dropping those passengers at Bellerive and making it part of the same ticket price to come across on the ferry rather than the bridge. We applauded that and said that was the kind of thinking that could lead to a successful ferry service. We continue to work on ferries and the whole process, but

UNCORRECTED PROOF ISSUE

certainly we have not indicated to Metro that they definitely would be part of anything or would need to be part of anything, but I did have the one discussion with Metro.

Dr BROAD - So you devised that policy without Metro's input?

Mr HIDDING - There is no input from Metro necessary at this point because we -

Dr BROAD - Did you seek permission or approval to use their logo in that policy?

Mr HIDDING - I didn't use their logo. I saw that in the paper, just like everyone else.

Dr BROAD - So where did that come from?

Mr HIDDING - I don't know where it came from.

Ms O'CONNOR - Was that made on the tenth floor?

Dr BROAD - So this policy has no input from Metro and yet Metro is definitely branded. This policy is using the cover of it being a pseudo-Metro policy without any input from Metro.

Mr HIDDING - Whoever did that obviously cleverly lifted that off the side of a bus or something and put it on the side of a boat.

Ms WHITE - Is that Sam McQuestin's fault too?

Mr HIDDING - I have no idea. The fact is, that has nothing to do with my office. There was a Liberal campaign being run by James Walker, who is a very smart individual, and he came up with his plan for ferries, which made a lot of sense, and still does.

Dr BROAD - Was this policy costed?

Mr HIDDING - There were no costings provided by me to anyone.

Dr BROAD - You just had a crack at us for -

Mr HIDDING - It's not my policy. James Walker has an idea that he put to us.

Dr BROAD - So this isn't a Liberal policy. This is a James Walker policy.

Mr HIDDING - James Walker put an idea to us that we applaud and we continue to work on ferries.

Dr BROAD - Now you're running away from this particular policy.

Mr HIDDING - It is not a policy.

Dr BROAD - Isn't it? What is it then?

Mr HIDDING - That was James Walker's proposal that he put to me on how a Bellerive to Sullivans Cove ferry service would work.

Dr BROAD - As a Metro service?

Mr HIDDING - Using Metro working to the service rather than against it.

Ms O'CONNOR - We talked before at the Tas Bus Association conference about the advent of integrated ticketing across all platforms.

Mr HIDDING - Yes.

Ms O'CONNOR - Given that there seems to finally be some movement on light rail from your Government and a bid going into Infrastructure Australia four years into your term, do you foresee that once light rail becomes a reality - and I know we have TasRail next - with ferries to be part of an integrated public transport system, is your preference for light rail to be run by Metro or to be part of an integrated public transport system? Labor's policy is for a private operator to build some of the infrastructure and operate the light rail network or the line. What is your view on Metro's role in a more integrated public transport system?

Mr HIDDING - The question is pre-emptive in terms of the iterative process you would take for light rail's time to come. My position is that light rail's time will come in Tasmania. We are far ahead of many other capital cities or large cities in that we have a designated corridor. In other places they have to create corridors; they have to buy houses and knock down buildings. We have a corridor already. The issue is that it has been a heavy rail corridor, which means nobody has built alongside it. You were not allowed to build residential things alongside it, which is precisely what you do need for a light rail operation.

Hobart City Council and Glenorchy City Council have done a good body of work, and continue to do so, considering how they might promote medium-density urban development along that line. That is going to be the secret to light rail stacking up for anybody investing in it, including the federal government, private companies or wherever it comes from. The secret will be that you need people living along that line. As I say, its time will come. As to who the operating entity might be, I frankly have not bent my mind to that. I certainly would not be ruling anything out or in, but tangentially, I suppose if I indicated to Metro that it might be best if they worked with the ferry company rather than against it -

Ms O'CONNOR - Or the light rail.

Mr HIDDING - Or the light rail, the same thing applies. I know TasRail is next, but I think TasRail would be horrified at the notion that they would be asked to operate the light rail because it is so not what they do. They operate short-haul freight.

Ms O'CONNOR - Minister, what level of investment has there been - and this might be one for the CEO - in Park and Ride? As you would be aware, Park and Ride is a really important tool you can use to ease congestion and it would appear that investment in Park and Ride has declined in recent years.

Mr HIDDING - It has. It goes to show just how ingrained the motor car has become in the culture of Australia and in this city, which is a disappointment given that it is a capital city. Successive councils have invested in more and more car parking, which mitigates against the development of Park and Ride. If I have taken the view that public transport is going to be the

answer to congestion in Hobart, then Park and Ride has to come back. It has to be part of the solution.

Ms O'CONNOR - Four years, minister - four years.

Mr HIDDING - There are Park and Ride opportunities, it's just that now no-one uses them. We are not there yet.

Ms O'CONNOR - They are not promoted.

Mr HIDDING - First we need to increase the bus services, we need to increase the patronage, then we need to increase Park and Ride opportunities. Then we have to go to priority lanes. It is all part of a continuum, but I know where you're coming from and I agree with you.

Ms O'CONNOR - We have gone through the online recorded annual reports going back to 2009 and this year's annual report is the only one that has reported that route infrastructure depreciation outstripped investment. Is there an issue here with declining route infrastructure quality?

Mr HARRIS - The short answer is no. We have an annual budget for route infrastructure, essentially bus stops, but bear in mind we do not fund all route infrastructure. A lot of it is funded by third parties. The majority of it is owned by other people, primarily local councils. The bus interchange in the city, for example, is not our property. It is owned by the Hobart City Council. We do partnership arrangements with the University of Tasmania primarily. The number isn't necessarily comparable year on year, it depends on who the partners are and where we are doing the infrastructure upgrades. The Hobart Network Review, for example, necessitated a significant input by way of route infrastructure - new bus stop signs and so forth - and we roll that out as we rollout infrastructure. DDA compliance is another issue. For example, if we make a change to a normal streetscape, the new infrastructure has to be DDA compliant. Not all new infrastructure requires full DDA compliance, it depends on the materials that are being used as to how much money is spent on the upgrade. It is a variable feast, but we do regular annual budgetary provision for infrastructure upgrade.

Dr BROAD - Getting back to the ferry policy announced by Mr Walker and the Premier, it goes into quite a lot of detail about a ferry service that runs half-hourly in peak times. It goes into integrated bus and ferry ticketing costing between \$2.64 and \$3.68, accommodating 1000 passengers a day, and talked about an expansion of that service up and down the Derwent. So you are saying that is not your policy, that it was a James Walker policy, despite the fact the Premier was there with him?

Mr HIDDING - It was James Walker's proposal. James Walker put that proposal to me as the minister. He worked out numbers and did all that work. It is a proposal but part of the answer, should we ever have a successful ferry service between Bellerive and Sullivans Cove. The broader thing, from my point of view, is unless you can make that one work it is unlikely you would successfully make others work, but I would be fairly confident. I think he's on the money with his proposal that Metro work to the ferry service, not against it.

Dr BROAD - Is this now a Liberal policy? Are you doing a feasibility, or are you just walking away from it completely?

UNCORRECTED PROOF ISSUE

Mr HIDDING - No, my office has been working on the whole issue of ferries for three or four years. It's not something I have been working with Metro on because it is not their business, they run buses.

Dr BROAD - Did you have a ferry policy beforehand?

Mr HIDDING - No. We have never issued a policy on ferries. We have been engaged with the Hobart City Council and we have said regularly that ideally in a river city such as this, particularly a city that is divided by a lovely big river like that, ferries would play an important part in the movement of people around Hobart, therefore removing some congestion on our roads. Because of the congestion matter over the last few years, I have become more interested in the whole ferry matter. We have had a project running in our office for some time.

Dr BROAD - Despite working on this for three years, you haven't come up with a policy and you haven't consulted with Metro?

Mr HIDDING - In my office we continue to work with all transport options. We haven't issued any policies around ferries at all.

Dr BROAD - So three years of work, no policy, no feasibility, no discussions with Metro?

Mr HIDDING - We have had a discussion where I advised Metro -

Dr BROAD - During the election campaign you advised him of James Walker's -

Mr HIDDING - No, probably in the last 12 months once when I was speaking with the board I indicated if ferries were ever to be successful in Hobart it may be ideal if Metro was part of that process. I think the chair nodded and smiled and pointed out that currently their legislation provides for buses.

Mr HARRIS - I also made the point that integration of timetables and ticketing would be a desirable outcome as well.

Dr BROAD - So that's the limit of your three year's worth of work?

Mr HIDDING - No, there has been a huge body of work that continues in my office.

Mr STREET - Minister, the Hobart Network Review has been implemented for some time now. Is Metro satisfied that the review as led to increased customer satisfaction from Metro patrons?

Mr HIDDING - Certainly the customer satisfaction is right up there. It is something that is showing in the increase in the number of people travelling on buses. As I said earlier, it would appear that the methodology of having the shortest possible route to where you are going, and the greatest number of buses, or the shortest wait at a bus stop, not having to refer to a timetable is the answer for increased passenger transport.

New direct weekday services from Glenorchy and the Eastern Shore to the UTAS Sandy Bay Campus was a feature of the review and it has worked beautifully. That is precisely what people want to do. If you are a university student at Sandy Bay and you live in Glenorchy, before nothing

was articulated. There are now direct weekday services. There is 10-minute frequency between UTAS Sandy Bay and Hobart City on weekdays in the 12 months from 16 November, after that there were 17 per cent more boardings at the UTAS Sandy Bay Campus than the last 12 months.

UTAS is making substantial progress towards more sustainable transport with the number of parking permits granted being decreased and a notable shift to public transport in the CBD campuses. There is a shift from students and staff from the Sandy Bay Campus to the CBD campuses in Hobart, which is planned to increase in the coming years when enrolments continue to grow for CBD campuses.

This is the modern way of running a bus service, you actually interact with where large bodies of people are. If you get them out of their motor cars and into the buses to the point even where they possibly sell their motor car and not rely on it at all, because you put the right bus service in, then we're getting some real wins on the road in terms of congestion.

Ms WHITE - Minister, you won't be surprised to hear me ask a question about urban fringe areas like Sorell and whether Metro is considering expanding its services to that growing part of Tasmania?

Mr HIDDING - Sorell is currently serviced by a private bus company. When we speak about Metro services when I talk to people, what they are saying is they want Metro-style services. I do not think they care what colour their bus is, but if it is in Metro-style services, which are more frequent. People would see them being more frequent in an urban setting than in the outer regional areas and that is what they are after. They are looking for more frequency and also, when I discuss this with people, and I am sure you would find the same, 'oh well, when we lived in Glenorchy we were able to get on a bus that only costs so much to get into Moonah, now that I live out here at Sorell I want to pay that amount of money'.

The bus fares around Hobart - and I had a look at this personally - if you live in Kingston and you are on a Metro bus the kilometre rate equates pretty well to how far you are travelling. The cost is not so much an issue, but it appears to me to be the frequency and that is what people at Sorell are talking about. As you aware the 2018 project - all bus services are contracted to the Department of State Growth, as Metro's are, as are the private provider at Sorell and they are all under review. The Metro services aren't under review right now, because they have just done their Hobart Network Review, so they have been excused from the Project 2018 process.

I can stipulate that there are no plans for Metro, that I am aware of, to buy out the private operator in Sorell, but there certainly are plans to review the services out there to a substantial uplift.

Ms WHITE - You will rule out Metro providing services to the southern beaches and Sorell area?

Mr HIDDING - Metro is not currently looking, that I am aware of, to buy out the private provider of services at Sorell. I don't think anybody is asking for them to do that. What people are asking for is a lot more bus services and that is precisely what the project team is working towards.

Ms WHITE - When do we expect to be able to announce those route and timetable changes?

Mr HIDDING - That process is timed for contracts to be finalised in the first half of next year. I will be getting a briefing before the end of the year on where that is all going. Dr Broad attended

sessions in Ulverstone, which were to do with school buses. It is separate from general access but it is all part of the same process where the project team is working now with a number of affected families. I think that is looking okay.

Dr BROAD - I will be interested to find out what you come up with.

Mr HIDDING - Yes.

Ms WHITE - Before the election, minister?

Mr HIDDING - As I say I am getting a briefing once this is all over, next week or the week after. I am getting a full briefing on where Project 2018 is and we will see where that -

Ms WHITE - I am sure it will be helpful timing for you.

Ms O'CONNOR - Minister, on the issue of school buses and the contract negotiations that are currently happening between your government and private operators. I know it is all part of the one system, Mr Harris, I am not deviating too much from Metro here. School buses in Tasmania do not have seat belts for children. Within those new contracts is there any requirement for seat belts to be installed in school buses?

Mr HIDDING - No, there is not but there is an ongoing project to continue to work through those issues.

Ms O'CONNOR - Wasn't that the opportunity, the new contracts?

Mr HIDDING - It would force a massive automatic upgrade of the school fleet, which would be unsustainable. I am confident there will be a glide path towards that kind of technology. Most of the buses are not Metro, so we are slightly off -

Ms O'CONNOR - Metro buses don't have seat belts for children either.

Mr HIDDING - No, they don't. In the private sector most of the buses are not capable of having seat belts fitted because they do not have anchor points. It is not until the next generation of buses would be available to that fleet. It is an ongoing discussion.

Ms O'CONNOR - It has been an ongoing discussion for about 30 years, minister.

Mr HIDDING - Yes.

Ms O'CONNOR - Minister, Metro Tasmania has one of the lowest buy local rates of 47.3 per cent of any GBE. Are you able to provide some detail around non-Tasmanian purchases and why purchasing a product in Tasmania was not feasible?

Mr HIDDING - I am fascinated by that, I was not aware of it. Metro does not buy much other than fuel and buses.

Mr HARRIS - Buses and parts for buses. The majority of our expenditure has just been summed up in those three matters. The other big item is wages. When you have been buying buses the way most operators buy buses, they come to you largely from overseas. To the extent there is

local content, if they are put together in a place other than Tasmania then that local content is derived in the state in which they are built. In the numbers the minister quoted earlier in relation to the new contract, the buy local component of that process was one of the key features in assessing the tenders that got the current contract to where it is. The amount of local content we could generate was significantly higher than had been the case before and we are very pleased about that.

The flow-on effect of that is that Bustech is taking local suppliers and putting them into their entire supply chain. So the prospect of those suppliers who are putting local content into these buses being able to have access to Bustech's full bus build operation on the Gold Coast is a significant advantage as well.

Wherever we can we spend money locally. We like to do that. We try to do that. All our uniforms, for example, we do through local suppliers. As I said before, the largest components of our expenditure apart from wages are on items that come to us either fully built or manufactured overseas.

Dr BROAD - Speaking of Bustech's capability, it has been contracted to build 100 buses for Metro.

Speaking to the minister again about electric buses, is the minister aware in his research worldwide that Bustech has previously built electric buses for South Australia to trial in Adelaide's public transport network? If that is the case why is the minister not taking advantage of this opportunity for Tasmania?

Mr HIDDING - These are the buses I am talking about. Bustech has two prototypes they are developing, watching and working with. They tell me they are not suitable for Tasmania. We have some challenging terrain. If you are in Adelaide and you travel out of Glenelg you would not go up a hill even an inch. It is flat.

Dr BROAD - Coming along the Brooker in a bus would be -

Mr HIDDING - We have flat areas but we have very few buses that stay on flat areas. They go up a hill, generally. Again, I am not arguing with you that it would be highly desirable to have electric buses in Tasmania. You and I, all of us around this table, would agree that as soon as we can have electric buses in Tasmania the better. We would all be very proud to have renewable energy in play. These new buses, 001, that is currently on the road here in Hobart can be retro-fitted to have its diesel and fuel tank removed and an electric motor and a battery pack put in in the blink of an eye. They are constructed for just that purpose. I am fairly confident during the term of this contract we may well see the first electric buses in Tasmania. The kind of acceleration of knowledge on batteries in vehicles such as this could see us there earlier rather than later.

Ms O'CONNOR - Are you talking about the acceleration of personal knowledge or of the technology?

Mr HIDDING - The technology. I think my personal knowledge has hit a plateau.

Dr BROAD - It is all downhill from here, do you reckon? Can Metro please provide an update on the status of the Launceston network review?

Mr HIDDING - The Launceston network review has gone through the same process as Hobart. In Hobart the changes could have arguably been consulted a little wider and better. That had been pointed out at these kind of scrutinies. There is a circumstance in Launceston which has mitigated moving forward, apart from more consultation. That is that the city of Launceston has the same issue as the city of Hobart in not having its head straight on where it wants its buses to be. Right now there are discussions between the council and the traders of St John Street as to whether buses should be there at all. If there are going to be buses where should they be. Most businesses do not want buses outside their business but they have to go somewhere. That is a broader conversation that Launceston is having at this point. You could not possibly proceed with a network review while that is being resolved.

I would say to Launceston and to Hobart and to all cities the notion that you would not have a public transport terminal in your city is completely unsustainable. You should have that so therefore you would want it to be as close to the city as possible. We are developing the view that Hobart, particularly with the possible advent of light rail, is going to need a major public transport hub in the city as well as priority lanes for the whole thing to work. With Launceston not having its face straight on that and the network review still in consultation it looks like being next year now by the time that gets up.

Dr BROAD - Specifically about the Launceston network review, as part of the review is a service decrease anticipated in the Launceston area?

Ms MORSE - Any of our network reviews have been premised on delivering the same level of service. We talked about the principles that we have brought to bear with Hobart in terms of when making our network faster, smarter and easier to navigate that our over all service levels did not decrease. We would be delivering the same outcome in Launceston, an easier network to navigate and no decrease in service levels.

Mr STREET - Minister, why would businesses not want buses near them? It would seem to me that if you are dropping 50 people off, potential customers, that it would be advantageous to have a business near.

Mr HIDDING - If those business owners were here now they would invite you to come and operate their business for a day or two while you have some lively children outside waiting to go home, because it might not suit the style of business there. This is the ongoing tension between buses in the city. As the minister responsible for transport I want to place on the record that it is an unsustainable view you would not have Metro services in the heart of your city. That then goes to the issues Ms Ogilvie was talking about earlier as to precisely where they are. Launceston is grappling with that now and once they get their head around that and the general consultation is finished the Launceston network review will move to its process.

The Committee suspended at 12 p.m.