

**THE LEGISLATIVE COUNCIL COMMITTEE ON GOVERNMENT  
ADMINISTRATION B MET IN COMMITTEE ROOM 2, PARLIAMENT HOUSE,  
HOBART ON TUESDAY 11 SEPTEMBER 2012.**

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**INTEGRATED TRANSPORT OPTIONS**

**Mr ROBERT ANNELLS**, CHAIRMAN, AND **Mr DAMIAN WHITE**, CHIEF EXECUTIVE OFFICER, TASRAIL, WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

**CHAIR** (Ms Taylor) - Welcome, gentlemen. All the evidence taken at this hearing is protected by parliamentary privilege, but I have to remind you that any comments you make outside this hearing may not be afforded such privilege. Have you received and read the information for witnesses?

**Mr ANNELLS** - Yes.

**CHAIR** - The evidence you present is being recorded by Hansard and the *Hansard* version will be published on the committee website when it becomes available. I understand we haven't received a written submission from you, so I will invite you to make a submission and we will ask you questions.

**Mr ANNELLS** - TasRail is a freight railway. Its remit is to renovate and run the existing freight system within Tasmania. That is a fairly character-building process, but we are quite well advanced in that. In that regard there has been very substantial government funding from both the commonwealth government and the state government. The commonwealth government money is entirely quarantined for below-rail activity - that is, the upgrade and renewal of everything from the top of the rail and below. So it is the tracks and all the things that go with the tracks, including signalling, bridges, culverts and the extensive engineering works involved in having a safe and efficient track to run on.

The state government has provided significant funds for us to address the above-rail needs, and that is basically our rolling stock, the locomotives and the wagons, but also includes a good deal of the machinery you need to run a railroad - things as diverse as a wheel lathe, for example, where you can re-profile all your wheels. Even for a fairly small railroad such as ourselves there are a lot of wheels you need to re-profile to ensure you have the most efficient interaction between wheels and rail. We are in the middle of the process of acquiring new locomotives and we are at the commencement of the process of acquiring new wagons. We are looking at a range of other capex, from wheels lathes, the Burnie loader, a train control system that is in this century rather than the last et cetera.

Then on top of that of course you have the actual business to run. You need clients and we provide quite essential transport services to a number of businesses in Tasmania that without heavy rail simply would not be able to exist. They run from paper out of Boyer, zinc from Risdon, coal out of Fingal or out of the west coast.

We are nearly coming into the third year of this process of renovating or rejuvenating this rail. The business environment is difficult but we are very pleased that we are managing to build very good and solid relationships with our key customers. There are some potential new customers on the horizon; we are very keen to pursue them to provide the commercial underpinning for this business because we are quite determined that the above-rail aspect of our business will be self-sufficient. The below-rail will always require some form of subsidy because of the enormous cost of maintenance of the system. There is not a lot of income potential from below rail, but above rail we are determined that this will be self-sustaining within the next several years. We are on track to do that.

That is a snapshot. Clearly from the point of view of your committee, Chair, probably the biggest issue for us is that our intention is to move our Hobart freight operation base from Evans Street to Brighton. Brighton was a development that we inherited. It was put in place for a range of reasons. It is not just a rail terminal. Many people think it is because we are managing it but the truth of the matter is that Brighton was built for both a road/road interchange and a road/rail interchange. We put our hand up to manage it because I think we were the logical people to do so because we run terminals elsewhere within the state but we are very careful to acknowledge that this money was put in by the government for transport interchange, not just road/rail. Clearly we are interested in facilitating rail and Brighton will help us do that, but if people want to use the facility for road/road interchange then we will facilitate that as well and hope, over time, to educate them to the error of their ways and get them onto rail. It may or may not happen but we will do our best.

**CHAIR** - Thank you. Damian, did you want to add anything to that at this point?

**Mr WHITE** - Picking up on my chairman's point around our exit from the Evans Street site, we expect that to be happening over the next 12 to 18 months progressively as we start to get both customers and our train operations commencing out at Brighton.

**CHAIR** - You have not started there yet?

**Mr WHITE** - Not rail operations but we recently received our rail safety accreditation for the site. We have not set a date for exactly when we would put all of our operations out there but it will be a transition over the next 12 to 18 months.

**CHAIR** - Thank you very much. You understand that passenger transport options is the aim of our inquiry. We are particularly interested in that bit of rail line that is going to then become available from Brighton hub back to Evans Street. I am interested that you say below rail and above rail. I had not realised that there was such a distinction. The rail itself is part of the below rails?

**Mr ANNELLS** - Yes.

**CHAIR** - Right, so that is commonwealth.

**Mr ANNELLS** - If we want to upgrade it then it is commonwealth funded. If we maintain it, however, it is maintained with state money. It all gets a bit complicated but the reality is

that the commonwealth money comes to us very clearly earmarked for upgrading and renewal of below rail -

**CHAIR** - So rail and below rail.

**Mr ANNELLS** - Rail and below rail, so any maintenance required on that rail is undertaken by us using state or our own self-generated funds, funds from the business. The reality is that when we are able to move to Brighton - and that has to be done in close consultation with, and cooperation of, our clients. There is no point in disappearing off to Brighton if our clients aren't prepared to join us. This has implications for our key clients in terms of their business. It has been a process of negotiation with our principal client, Toll, to ensure that its business needs can be met as we move to Brighton.

It does not mean that we will not be undertaking work at Brighton, particularly using the 'quick fix' process we have available to us at Brighton on our trains. Full operation of the centre will depend on us being able to move our principal client with us and others.

That will release the rail line effectively from Brighton into Hobart. That is a challenging bit of rail because there are 23 level crossings. Road level crossings are a serious problem for any train operator. They are a serious problem for cars as well, but the biggest problem is running trains through level crossings. There is a very heavy maintenance requirement in relation to the quality of the road-rail interface; that is the smoothness of the actual crossing within the crossing parameters/boundaries. But most importantly, is the cost of maintaining the signalling. Not all of those 23 crossings are fully-protected crossings with signalling, though I suspect the majority of them would be -

**Mr VALENTINE** - Is that from Granton to Hobart?

**Mr ANNELLS** - From Granton to Hobart. Each level crossing has an inherently dangerous interface between trains and cars. One of the ways you deal with that risk - and it is a big risk in our business - is to have signals and signals require very regular maintenance and it is quite costly basis. It is not a common skill to maintain and ensure that signals are safe.

**Mr VALENTINE** - The signals used to be a DIER responsibility?

**Mr ANNELLS** - I don't know the answer to that.

**Mr WHITE** - It has always been within the rail companies.

**Mr ANNELLS** - Yes, whoever the rail company was.

**Mr VALENTINE** - It has obviously changed over the years. I'm going back to 1984.

**Mr ANNELLS** - Way back when the state ran the rail system it would have been, but the signal maintenance went with the various ownerships that we've seen over the last 15 years. So it has returned to Tasrail's responsibility and it is a big responsibility. Many of you would have been aware of the campaign that we've been running now for a long time. Damian's been doing a really good job in fronting that about the real danger and

difficulty in Tasmania of getting people to obey signals. There seems to be a view that obeying signals is an optional extra.

**Mr VALENTINE** - A bit like blinkers really, isn't it?

**Mr ANNELLS** - You can or you cannot. You can choose to dice with death and, unfortunately, too often people do. Equally, there are genuine accidents; people lose concentration and, even with a fully-functional signal system you still get people running into the side of our trains, or even worse, us running into them.

**Mr MULDER** - How many of that type of accident are there a year? I didn't think there were so many that you could make a sweeping statement like 'too many people don't obey the signs'.

**Mr ANNELLS** - We have dozens a month of what we call 'near misses'; people who see the train and chose to keep going.

**Mr WHITE** - In the last financial year I think there were seven collisions.

**CHAIR** - Really? In that stretch?

**Mr WHITE** - No, right across the network.

**CHAIR** - So within that Hobart stretch from Brighton to Evans Street?

**Mr WHITE** - I don't have those figures with me.

**Dr GOODWIN** - How do you know about the near misses?

**Mr ANNELLS** - They are reported by our drivers. We have CCTV on some of our locomotives to try to get evidence that enables the police to take more firm action. Wherever it happens we report it and if we can identify the driver then we report that too, and the police take action.

**Dr GOODWIN** - The police have taken action in some cases and prosecuted people?

**Mr ANNELLS** - Yes.

**Mr MULDER** - In suburban Melbourne you have barriers that come down as well as lights. There are times that that does not actually effect it, but if it is such a concern I am wondering why Tasrail hasn't employed barriers.

**Mr ANNELLS** - The reality is that barriers are extremely expensive. We have hundreds of level crossings in Tasmania and we have 23 in this particular section.

**Mr MULDER** - I am talking specifically about the urban areas, not the rural areas.

**Mr ANNELLS** - It is a straight cost thing. It is a cost which is relative to the risk you incur. The Melbourne system is very different; the volumes of trains and the speed at which the train is operating. In Melbourne you have suburban trains speeding along at

80 kilometres an hour through crossings. Their boom gates and lights are absolutely required, but it does not stop people from driving around them. I ran the Melbourne system for seven years and I can assure you that even with boom gates and lights it is a challenge.

**Mr MULDER** - You say that the number of near misses is unacceptable, but it is not such a risk that you think that boom gates would be appropriate to reduce that risk. I would suggest that there are fewer near misses when you have boom gates. This is a balancing thing that you are doing and you can't overstate a risk and then not accept mitigating factors.

**Mr ANNELLS** - I don't think I was overstating anything. I was just giving you the facts. The facts are that there are a large number of what we classify as near misses. There are seven accidents, but we have 600-odd kilometres of rail to upgrade and we run only one or two trains a day into Hobart. So investing millions of dollars in boom gates is not a reasonable outcome. If you have other things in mind, like you want to run and support a system of passenger trains, then you would have a different set of equations, but you would need to make sure that in doing your calculations about the economics of all this that you factored in the need for boom gates. Certainly, if you are carrying passengers, some of those crossings are going to need boom gates.

**Mr MULDER** - You said earlier on that the commonwealth funds below rail - around the infrastructure like lights - so, would the commonwealth pick up the boom gates issue? Boom gates are important, as you rightly point out, because we are talking about suburban rail and we are talking about high frequency trains running through them. If we are going to do a northern suburbs railway then boom gates would be part of that. The question is, under your funding model, would that be a commonwealth issue?

**Mr ANNELLS** - Under our funding model the commonwealth money is entirely quarantined for freight and if there is a need for boom gates associated with some passenger service that people are suggesting running through the northern suburbs this would be part of the funding model that you would have to negotiate. I have no clue as to what the commonwealth attitude to that would be.

**Mr VALENTINE** - Do you know whether it is part of AusLink?

**Mr ANNELLS** - No, I don't know.

**Mr MULDER** - Have I misunderstood? You opened by saying that the commonwealth funding is for tracks and the non-rolling stock and that the state funds the rolling stock?

**Mr ANNELLS** - Yes. The commonwealth funding for Tasmania is quarantined for freight.

**Mr MULDER** - That is all you do anyway.

**Mr ANNELLS** - You asked a question about whether the commonwealth would pick it up and I am telling you that, under the current model, they will not.

**Mr MULDER** - Under your funding model which relates to freight, the commonwealth would have picked up boom gates -

**Mr WHITE** - If they were considered necessary -

**Mr MULDER** - That is the point I am trying to get at.

**Mr FARRELL** - I would just like to ask in regard to that section of line. Obviously when Tasrail doesn't move freight on that line anymore. That will be some time in the near future and there are no plans that I am aware of to run short-haul trains into Hobart. You will finish with that section of line. What then will TasRail's responsibility be? Do you have to go through a decommissioning process? Will the signalling all have to be removed?

**Mr WHITE** - We would consider that section of line not dissimilar to the way we treated the Scottsdale line and the Wiltshire line and the Maydena line. We would decommission those signals and then we would be obliged for a care-and-maintenance program, which is essentially just maintaining vegetation around the railway corridor.

**CHAIR** - Also the level crossings, so that they remain useful for cars at least?

**Mr WHITE** - Yes.

**Mr FARRELL** - But all the signalling infrastructure would be taken out of that system there?

**CHAIR** - It would be taken away?

**Mr WHITE** - We can simply decommission it and leave it there but it would depend on what the future task is. If there was no intended future task it would end up being vandalised.

**Mr FARRELL** - This is linking into the proposed northern suburbs railway. It would be a more ideal situation if something was kept on the track rather than the track becoming disused because then it would be recommissioned with new standards and you would have to start all over again.

**Mr ANNELLS** - I think the reality is starting over again in terms of standards anyway. There is a fundamentally different regime and standard that you need between running a freight railroad and running a passenger railroad. I suspect that is not well understood. The challenge to get that rail to a standard, not just for safety reasons but for comfort of passengers and to run at the speeds you need to make it an efficient system, one that can compete with buses and cars, there is a significant amount of work needed on everything, from the foundations, to the ballast, to the rail itself, to the signalling et cetera. You are talking about fundamentally different rail.

**Dr GOODWIN** - That has been one of the issues with establishing tourist rail in Tasmania?

**Mr ANNELLS** - It is an issue. The challenge in running tourist and heritage rail on a freight system is not so much the quality of the rail per se, because the speeds are quite low compared to, for example, trying to run a passenger service coming in on that particular rail link. The challenges of tourists and heritage are many. Everybody talks about insurance, and that is a big issue, but there are train control challenges as well and there

are insurance implications for us in intermixing freight trains and passenger trains on the same line. One of the challenges in introducing northern rail, the passenger rail, will be train control and putting in place an efficient and effective way to satisfy the need for safety.

**CHAIR** - But it would overcome that issue of intermixing, wouldn't it, because you will not be using that?

**Mr ANNELLS** - It will not be an intermixing issue for us on that line but -

**Mr VALENTINE** - It is only a single line, though, isn't it?

**Mr ANNELLS** - It is. You are going to have to build passing loops and all sorts of things. That becomes a real challenge in terms of your train control because you have to make damn sure that the passing loops and the train are where they are supposed to be - all those things.

The challenge with heritage and tourist rail is, however, largely financial. People concentrate on one aspect of the insurance, which is the personal liability issue. But the reality is that for us there are serious downstream financial costs from the impact of running other passenger rail services on our network. It has been made very plain to us that it has quite significant implications for our other general insurance - business continuity insurance, for example - because if there is a breakdown, then the problem is we cannot run our train. So there are a number of difficulties. We have been working very closely with the relevant groups. We hoped to have had an outcome but we have not been able to produce that, despite putting a lot of effort into it. I think the groups understand that we are genuine in our attempt to find a way to make this happen, but it is not easy.

**Mr VALENTINE** - That question I posed earlier about AusLink, have you ever looked at the possibility of AusLink funding because AusLink covers freight? It covers passenger transport in other states. We managed to get that AusLink funding through to Hobart for the highway and down to the airport because of the international connection with the Antarctic. I was just wondering whether that has ever been looked at or might be something you might look at in terms of extra funding for new projects? It is not for maintenance, I believe.

**Mr ANNELLS** - I think the relationship between the state government and the commonwealth government for funding for roads and rail is largely the responsibility of DIER. We have inherited an existing funding program which comes to the end of next financial year. We are in the process of working with DIER to try to ensure that there is another program for capital works. Our submission, which we've already put in, is being scrutinised by Infrastructure Australia, but in the end it will come down to the commonwealth department actually having some replacement program for the current nation building and that sort of thing.

I cannot answer your question about AusLink, but given the sophistication of DIER I suspect they are across all of these possible funding sources and are well and truly on the case. You would have to ask them.

**CHAIR** - The bottom line is that TasRail will continue to own the line and the infrastructure as it currently is on that section from the Brighton hub into Evans Street after you move. I understand from a recent report that you are not going to maintain that?

**Mr ANNELLS** - We are not going to maintain it as an operating railroad. The other issue is that we would continue to own that track until such time as there is an alternative for it. If there was to be another rail service on that line then you would have to move the ownership somewhere. You would take it away out of head lease and give it back to DIER, presumably, and then it would deal with whatever body was put in place to run the rail.

**Mr VALENTINE** - Or a business case that was presented to you that shows it was in your interests to do it.

**Mr ANNELLS** - I think we have enough challenges with rail as it is.

**Mr FARRELL** - As far as the Bridgewater causeway crossing goes, if the line into Hobart is decommissioned by TasRail there would be no push then for continuing a rail link across the river. Would that be a fair assumption?

**Mr ANNELLS** - I think that is a challenging question as well. There are serious cost implications in providing a rail-link opportunity to cross there. I have seen it argued quite persuasively that that is a cost that should be considered paying to keep options open. We do not foresee the need from a freight perspective, but once it is not available it is not available forever. Again, I think you have to go back and talk to the planners in DIER. Our freight operations for intermodal freight will terminate at Brighton and that is an efficient way of doing it from our point of view. We will continue to run trains to Boyer, but it doesn't use that crossing.

There are so many aspects of the existing system that still need significant funding. It is a difficult choice, but it is a choice.

**Mr VALENTINE** - I think during the Brighton hub push that Southern Tasmanian Councils Authority did collectively, there was certainly no mention made of taking it out and that it would actually be retained, but you would have to check the history on that.

**CHAIR** - The issue will be what happens when there is a new bridge, if and when there is a new bridge.

**Mr VALENTINE** - That is right. I think that question was raised and the answer that came back said they wouldn't be taking the rail out.

**Mr MULDER** - From what you're saying I gather you wouldn't be keen to add a passenger service, even if it was a non-integrated stand-alone passenger service, that you really see your focus as being freight and you wouldn't have the capacity to take on board a passenger service?

**Mr ANNELLS** - We are a servant of government. If government wants us to take on a passenger service, that's what we will do. I was executive chairman of Connex for seven years and ran the Melbourne passenger service which carried 2 million passengers a



week, so I know a little bit about running passenger railroads. They are not the same as running a freight railroad. They require fundamentally different skills, although some of the engineering is the same and some of the procurement issues surrounding rolling stock are vaguely the same. I would suggest, if government wanted us to do that, we would have to find a way very clearly to separate that out within our total budgeting, funding and financing. I think we do a very good job running a freight railroad, but it is a very different skill set. There are different models; you can separate the marketing of the service from the delivery. My experience in a whole range of businesses however is that to separate the marketing, the generation of the demand, from the delivery of the service is an innately stupid thing to do because you need everybody focused on the same outcome. We are not geared up to do that; our staff have not been recruited with those skills. We still have many years to apply ourselves to getting the freight side of it correct.

There are companies that specialise in running small suburban passenger services and I think you would be far better off to have some engagement with them. There are a number of them running in Australia, of which Connex is but one. Veolia Transport is another one. Before you go too far down this path, I would suggest you get some serious analysis done by one or more of those companies because people advising on this matter who have never run a railroad in these circumstances are very dangerous. They just don't have the skin in the game. Veolia Transport - we established and ran a much smaller system than Melbourne in Auckland, still probably 10 times larger than what you're talking about here. It is extremely challenging. Everything about running railroads is expensive - just think of a number and put lots of noughts behind it. I am an old Hobart boy and if there is a way to make this work - and if, to make it work, Tasrail needs to put its shoulder to the wheel then of course we will. My advice to you is to think very hard about this because it's not easy.

**Ms RATTRAY** - So you don't necessarily see, Bob, the critical mass in the south of the state to make something like that work, on top of all the other issues?

**Mr ANNELLS** - I can't answer that in any authoritative way because I haven't looked at the numbers, but there are some rules about establishing rail. To be successful, you need high densities of people along the rail line, you need to terminus of the rail to be as close as possible to where most people want to get off. If you look at even the Melbourne system, there is a reason that Flinders Street Station is the problem it is. It is because the vast majority of people want to get off there. The issue of the numbers is terribly important, and the issue of the costs. Anybody can run a railroad at peak hour - there are problems of running it at peak hour, and I could spend the next week here talking about the problems of the Melbourne system at peak hour. They are problems of overuse, which is a better problem to have, because you can subsidise the off-peak needs by the on-peak demand. The problem I see here is how big is your peak going to be and does it give you sufficient cash generation to then run a service during the rest of the day because not everybody wants to travel at the peak.

The problem where you have big discrepancies between the peak demand and the general demand is that you have to gear up for the peak demand and so your rolling stock, staff, and all those sorts of things, have to be sufficient to cope with the peak. If the off-peak is very small, what do you do with them?

**Ms RATTRAY** - It's a bit like Bruny Island.

**Mr ANNELLS** - It is like the ferry service to Bruny Island. It is a real challenge and it is a management challenge. It can all be dealt with by subsidy but in the end the subsidy can be, as Victorians found out, very significant and it grows because of the ever-increasing demand in relation to safety, and the ever-increasing competition from cars and buses that get better and better in delivering what people want. The closer you can get from door to door delivery unfortunately the higher the competition, and the one thing that rail cannot do is go door to door.

**Mr MULDER** - On the issue of the subsidy, you talked about the state government funding, is that the Transend dividend that goes to rail?

**Mr ANNELLS** - The way in which the state funds our above-rail capital expenditure was to provide for five years of payment by Transend to us instead of back into Treasury, of \$20 million a year. That has provided us with the capex for above rail. There is more than that but the bulk of it is in that \$100 million and it will be delivered to us over five years via this mechanism of Transend. Again, that is for capex; the state provides an annual allowance to Tasrail through its normal budgetary process which is in effect an underwriting of our operations and largely reflects the fact that for our below-rail maintenance, there is no other way to fund it than through a government allocation, though over time one would hope that we would generate above-rail profits that we could put into reducing that below-rail subsidy.

We get funding from the state in two ways: capex via the Transend payment, which will stop at some point, and an annual subsidy for our operating -

**Ms RATTRAY** - Aurora might take over, Bob, when Transend finishes.

**Mr MULDER** - What is that annual subsidy from the state, and how much are you getting from the feds?

**Mr ANNELLS** - Our annual subsidy from the state this year was about \$16.3 million and the federal government money is the balance of this straight capex, and this year it will be something in the order of \$30 million.

The commonwealth provided for Tasmania for this particular funding in the vicinity of \$130 million of below-rail subsidy, to which you would need to add about \$78 million which were provided under emergency funding about four-and-a-half years ago, which sort of started the process.

**CHAIR** - Do you have income from freight customers?

**Mr WHITE** - A little bit over \$30 million at this stage.

**Ms RATTRAY** - Potential growth?

**Mr WHITE** - Yes, there are some exciting projects, both with our existing customers as we start to build the credibility and provide more reliable services, and some other prospects, particularly in the mineral sector. We would argue that it would probably not be on the

horizon if the government had not bought back into the railway and we had not built up that credibility.

**Dr GOODWIN** - On that below-rail cost and the funding that you have received from the commonwealth government, that sounds like quite a lot - a hundred million plus the emergency money as well. What was the issue with that? Had it been neglected so that it needed quite an amount of upgrading or is it just that it is very expensive to maintain the infrastructure?

**Mr ANNELLS** - It is expensive to maintain but this money was really for the renewal of the system. I think it is not an unreasonable thing to say that the previous owners had really struggled to free up capex to do the upgrading that was necessary over probably the last 30 years or more. I think everybody accepted that if Tasmania was to retain a freight railroad then there needed to be serious investment. I know it sounds like a lot of money but the reality is, as I said, everything about rail is expensive.

**Dr GOODWIN** - But the expectation is that now you have been able to do that significant upgrade that -

**Mr ANNELLS** - We are about a third of the way where we need to be.

**Dr GOODWIN** - Yes, okay but eventually it will be at the point where it will not be so significant to maintain it?

**Mr WHITE** - That's right and if you consider it has been 20 or 30 years with almost no capex, and if you said you were going to pour \$10 million a year into it on average then that would be the normal sort of capex you would expect into a network like ours. It is far more sustainable if it is maintained.

**Ms RATTRAY** - It is the same with anything, isn't it?

**Mr ANNELLS** - There is an end in sight here. There is a program, there is a plan. For example, we are replacing four major bridges on the north-west coast as part of this program but there is still the reality facing us that of the 600-odd kilometres of operating rail in Tasmania and the freight network over 300 kilometres - that is 600 linear kilometres because there are two rails - need replacing.

They need replacing because they were second-hand and worn out when they got here, which is 30 years ago. You could sustain it for only so long but at some point you need to replace it all. The cost of replacing this rail is significant because it is not just about buying new rail, there is no point putting new rail on old sleepers and old formations with poor drainage so you have to work your way right through the system.

Over half our system needs complete replacement with rail, heavier rail, a newer profile and that is where the money is largely going. Once we get over this current program where most of the bridges will have been done, a lot of the worst problems will have been done, we will have a concrete sleeper program stabilising our track on our very tight curves so much of that will be well underway by the time we come to the end of this funding. Then we will be getting into - it is not very glamorous but in fact you need it, you have to replace the rail because its life has expired and it is dangerous.

**Dr GOODWIN** - What I am hearing from you is that you have more than enough on your plate for the next few years with just the freight side of things without possibly suggesting your dalliance in something else?

**Mr ANNELLS** - Yes. We are happy to provide advice but -

**Mr MULDER** - What we are also hearing is that there are some significant subsidies, whether for freight or passengers, and perhaps you are suggesting from your experiences that there would be a greater subsidy required to maintain a passenger service than a freight one although both require subsidy.

**Mr ANNELLS** - They do. There are virtually no passenger railroads in the world that do not require subsidies.

**Mrs TAYLOR** - Absolutely. No public transport system in the world.

**Mr ANNELLS** - It is a public transport and there should be no great surprise.

**Mr MULDER** - There is a community service obligation associated with transport.

**Mr ANNELLS** - The Melbourne system attracts hundreds of millions of dollars of subsidy a year.

**Mrs TAYLOR** - Yes, and the other side of that is that whatever you get on rail you do not have on the road whether it is freight or whether it is passengers so you are saving the other way. Can I clarify that I hear you saying - and I do not want to mistake what you are saying - you are going to continue to own, at the moment anyway, that section between the Brighton hub and Evans Street?

**Mr ANNELLS** - Yes.

**Mrs TAYLOR** - Really it is not something you are going to need.

**Mr ANNELLS** - It is not something that we are going to need -

**CHAIR** - If the government decided to do something else with that you would be quite happy to get rid of it.

**Mr ANNELLS** - Absolutely, and we are not going to rush in there and start pulling infrastructure out. In the end we will maintain it as we maintain several hundred kilometres of non-operable rail that we currently have but we won't be running the signalling system and that will stay in place. One of the difficulties, however, with that is that quite quickly you run into a vandalism problem and to recommission for passengers is a whole new ball game.

**CHAIR** - As I think one of the other members has suggested, if there was going to be a passenger rail system it would be better for it to be relatively seamless to go from one to the other rather than a hiatus of nothing happening for a number of years.

**Mr ANNELLS** - If you had a hiatus you would have serious problems. I suspect, however - and I am not a signal engineer - you would need to get somebody to look at that but whether the current signalling system is adequate for a higher speed passenger service, more regular service, I don't know.

**Mr WHITE** - I would doubt it. Signalling systems are all set up based on the speed and the distance travelled and the approaches of a signal. Likewise, our railway on that corridor is narrow gauge, just a standard freight railway. If there was going to be a light rail operation, would it operate on the same narrow gauge? I don't know much about it but I doubt it, and therefore could that signalling equipment be transferred across again? I doubt it.

**CHAIR** - They are obviously questions we are going to ask the people who are proposing the light rail but, nevertheless, I just want to make sure that it is going to be a cost to you, isn't it, until such time as it is no longer your responsibility because you will have a maintenance cost?

**Mr ANNELLS** - It is a cost. As I said, we maintain several hundred kilometres of non-operable rail and we just add to that and in that context it is not a big cost to us but it is a challenge for vegetation management, vandalism and theft of copper wire and these sorts of things. If the passenger proposal was not afoot or didn't come off for some reason then under our lease arrangements with the crown we are responsible to maintain that and we will.

**Mr VALENTINE** - Are you responsible for pavement management as well at those crossing points or is that a separate jurisdiction?

**Mr ANNELLS** - It is a good question.

**Mr WHITE** - Pavement over the crossings?

**Mr VALENTINE** - Yes.

**Mr WHITE** - Yes, that is ours.

**Mr FARRELL** - Just so it is clear in my mind, as far as the northern suburbs railway goes, it is going to make little impact on the cost of that because the renewal of infrastructure to service it wouldn't have any benefit really from keeping the existing infrastructure there. It would have to be more or less rebuilt from the ground up as far as signalling and -

**CHAIR** - From below the ground, I think.

**Mr FARRELL** - Yes.

**Mr ANNELLS** - I think that somebody more versed in this than I should answer this question but I am just raising that there are a range of legitimate questions to ask in this regard. We will continue to maintain it until such time as the government advises us that they no longer want us to maintain it. We will maintain it to our standard, which is a non-operating freight line. The challenge, I think, for the proponents of the passenger service is really to be able to articulate what in an engineering sense, let alone in a business

sense, is actually needed and if we can help with that of course we will help but we are not passenger rail experts.

**Mr FARRELL** - From your experience with Melbourne, it is not a matter of getting a diesel rail car and putting it on that system to run back and forth once the freight trains have gone?

**Mr ANNELLS** - You could run it on a diesel system. Large parts of the Auckland system we ran with diesel. It is not ideal but it certainly can be done. The issue is to find the right rolling stock for quite a short journey, as Damian said, on a narrow-gauge rail. It is not impossible either but there are all sorts of lateral stability and passenger comfort issues. You can put up with a certain standard for freight - we still have issues about lateral stability movement with freight and we are dealing with those and I think we have them under control. Whatever passenger service is provided it has to be comfortable otherwise people will get very sick of it very quickly. One of the challenges on that corridor will be to satisfy yourself that you can deliver the speed that it needs to run at to be competitive and that the level of comfort is reasonable. Narrow gauge railways are always a challenge in that regard.

**Ms RATTRAY** - But not impossible?

**Mr ANNELLS** - I do not think anything is impossible. No, not at all.

**CHAIR** - Thank you so much.

**THE WITNESSES WITHDREW.**

**Mr RICK METCALFE**, WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

**CHAIR** - All evidence taken at this hearing is protected by parliamentary privilege but I have to remind you that any comment you make outside of this hearing may not have such privilege. Have you received and read the information for witnesses?

**Mr METCALFE** - Yes.

**CHAIR** - Thank you. The evidence you are presenting is being recorded and the *Hansard* version will be published on the committee website when it becomes available. Can you start by telling us your field of interest and expertise?

**Mr METCALFE** - My field of interest is ferry operations. I have extensive background in ferries - the Brisbane CityCats. I was part of that operation for 16 years. I started off as a master and worked my way through the ranks and made my way into management. I managed approximately 160 crew and 19 CityCats and nine monohull ferries, so quite an extensive network.

**CHAIR** - Can you tell us why you are interested in the whole ferry operation in Hobart or southern Tasmania?

**Mr METCALFE** - Some friend of ours returned to Tasmania where they lived earlier in their lives and they said, 'Come down for a holiday'. I came down to Hobart and I took one look at the Derwent River and I looked up and down - no ferries here, where are the ferries. I thought I will look into this further. I started making some phone calls. I started talking to all the mayors of the areas at the time and it has progressed from there. I can see the need for Hobart having a ferry service and I know the benefits of having a service for tourists and commuters, combined as one service from my own experience in Brisbane. That is why I decided to try to make some inroads into Tasmania to be based down here and see a ferry service up and running.

**CHAIR** - You are just doing this as a private citizen?

**Mr METCALFE** - Yes. I have been funding at my own rates and coming down for the last few years and holding meetings and I have been doing this at my own rate.

**CHAIR** - You obviously have a fair amount of expertise in this area but as soon as you started talking about this some years ago in the ensuing period I certainly immediately get a number of people saying to me, 'I'm going to be a devil's advocate in this'. I think it would be really nice to be hearing some people saying, 'I want to see how we can make this happen', so there are obvious questions that you might have some answers to with your experience in Brisbane. First of all they say we don't have sufficient population.

**Mr METCALFE** - I did look at that. The population of Brisbane is two million people as opposed to Hobart's greater area of about 220 000. When you look at the Brisbane area, people who are up in the Strathpine area right down to Beenleigh are part of that two million. They are not your everyday commuters, not the people who even come into the city to go for a ferry ride. When you look at the population based along the Derwent

River as opposed to the Brisbane River, and the same constraints of approximately three kilometres from a stop for those who would like to have a ride or catch a bus or drive the car and park, or for those who walk to the ferry stops, which is around about 800 metres, these areas compared from Brisbane to Hobart are very, very similar in those catchment areas. Yes, they are a little bit light on in a couple of areas here but for the overall majority, yes, they are very similar.

**Ms RATTRAY** - What areas are those ones that you think are a bit light on?

**Mr METCALFE** - Areas like Old Beach and Risdon. Yes, there is potential to operate a service to there but you would have to rely on people who would have to draw off to those areas, not just on the population base there now.

**CHAIR** - But that might have been a bit the same in Brisbane too, as I recall 16 years ago.

**Mr METCALFE** - That is correct, yes. When we started in 1996 we started off with four CityCats and at the time the city council had this idea that it was barely going to be an extended commuter service. How wrong were they. The service took off on its own life. When we first got started it was not unusual on a weekend for people to have a three- or four-hour wait to get on a ferry. It just grew and grew and grew. We very quickly went from those four ferries; we had another two a couple of months later and it just grew from there.

We are now up to our third generation of CityCats in Brisbane and we have, like I said, 19 in total at present. They have just announced that they are purchasing another two.

**CHAIR** - Has it had an effect on the population growth or base or change along the riverbank?

**Mr METCALFE** - It would change a lot of people's perception as to how they got into the city. Previously, the old monohull service was seen merely as a cross-river service. For those who lived out further, around the Bulimba area, Hawthorne and those areas, it was a bus ride in.

You get your passengers that jump on board the ferries and the CityCats and they tell you how much more of a pleasant journey it is to get into the city as opposed to those going by bus, stuck in traffic, stop/start et cetera. Yes, you do have your stops on the ferry route, just like a bus would stop, but it is a much more pleasant experience. People can sit and do the free Wi-Fi on board; they can read the paper, sit back, relax and enjoy the ride in.

**CHAIR** - One of the other devil's advocate questions frequently asked is that our river is not the same as the Brisbane River and it will be too rough. We'll get wet and cold as our weather is not the same.

**Mr METCALFE** - There are a lot rougher rivers around the world that operate ferry services successfully and the Derwent is not that rough, not in comparison. Yes, it is rougher than the Brisbane River - it is a lot wider. The estuary here is approximately four kilometres across to the Bellerive area and as you go down further it extends to about seven kilometres across. That is not a hindrance to operating a successful ferry service.



I have been looking at alternative-design ferries that would be even more than adequate to cope with that sort of environment.

**CHAIR** - But people in Tasmania won't get out of their cars.

**Mr METCALFE** - Yes, I have heard this one a few times. Once people see the system up and running, people will tend to say, 'I'll try it and see if I like it'. They will go for their weekend jaunt and all of a sudden they start to realise, 'This is a good thing'. So when they have their visitors, 'Let's go for a ferry ride; I want to show you', because when you're looking at Hobart from the river perspective it is a little different from looking from the other shore line. Once you're on board and you see where the ferries go up and down the river, it is a different perspective and people like to showcase where they live. What better way to do it.

**CHAIR** - But it is true that we don't have the same challenges as some of the bigger cities in terms of traffic congestion and parking costs within the city. So could it be made to work?

**Mr METCALFE** - Yes, it can still be made to work. When you talk to people who are still commuting by car into the city, I was talking to a gentleman about three months ago and he tells me that what used to take him 20 minutes to get into the city is now taking him on average 45 minutes. It is growing and that is going to continue - that's not going to stop. So by putting in a public transport service like the ferries, you are nipping it in the bud. The city will expand so you are getting in early.

**Mr VALENTINE** - Presumably it would be necessary to have feeder services to those points?

**Mr METCALFE** - You would integrate your existing bus services and have those feeding to the points where the ferry terminals are. If there is a rail service you can integrate with them as well. The whole package should be integrated as one; so it is one ticket for bus, train or ferry.

**Mr FARRELL** - In regard to infrastructure, we have recently had a discussion about rail and the fairly large infrastructure cost there, how do the ferries go as far as wharves and docks and places to hop on and off?

**Mr METCALFE** - I have been looking at costings for commercial applications for ferry pontoons. For a basic pontoon facility you are looking in the vicinity of \$250 000. It is more expensive if you wanted car parking and those types of arrangements, but the actual pontoon itself is quite straightforward and is something we can approach Infrastructure Australia to look at doing.

**CHAIR** - How many terminals are there that would be useful now?

**Mr METCALFE** - About seven terminals from memory.

**CHAIR** - Can you remember where?

**Mr METCALFE** - Bellerive, there is the brand new one being done at Wilkinsons Point, so that is not too far away from being completed. We also have the brand new one here in Watermans Dock. We also have Opossum Bay and there is the new one that is being built at South Arm. There is the jetty on the end of Bruny Island at Dennes Point. Going up the river there are existing ones at Old Beach, which we could then bring up to speed and to a DDA standard. We could also look at putting in something at Prince of Wales Bay in the high-density areas.

**Dr GOODWIN** - Have you done some route planning already?

**Mr METCALFE** - Yes, I have.

**Dr GOODWIN** - So you have some ideas about that?

**Mr METCALFE** - I have been working on this for a number of years, so I can very happily provide that again to you.

**CHAIR** - That would be really good if you provide that to the committee.

**Mr METCALFE** - I will do that.

**Dr GOODWIN** - Those of us who live on the Eastern Shore remember catching ferries when the Tasman Bridge went down. It is partly a mindset thing, isn't it, because if you are not used to catching ferries then the idea of it is a bit foreign. We all had to do it then because there wasn't a choice it was a necessity. How do you think we could get around that mindset? Do you think that the people trying it on the weekend to show off Hobart is a start.

**Mr METCALFE** - That is a start.

**Dr GOODWIN** - What else could be done, do you think?

**Mr METCALFE** - You make it more attractive by reasonable fares and having the right facilities onboard. The ferries could have facilities onboard where passengers can sit and buy hot drinks, food. That makes it more attractive and showing the time that it will take for the ferries to reach each of the points so when you compare that with car travel it will be either the equivalent or less.

**Dr GOODWIN** - In terms of the routes that you have marked out, can you give us some idea of the times and how they would stack up?

**Mr METCALFE** - The longest one at the moment is going upriver. From Wilkinsons Point it is about 30 to 35 minutes with a conventional catamaran ferry.

**Dr GOODWIN** - That's not too bad.

**CHAIR** - From South Arm?

**Mr METCALFE** - South Arm, because it is a straight-across run, it is about 15 to 20 minutes at the most. If you were to drive there it would take about 45 minutes, whereas

the ferry would be over in 20 minutes, plus you do not have to worry about car parking when you get here. Your car parking is cheap, but you still have to find one.

**Mr VALENTINE** - I think providing services at the nodes is important; child care services and things like that where people do not need to be in their car. If they cannot drop their child off at a child care service and then get onto a ferry, then they will not get out of their car.

**Mr METCALFE** - That's true, so you look at the areas where you are going to be putting your terminals and make it more friendly in that way.

**Mr VALENTINE** - We are talking commuters obviously.

**Mr METCALFE** - Commuters, yes. In the mornings and afternoons you have commuters and during the day and later in the evening that is when the tourists take over.

**Mr FARRELL** - This ferry service would be a completely different operation to the current tourist ferries that operate from Hobart?

**Mr METCALFE** - Yes, it would be. The current services on the Derwent River are point-to-point services, mainly from Hobart to MONA - there is another ferry that runs from Hobart to Port Arthur. At the moment we don't have a ferry service as such.

**Mr FARRELL** - The cost of purchasing ferries is fairly reasonable at the moment?

**Mr METCALFE** - Yes, it is at the moment. One of the things I have been looking at is buying some second-hand vessels with low mileage. I have been looking at some vessels in Paris; which have done less than 10 000 hours - they were built in 2008 - and I can have all four of them delivered here to Hobart for \$1.5 million. That is extremely cheap; normally you would be looking at that sort of figure per vessel.

**Dr GOODWIN** - Why are they selling them?

**Mr METCALFE** - The European economy is not very good at the moment. The company that owns these ferries is Batobus Paris. Batobus Paris is going back to the traditional glass-domed ferries. The ferries they are selling off are more conventional passenger ferries. They have all-round windows but they're not a sightseeing-style vessel.

**Mr VALENTINE** - Are they river ferries as opposed to more open water?

**Mr METCALFE** - They are designed to go more into open water. One of the options I am looking at is to have these vessels shipped to Melbourne and then to bring them under their own steam from Melbourne to Devonport and then refuel and bring them from Devonport round to Hobart. They are capable of doing that. The vessels are 14.5 metres long and, under the right conditions, they will be safe to make the voyage.

**CHAIR** - I think the member for Derwent has seen these vessels.

**Mr FARRELL** - I have seen them and I can provide photographs. I am not an expert on ferries but they were a very good layout - an open deck ferry with seating and all the safety gear.

**Mr VALENTINE** - It can get very rough on the Derwent.

**Mr METCALFE** - The vessels are more than capable of carrying their full load with the amount of freeboard they have. They carry 75 passengers each, of which 40 would be seated and 35 standing - that's their maximum loading.

**Mr FARRELL** - I've never bought a ferry, but they seem like remarkably good value.

**Mr VALENTINE** - In terms of the size of the ferry, you mentioned 75 passengers. Do you think that would stack up in terms of the dollar return?

**Mr METCALFE** - Yes, I do.

**Mr VALENTINE** - Not that it is necessarily a concern of ours, except if it doesn't show a good economic return.

**Mr METCALFE** - The vessels would sell for a greater value than the purchase price. If you resold them in Australia, you would more than make your money back.

**Ms RATTRAY** - What sort of ticket price do you envisage?

**Mr METCALFE** - Similar to what we are doing with Metro now with the zonal system. You would have to restructure the zones for the river. In Brisbane they do it with concentric circles. I would have to do a similar sort of thing along the Derwent.

**Ms RATTRAY** - So \$15 from South Arm?

**Mr METCALFE** - I wouldn't be looking at that much. I was looking at about a \$10 price per ticket to go one way from Kettering to Hobart.

**Ms RATTRAY** - I am trying to recall what it costs to go to Bruny Island.

**Mr METCALFE** - To go from Kettering to Hobart is about a 38 kilometre run.

**CHAIR** - And the cost on the ferry?

**Mr METCALFE** - It is \$10 per person.

**CHAIR** - No, currently on the Bruny Island ferry?

**Dr GOODWIN** - More than \$25 return, but that's with your car.

**Mr METCALFE** - One of the things I have been looking at is a very high-speed vessel that would cover that run in approximately 35 minutes. That is separate to the French vessels I am looking at. The vessels travel very quickly and they would create more industry here in Tasmania because the boats would be locally built. They are a drawback because

we in turn become agents for them. We have these vessels in service, we demonstrate them and we can on-sell them.

**Ms RATTRAY** - Rick, you would be well aware that Metro is our public transport service provider in the State.

**Mr METCALFE** - Yes, I am.

**Ms RATTRAY** - Have you had any conversations at all with Metro about getting into the public transport market?

**Mr METCALFE** - One on one, no. A couple of times I have tried to make inroads to talk but I think we have been kept at arm's length at the moment.

**Mr VALENTINE** - The Bruny Island ferry charges \$35 for a peak fare and \$30 normal fare for a vehicle under six metres.

**CHAIR** - Return?

**Mr VALENTINE** - Yes.

**Ms RATTRAY** - It doesn't allow for the wait time, does it?

*Laughter.*

**CHAIR** - Rick, one of the things we have heard is that whatever happened would need to be integrated. Do you have a view on that?

**Mr METCALFE** - Yes, it does need to be integrated. People want to see a seamless service where they can catch a bus, jump on the ferry or catch a train. Whatever it be they want to see it all integrated so that the services are all timed similarly and there is no stopping. They do not want to get to the next stop, wait half an hour for a ferry, then wait another half an hour for a bus. They want the bus pulling up as they get off the ferry, load up and continue with the journey.

**CHAIR** - And the same with the ticketing, pricing and subsidies?

**Mr METCALFE** - Exactly, yes. That is the idea of having the one ticketing system. The Greencard system here is brilliant; it works very effectively and people can use it very easily on the ferries as well as the buses.

**Mr VALENTINE** - I think Metro is prepared to do that.

**CHAIR** - One of the things I have heard is that it is a pity that the Greencard service is not tag-on, tag-off as well, so that you could collect data from it.

**Mr METCALFE** - You could collect data from it, yes, because that way you are getting ideas of patronage as they transfer to the next service. You are automatically collecting data each time they are tagged on.

**Dr GOODWIN** - Would the ferries, with the routes you have in mind, operate all day?

**Mr METCALFE** - Yes, they would operate throughout the day.

**Dr GOODWIN** - And in the evening?

**Mr METCALFE** - Into the evening. It would start with a 14-hour day and as the services and times progress you would include those. I would automatically look at later services on Friday and Saturday nights to cover that, and also special events at the Derwent Entertainment Centre.

**Dr GOODWIN** - And at Blundstone Arena, presumably, with the football.

**Mr METCALFE** - Yes, exactly. They all need to be included.

**CHAIR** - There is a jetty at Wrest Point as well, isn't there?

**Mr METCALFE** - Yes, there is, which is a good thing because people going to UTAS can be dropped off there and it is a very short walk.

**Dr GOODWIN** - With the ferries in Paris, do they have facilities for bikes? One thing people could do is ride their bike to the ferry -

**Mr METCALFE** - It is only a 14.5 metre ferry so it is not a huge ferry. Yes, you could carry some bikes on there but you would be limited. Even with the CityCats in Brisbane, they are a 26-metre vessel but once you get more than five or six bikes on it, it becomes very uncomfortable. It is a bit better with the second and third generation because they have dedicated bike racks at the back of the vessel which you can put the bicycles into, but with the earlier generation there is no bike rack so they tend to lay them against seats and outside areas, up against rails.

**Dr GOODWIN** - Do many people ride their bikes to catch the ferry?

**Mr METCALFE** - Yes, quite a few.

**Mr VALENTINE** - I think it is in New Zealand where they have bike facilities at either end so people can either use their own or hire bikes very cheaply. In fact some of them are free systems. They store them vertically on trees and just unlock it -

**Mr METCALFE** - That is what they have in Brisbane - a bike-pod system. At all the ferry stops you will see they have a pod where they can put their bicycle up, lock it in place and leave it there. They can ride their bicycle to the ferry without actually bringing it on board and board the ferry that way and they don't have to find somewhere for the bike once they get to their office.

**Mr VALENTINE** - It's under surveillance as well, isn't it?

**Mr METCALFE** - Yes.

**Ms RATTRAY** - Rick, would you be able to commence a service that you have envisaged in your mind with less than four ferries?

**Mr METCALFE** - Not if you want the continuity of service. You would need that number of vessels just to provide that constant regular service. When you are looking at a time frame of half an hour from Wilkinsons Point back to Hobart, if you have four vessels doing that run from Hobart to there and back, that means every 15 minutes, which is not too big a spacing. If you cut that back to two vessels, all of a sudden you are back to half an hour. Going back to what I was saying, if they are coming down on the bus, which is more regular, now they are having to wait. So the more integrated it is, the closer together, the better.

**Mr VALENTINE** - You wouldn't think of going further north?

**Mr METCALFE** - I would definitely think of going further north. We could run up as far as Bridgewater without any trouble.

**Mr VALENTINE** - Given that there might be a bridge open, if there is a new bridge put in place it could go to New Norfolk.

**Mr METCALFE** - Very easily. I have spoken to a number of people in the New Norfolk area and they would love to see a ferry service go up there. The only thing that is hindering that at the moment is that the bridge only opens between 9.30 a.m. and 4 p.m. during the day and that is a very limited window for people getting in and out. If they are going to go shopping for the day, for example -

**Ms RATTRAY** - Or coming in for work.

**Mr METCALFE** - Yes, that is right. How many people work between 9.30 a.m. and 4 p.m., not many.

**Ms RATTRAY** - It sounds exciting.

**Mr METCALFE** - It is exciting. That is why I am looking not only at the French ferries but possibly looking at the other style of quadrimaran ferries. I have been talking to a gentleman in the United States who has rights for these vessels which I can have built here under licence. These vessels are an exciting concept. There is none in Australia at present and they are extremely quick. If you have ever been on a CityCat, you know that they do about 25 knots. A quadrimaran is running at about 45 knots, very quick. Hence it can do the run from Kettering into Hobart in 35 minutes, including stops.

**Ms RATTRAY** - What about the Seaspray?

**Mr METCALFE** - That is designed to ride right over the top. The catch-cry for the company that makes the vessels is 'sea sickness is a thing a past for the passengers'.

**Dr GOODWIN** - I like that.

*Laughter.*

**Mr MULDER** - I think that is what Bob Clifford said about the cat. It was not quite right.

**Mr VALENTINE** - I think he was going across the waves.

**Mr MULDER** - Having travelled on that cat, I can tell that it is not a pleasant scene on the afterdeck with 50 or 60 passengers laying down next to a bucket with a warm towel. That is not a very pleasant thought at all.

**Mr METCALFE** - To give you a very brief description of how a quadrimaran works, they are a four-hulled vessel and they trap the air between the hulls as they move forward. The hulls are like a wedge shape and as they come down to a venturi at the back, the air is trapped between the hulls. What happens then is that the deck of the vessel becomes like a wing and causes the vessel to lift up out of the water. The faster they go the more they lift up out of the water. That is good in two ways because, firstly, it lifts you up out of the muck of the ruffled water; secondly, it reduces drag through the water, which means it is cheaper to run the vessel. The vessel runs approximately the same amount of fuel at 45 knots as it does at 20 because there is less drag.

**Mr MULDER** - You talked about going to Wilkinsons Point. Are you including criss-crossing to the other side of the river as well every 15 minutes -

**Mr METCALFE** - Yes, that is correct.

**Mr MULDER** - doing a route down to say, Bellerive, maybe Howrah, if we ever had a ferry terminal down there? What is the cost to passengers of delivering people on a route like that, assuming your ferry is full?

**Mr METCALFE** - I would like to see some subsidy for the ferry to start. Instead of subsidy per ticket, at the start of the service they might buy 10 or 15 seats, which automatically cover the cost of the running of the ferry.

**Mr MULDER** - That is why I am asking about cost per passenger because, in the end, we all know that any form of public transport will be a subsidised affair. But the question is what extent of subsidy is required, hence what is the cost per passenger?

**Mr METCALFE** - The exact figure I have forgotten at the moment. I would have to go back to my own paperwork. Normally I would remember this stuff off the top of my head.

**Mr MULDER** - Would you be happy to supply that to the committee?

**Mr METCALFE** - Yes, I would.

**Mr FARRELL** - Based on this proposal using the French ferries, for example, what would the outlay be, a ballpark figure, to establish this in Hobart?

**Mr METCALFE** - To purchase the vessels and to get the first year running, between \$3 million and \$4 million. I have allowed a little bit more, allowing for capital costs and everything else, but approximately \$3 million to \$4 million. We can also then turn to Infrastructure Australia for the jetties, to help with costing of that.



**Ms RATTRAY** - That has not included any pontoons?

**Mr METCALFE** - That is not including any pontoons. You are looking at approximately \$1.5 million for the cost of vessels, and that is delivered to Hobart, and then you allow \$1.5 million or a touch more to allow for the running of it, for wages, fuel and everything else.

**CHAIR** - That is operational costs.

**Mr METCALFE** - That is operational costs, yes.

**Mr MULDER** - That is my question about operating costs per passenger, to get people so that we can compare the different modes of public transport.

**CHAIR** - Rick, one of the things people constantly say also is that you would have to find and provide big park-and-ride areas at each ferry terminal. I have been to Brisbane a couple of times and looked at the cats and I have not seen that many terminals.

**Mr METCALFE** - There is only one terminal that has any car-parking facility and it is Mowbray Park - for approximately 100 cars. Everyone else parks on the street; there are no specific car parks for ferry usage along the Brisbane river.

**CHAIR** - Does that mean that lots of people probably wouldn't be driving to the ferries? They would be people who would be walking -

**Mr METCALFE** - People do drive in from some of the outer suburbs, park their cars in one of the streets and then jump on the ferry because, as you mentioned earlier, car parking costs are substantially higher in Brisbane than in Hobart. It is worth their while to park their car and then jump on a ferry.

**CHAIR** - How do the people who live near the ferry terminals feel about having cars parked in their streets all day?

**Mr METCALFE** - I think there is mixed feeling. As long as driveways are not being blocked and people have access to their properties then it is not quite so bad, but when people block driveways council officers are regularly called to make sure that this doesn't happen.

**Mr VALENTINE** - I would imagine the same thing would happen in Hobart; there are residential parking zones where you can't park for longer than two hours -

**Dr GOODWIN** - Do you notice a drop off in the winter months in Brisbane in patronage?

**Mr METCALFE** - No, we don't. You have colder weather down here and so one of the things they have looked at with the French boats is that they are heated.

**Dr GOODWIN** - I am thinking more about the issue of walking to the ferry.

**Mr METCALFE** - If people are going to walk they are going to feel the cold and they will dress accordingly, but if they are going by buses which are also heated, they are virtually just transferring from one to the other.

**Mr VALENTINE** - One expects that if people are going to start catching ferries they are not going to be hiring car parks for half the year.

**Mr METCALFE** - Yes, that is correct.

**CHAIR** - I have heard the argument that people won't do it in the winter, but we know that lots of people who park cars in Hobart use free parking on the domain so they still walk, don't they?

**Mr METCALFE** - And that is in winter.

**CHAIR** - Yes, in winter as well.

**Mr MULDER** - Is it such an issue if we are talking about Wilkinsons Point? At Bellerive quay, for example, there are huge car parking facilities which you could sort out with your local council. It seems to me that the park-and-ride option - We are not as densely crowded as other places.

**Mr VALENTINE** - Kingborough might have fewer options.

**CHAIR** - It might not be as cold as here, but there is a lot of rain in Brisbane and there weren't park-and-ride facilities at the ferry terminals which surprised me.

**Mr METCALFE** - As someone who has lived in Brisbane for a long time I can tell you that winters get very cold in the mornings just as they do in Hobart and in the last couple of years I have noticed that in the early morning, Brisbane can actually be colder than Hobart.

**Ms RATTRAY** - Weather is important when we are talking about being outside of the warm vehicle environment.

**Mr METCALFE** - The ferries I am looking at are heated and they are comfortable.

**Ms RATTRAY** - What about the fast ones?

**Mr METCALFE** - They will be the same - they will be temperature controlled.

**CHAIR** - The issue is about public transport versus your private car.

**Mr METCALFE** - I currently work for Transit Systems Australia and I have approached the company to become involved. It will be making a presentation here later this morning about its ferry services and some other ideas. I am not going to pre-empt it, but I am involved with Transit Systems Australia and it is a very strong supporter of all this. I am currently the operations manager for Stradbroke Ferries in Gladstone, which is why I am working for them.

**CHAIR** - I want to put on the record how indebted the state is to you for your enthusiasm about this, regardless of what happens in the end. You have put a lot of time, energy and money into investigating this as a private citizen and a person who is not even a Tasmanian but has seen the possibilities here. It is great to have someone with your passion and your entrepreneurship.

**Mr METCALFE** - I see something here in Tasmania. That is why I moved my family here. I see a very good environment for my kids to grow up in and I see an ideal lifestyle for my family.

**Mr VALENTINE** - Where are you living now?

**Mr METCALFE** - Kempton.

**Ms RATTRAY** - The perfect place in the state.

**Mr FARRELL** - You can't get a ferry up there.

**Mr METCALFE** - We get a lot of people saying why would you live out there? I used to live in Beenleigh in Brisbane and it is about the same distance that I used to travel every day.

**Mr MULDER** - You are starting to argue for the motorcar because everything is in so much easier reach. Why would you step out of a perfectly warm motor car to walk to a ferry to then walk from the ferry to work, when you could do one walk instead of three.

**Mr VALENTINE** - You don't have to pay \$120 for parking.

**Mr METCALFE** - The window that you have where people do that at the moment will not stay that way.

**Ms RATTRAY** - Most of the car parks in Launceston are managed and run by Care Park.

**CHAIR** - We have not progressed to that in Hobart.

**Ms RATTRAY** - They are very expensive for short-term parking, let alone long term.

**CHAIR** - That is within the city.

**Ms RATTRAY** - That is where people are going to shop or work, particularly in Hobart where it is public-service focused.

**Mr MULDER** - I think we have already reached the conclusion that the commercial cost of parking needs to be included in the cost of car transport, so that we can get the level playing field.

**Mr VALENTINE** - We need that to be able to compare eggs with eggs.

**CHAIR** - I travel from home to my Elwick office in Glenorchy and normally it would take me 20 minutes, but at peak hour in the morning it is taking 45 minutes.

**Mr METCALFE** - That is only going to increase over time.

**CHAIR** - It is only very recently that it has happened. The Hobart traffic system cameras do not see beyond the Elwick Road lights.

**Mr MULDER** - Very few of us can see beyond Elwick, Madam Chair.

**Mr METCALFE** - That is where a little bit of forward planning helps. By looking at public transport options now and planning for the future so that we have a ferry service. As time goes on and the roads become even more congested you have something in place that people can use as an alternative to get into the city.

**CHAIR** - This is a hypothetical question, but what would be the steps needed to get an integrated transport system happening in Hobart?

**Mr METCALFE** - Talk to all of the stakeholders involved; Metro, the ferry operator, and rail. Look at their timetabling and how it could be integrated so the services can mesh together as one. Then you start looking for ferries - the ones for sale are still available, but we can look at alternatives in the market. We can then look at the acquisition and we can talk to Infrastructure Australia about what its participation would be in terms of the terminal. We would need to talk to the councils involved for each area and find out what they envisage as part of their structure and also what they want to put in.

**Dr GOODWIN** - What is the ballpark cost of those fast ferries you mentioned?

**Mr METCALFE** - The starting price is about \$2.5 million depending on how you fit them out. A CityCat is about \$2.5 million and it is the same length; 26 metres.

**Dr GOODWIN** - What is their capacity?

**Mr METCALFE** - They carry 165 but the design I am looking at is of a quadmaran, because they are the same length of 26 metres but they are a bit wider. They have an 11-metre beam on them which means they can carry up to 200.

**Mr VALENTINE** - What price are they?

**Mr METCALFE** - Approximately \$2.5 million to start from.

**Mr VALENTINE** - Same.

**Ms RATTRAY** - Plus the fit-out.

**Mr METCALFE** - Yes.

**Ms RATTRAY** - The Paris ferries, if there is a better name for them, are the preferred option to get started?

**Mr METCALFE** - They are a preferred option to start, yes.

**Ms RATTRAY** - It is a bit like in Brisbane where they started with a smaller one and then grew.

**Mr METCALFE** - Yes, that is correct. That way too you are only outlaying a smaller amount of money, you are getting started, you can see how it is going to grow from there.

**Ms RATTRAY** - It would potentially have better resale value and I am only thinking about the failed exercise of the *Spirit III*, where we had to offload it and took a significant hit on the price.

**Mr METCALFE** - These vessels, as Craig can attest to, are in very good condition. They are only four years old at present and they have low hours on them. They are very economical to run. They have a top speed of about 20 knots. They will cruise quite comfortably with a full load between 17 to 18 knots. If you pull them back to about 10 knots they are extremely economical because they use only about 9 litres of diesel an hour for both engines.

**Ms RATTRAY** - That would probably be a good replacement for the *PV Fortescue*.

**Mr VALENTINE** - The actual, what do you call it, getting their various certificates down here you do not see as an issue?

**Mr METCALFE** - Getting them certified, yes. I have had some preliminary talks with MAST about it. I would want to get everything certified before any purchase was made of the vessels. I would want to make sure that they fully satisfied all needs before that was committed on.

**Mr FARRELL** - And the beaut thing is they are all standardised, they are the same vessel.

**Mr METCALFE** - They are. All four are exactly the same. It is a rare opportunity to get four unique vessels that are identical to each other. You have a mini-service straight up, a mini-fleet.

**CHAIR** - What qualifications would people need to run them?

**Mr METCALFE** - Master Class 5 and the deckhand would need his elements of shipboard safety and a senior first aid certificate. There is another advantage with having a ferry - there is a master and a deckhand on board so that for any situation that could possibly arise on board the vessel you have a deckhand who can immediately attend to it. The vessels themselves too have a digital display as for stops, which is easy to integrate with the stops down here. We just reprogram it so it reads out the stops as it approaches each one.

**Ms RATTRAY** - A bit like the bus?

**Mr METCALFE** - Yes, exactly. That is internally, that is not externally, but even external signs we have in Brisbane, on our ferries it is done so it can quite easily be done.

**CHAIR** - Any further questions?

**Ms RATTRAY** - No. I think it is exciting times. We just need \$1.5 million.

**CHAIR** - A little more than that I think.

**Ms RATTRAY** - Well, yes, but I mean -

**Mr METCALFE** - You will but that is a start.

**Ms RATTRAY** - That would be a start, if you could rock up and buy them.

**CHAIR** - Is there anything we have not covered, Rick, that you would like to say?

**Mr METCALFE** - I think I have covered most of it and I am very happy to provide everything I have been doing so far on that. I have been doing this for about four years now and so I have a bit of information to provide.

**Ms RATTRAY** - You are well-credentialed, absolutely.

**Mr METCALFE** - Yes.

**Mr VALENTINE** - Presumably that information is commercial in confidence for you?

**Mr METCALFE** - It is. I can still happily provide it to the committee though to have a look at though.

**CHAIR** - Thank you. We will write to you and ask you for that formally and then if you supply it to us that would be good.

**Mr METCALFE** - No worries.

**CHAIR** - Thanks very much.

**Mr METCALFE** - Thank you very much for your time.

**Ms RATTRAY** - Thanks very much Rick and all the best. You have chosen a fabulous place to live in Tasmania.

**Mr METCALFE** - I quite like it. Thank you very much.

**THE WITNESS WITHDREW.**

**Mr ADAM LEISHMAN**, BUSINESS DEVELOPMENT DIRECTOR, TRANSIT SYSTEMS, WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED. **Mr RICK METCALFE** WAS RECALLED AND EXAMINED.

**CHAIR** - Welcome to this 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 but I do have to say that any comments you make outside this hearing may not be afforded that privilege. Have you received and read the information for witnesses?

**Mr LEISHMAN** - I have.

**CHAIR** - Thank you. The evidence that you present is being recorded and the *Hansard* version will be published on the committee website when it becomes available. So you can check, yourself, to see what you said and what we said.

Can you start off by telling us about your field of interest and your expertise?

**Mr LEISHMAN** - I am the business development director of Transit Systems. Transit Systems is a public transport operator and we specialise in ferries and buses. Mostly we operate under contract to state governments. We have operations in South Australia and Western Australia and we operate a significant portion of the metro bus networks in the capital cities of those states and we also have a significant fleet of ferries in Queensland in Gladstone and in the Redlands on the eastern side of Brisbane.

**CHAIR** - Thank you. Thank you for the submission that Transit Systems put in. It is a very detailed submission which we are very pleased to receive. You know what the committee is looking into but is there anything you would like to say to start off with, to add to your submission in terms of what you see might be possible for southern Tasmania or what you think are the important bits in an integrated transport system?

**Mr LEISHMAN** - Transit Systems has been operating services for governments since the mid to late 1990s in Western Australia when it was first contracted and then followed on in South Australia. The models used in South Australia and Western Australia have been a partnership between public and private operators and it has driven cost savings and efficiencies from doing that. When we took over in Perth the savings were in the vicinity of 29 per cent to the government - cost per kilometre - and shortly after we took over there was a marked improvement in passenger increase. It is not just Perth where this has happened; you may be familiar with the TTF report on franchising that came out recently. It is a common phenomenon across Australia to franchise public transport operations. South Australia and Western Australia have led the way and proven that it works and works very well if it is done well, but there are problems if it is not done well.

**CHAIR** - Would you mind explaining what you mean by that by franchise systems because some of the members may not be familiar with that?

**Mr LEISHMAN** - It is what used to be called contracting out but the latest name that has been bandied around is franchising. I don't know if you have seen this report but this is the report I am referring to, the TTF report.

**CHAIR** - We all have a copy of that.

**Mr LEISHMAN** - That report has used the word 'franchising', which basically means that a government retains ownership of the assets; it outsources the operation and maintenance of those assets, generally in a tender from 5 to 10 years and then the private operator would be responsible for operating the assets, taking the risk of the costs of those assets although there will generally be indexes attached to cost basis so if the fuel price goes up and is outside the control of the private operator, there will be an index that marries that. Every quarter or six months it will be readjusted so for the private operator their risk is managed but they therefore can give a very competitive low price to the government to take on the other risks of the operation. Depending on how the contracts are crafted it can really incentivise the operator - if the contracts have penalty clauses for uncleanness or late running or missed trips, then the operator will be highly incentivised to make sure the services meet those benchmarks. Conversely, if there are incentives for patronage growth, the operator can bring their innovation and ideas from other operations around the state or the globe and drive innovation, better services and also better route planning.

We took over a contract, for example, in Perth last year from another operator and we won it because our bid was a low-price, competitive bid but then when we took over we reviewed all the network structures and the timetables. We have made a number of changes and since then we have had over 17 per cent growth in 12 months. I guess that demonstrates that not all operators are the same and the governments should not just look at the cost savings but the usage benefits.

Generally around Australia, the fare revenue recovery for public transport is 20 to 40 per cent of the cost of the operation so when you look at an operator's ability to manage costs, you should also look at the ability to drive patronage growth because if, for the same number of assets and the same amount of cost to the government an operator that can be efficient and innovative in their route planning design to maximise the patronage, that can actually generate more revenue for the government as well so it is a double whammy. This report focuses mainly on the cost side of things but it should also be remembered that the government can benefit as well on the revenue side of things.

**Ms RATTRAY** - I have a question about the structure of those agreements. How does the government still have input, particularly into policy areas? A lot of community expectation is then put into a policy by the government; do they have a role still within those contracts?

**Mr LEISHMAN** - Absolutely and there are many different ways to structure their contracts. In Australia you see a number of examples of that. Victoria and New South Wales have traditionally just had contracts with private operators and they have continued to renegotiate. Only recently they are now starting to tender them. With regard to policy and input from the government, Transit's view is that it only works when there is a good partnership in place. The government has certain responsibilities that they are in control of and should always be in control of. I think some of the problems that New South Wales, Victoria and perhaps Queensland have experienced lately, and the difficulty to get a level playing field to enable tendering, is that they have allowed too much control to shift to the private operators.



If you look at South Australia and Western Australia, the government, whilst they are not doing the operation or the maintenance, hold most of the assets and they have control of the policies and direction of the overall network. For instance, in Western Australia and South Australia we can only show a very small brand in the livery of the buses. It is all branded Transperth or the Adelaide brand, so to the user it does not matter who is operating that service, it is still a government operation. We catch the bus. We do not catch a branded bus of a private operator; we catch the entire bus system. We view our responsibility to come to the government and say, 'We think there is a new route that needs to be set up here', or we need to make these changes because a new shopping centre has come up and we don't want to operate something that was set up 20 years ago, because the needs of the community have changed. It is the government's job to look at what we are saying and say, 'That's a good idea, we will do that', or 'This is not a good idea, we don't like that one, we are not going to do that', so government still holds the ultimate decision. In our contracts they choose what buses they want to procure. They still procure the buses and they provide them to us. We have a very detailed regime of what standards we need to keep those buses to and at the end of the contract if they are not at that standard we have to get them up to that standard or pay money so that someone else can. It is all very closely regimented. The government retains control of those key, whole-system issues. I think that is what is important in the contracting, that it is done right so the government can retain the whole-of-system issues and give the operator the ability to control the risks that are the operator's. Fares, for instance, that is a government thing anyhow.

**Mr VALENTINE** - Did you say you have had discussion with the Tasmanian government?

**Mr LEISHMAN** - Not formally, no.

**CHAIR** - The contracts also set out the service levels required and all that sort of stuff in some detail, so that again is a control. You then say, 'this is the level of service we want'.

**Mr LEISHMAN** - Yes. There will be a benchmark of on-time running, for instance. The contracts in New South Wales are out at the moment. I think they are around 95 per cent on-time running. If you don't hit the 95 per cent on-time running you get a penalty for that month or quarter or whatever the period is that they measure that by. You are heavily penalised and incentivised, and the government can set those carrots and rewards - the risk rewards, so to speak.

Let us be perfectly honest that the private sector is motivated by profit, so the government can generate their objectives by that profit motive of the private sector. If you want a really good service with the highest quality then you incentivise the private operator. If you want high patronage, you incentivise patronage. If you don't want missed trips then you put very high penalties and we will do everything we can to not miss trips. There are many different ways you can generate these contracts and the government can really set their objectives by the way those contracts are drafted.

**CHAIR** - Adam, as you know Metro Tasmania is the public road transport provider in Tasmania and has responsibility for that in the urban areas, but it is owned and operated by the government. It operates as a separate body, an arm's length body, but it is funded and owned by the government. That's not the case in most Australian states now?

**Mr LEISHMAN** - That is a very complicated question. It is quite diverse. In South Australia and Western Australia they are very advanced in the outsourced model. So private operators are responsible for the bus system -

**CHAIR** - So the Western Australian Transport Authority contracts out for public transport?

**Mr LEISHMAN** - Yes, they will contract out the operation of the buses. The trains are mostly still publicly run in those jurisdictions. In Victoria the trains and trams are outsourced to private operators; the buses are run by private operators but they're not tendered, whereas the trains and trams are tendered. There is a contract out at the moment for 500 buses in Melbourne, which is being tendered at present; they have just announced the short list of parties for that process. In New South Wales there are a number of publicly run buses and publicly run rail. Recently the ferry operation was outsourced to private operators. The bus system also has some private operators on the fringe suburbs of the city, but the government has announced its intention to outsource those contracts. They are doing that in tranches. In the first tranche, tenders for four areas were received about two weeks ago.

In Queensland, the Brisbane City Council is running a number of buses, but under contract to the state government. The state government also manages contracts with a number of private operators within other areas. The rail is still government run. It is complex because it's a real mixture.

**CHAIR** - Do you have an opinion as to what works best?

**Mr LEISHMAN** - I obviously have a very biased opinion, but I think that's based on good logic. There is a lot of empirical evidence, both globally and Australia-wide, to show that when contracts are tendered governments get the best value for money. There is risk if it's not done properly and I think each state has learnt some lessons in how to tender. If tenders are done professionally, the process is very clear, the contracts clearly define what the objectives are and there is a partnership that emerges at the end, then I strongly believe that this is where the most efficient, economical and best customer outcome can be generated.

**CHAIR** - Do I understand that your company started the buses, or took over the bus contract, before one of the railways went out from Perth?

**Mr LEISHMAN** - There was a new railway line built after we were in operation, so when that came in the bus system changed its focus. Instead of running services into the city, the contract area we manage became very much focused on feeding the rail network. It was a complementary system rather than a competing system. This is the mistake often made, that you have modes competing against each other. They need to integrate and work together for the benefit of the customer. In that system, on the latest figures around 60 per cent of that area's commuters on the train use a bus to get to the train, which is extraordinarily high. It is because the bus system has been completely redesigned to serve the rail link.

**CHAIR** - You were talking about Moreton Bay and the ferries from Stradbroke or the other islands. Since you have taken it over they had been made to integrate with the buses and

the trains so that when a commuter came from one of the islands it was a seamless transition.

**Mr LEISHMAN** - We often have the problem where our commuters live on islands; to get to Brisbane City is a long commute. Some of them will have to go ferry and bus, some will go ferry-bus-train and it can take up to two hours to do that commute. When timetables change and we, as the private ferry operator, are not advised of those timetable changes because our timetables operate separately, then the commuters can sometimes add 10 to 20 minutes to their trip. We work very hard to try to make sure that our timetables adjust quickly thereafter, so that we minimise any layover time for the passengers and ensure they have a smooth transition.

We are also in discussions with the State Government about bringing us into their TransLink system, so that the 'go card' integrated ticketing can work on our ferries. At the moment we are on the fringe and it does not cover our ferry system. A lot of commuters will use our ferries and then get into the integrated system to go into Brisbane. Our view is that the more integrated the system and the easier to understand for our customers, the more people will use it.

**CHAIR** - Who runs the timetabling system or does each operator just run that?

**Mr LEISHMAN** - Our view is that for a whole of system, there should not be single operator in a small contract area, managing the timetable because there are a lot of integration issues. It should be a government-controlled responsibility with the operator working in partnership and coming up with ideas and suggestions.

**CHAIR** - Then the contractors fit into that.

**Mr LEISHMAN** - Exactly. The contract will clearly state that services need to be provided so that the timetable works. When there are changes, the government needs to lead that work with all the operators underneath.

**Mr VALENTINE** - Do you know the number of journeys-per-day-per-ferry, that you would need to have to make it viable?

**Mr LEISHMAN** - Not off the top of my head. It very much depends on the operating environment and how frequent those services would be so that you can provide cost.

**Mr VALENTINE** - I meant trips - people coming onto your ferries and going off - it might be the same person three times in a day. How many passengers you would need to make it viable.

**Mr LEISHMAN** - The rule of thumb is, from what we have seen from the Brisbane City Council and our operations, about \$1 million a year for a ferry to operate on a fairly extensive timetable. You would need to work backwards from that.

**CHAIR** - For the sort of ferries we would require on the Derwent, it would be about \$1 million per year, per ferry?

**Mr LEISHMAN** - If you look at Brisbane City Council records, they show between \$30 million and \$35 million to run that operation which is about 28 ferries.

**Mr METCALFE** - That includes 19 SeaCats and nine monohulls, and they have two more on order.

**Dr GOODWIN** - I am looking at your submission and note the 29 per cent saving in Perth and the suggestion that up to 29 per cent saving could be achieved here with a franchise model. Why are you so confident about that? I am trying to get an understanding of how those savings can be achieved. What is the mechanism and what is different about the franchise model that makes that possible?

**Mr LEISHMAN** - That is only an estimate based on other evidence. You might have noted in the TTF report that there is a lot of evidence of savings between 20 and 50 per cent. In Britain it is a 50 to 55 per cent saving, in the Netherlands it is 33 per cent saving, in the United States 30 to 46 per cent savings. These are significant savings. In Perth over six years it was 29 per cent savings; and there are escalation costs that I am not sure have been factored into that 29 per cent.

Why are there those savings? What makes the difference between a government- run operation to a private operation? It is a valid question. I do not think it necessarily has anything to do with the skills of the people who are running it. A lot of our managers come from government-run operations that we took over and they are still with us ten or fifteen years later and do a fantastic job. If you were to talk to some of those managers you would hear them say things like they are so much more empowered working for a private operator. There is not as much bureaucracy to navigate, they are able to make decisions, they are able to buy better. Often suppliers to government will add 20 per cent to their costs just because it is government. They are more innovative in the way they schedule things and so they achieve efficiency gains. The reporting is often not as burdensome and costly. Often there are savings from restructuring. Often there is better utilisation of assets. In South Australia, for instance, when the government was not prepared to buy more buses and the system needed more buses we were able to redesign the timetables to maximise the use of the assets we had by having services that would link with other services and things like that.

That is the kind of innovation that private operators can bring; if they have incentives a private operator will be driven to find every possible means of savings whilst also providing a good customer service - and you get penalised if you do not do that.

**Dr GOODWIN** - I guess that is it - having those protections in the contract to make sure that you do not end up with a reduction in the service to the community because of the profit-driven enterprise.

**Mr LEISHMAN** - Yes, absolutely. I would hate to give the wrong impression that it is all cost driven because a lot of what we do is very customer focused as well. All our contracts have incentives and penalties if we do not get that right, to the point where we can lose contracts if we consistently get something wrong. There are regular third-party audits such as phantom riders who make sure that stickers are in the right spot on the window.

**Dr GOODWIN** - Like mystery shoppers?

**Mr LEISHMAN** - Absolutely and we are petrified by it because we are graded against all of our other competitors. If you have a government-run operation often it is more about not getting in the media and managing risk as opposed to taking risks to do things better. In a city such as Perth there are contracts to three main operators and their performance is compared with each other. If our on-time running is 86 per cent and theirs is 89 per cent -

**Ms RATTRAY** - They are looking at you.

**Mr LEISHMAN** - We do not like that and we do everything we can to beat the other guys because when other tenders come up we want to have our records show that we are better than the other operators.

**Dr GOODWIN** - That is the benefit of competition.

**Mr LEISHMAN** - Exactly. There is nothing that terrifies an operator more than losing their contracts so they are going to do everything they can to make sure their standards are high.

This is one of the arguments against having private operators with an ongoing right to an area which we have seen in Victoria and New South Wales and Queensland. They are now moving towards this tendering model because operators can easily become lazy and get into the rut of doing what they do. They do not look to do things better and the customer suffers from that scenario as well. But with a tender every eight years your whole business in that area could just disappear and that is very motivating.

**Ms RATTRAY** - Our tenders here last six years as members of parliament.

*Laughter.*

**Mr LEISHMAN** - You know what I'm talking about.

**Ms RATTRAY** - We know exactly what you're talking about.

**CHAIR** - Adam, I asked Rick these questions but I'd be glad to have your responses too. When we talk to consumers - when we talk to the members of the public - about a ferry service they say potentially, 'That'd be great, would love to have that!'. But when we talk to either people who are operating the services or maybe government at all levels and bureaucrats or whatever, they tend to say to us, 'Oh yes, but you won't get Tasmanians out of their cars'. Do you have any comment on that because Hobart is different?

**Ms RATTRAY** - You said it.

**CHAIR** - Well, it is, it's different to the other cities. We're smaller, it's not so expensive to park in Hobart.

**Ms RATTRAY** - Yet.

**Dr GOODWIN** - It's not flat.

**CHAIR** - It's not flat, yes, that's right. We do have weather - beautiful days but not always like this.

**Mr LEISHMAN** - Absolutely. Every city is unique, has unique constraints and positives. I think you are right, Rick is probably the expert to speak on this kind of thing. But I think of Brisbane, when they brought in a ferry service there a lot of people thought it wouldn't work.

**CHAIR** - Because?

**Mr LEISHMAN** - Because it's a zigzag river. So if you want to go to the city and you start here, you have to go zigzag to get there and it takes a bit of time. I understand for a lot of the routes it is quicker on the bus.

**Mr METCALFE** - In some areas, yes.

**CHAIR** - Is it?

**Mr METCALFE** - Yes, but the thing is you'll find the passengers that do jump on the ferry, even though it's quicker by bus, some people prefer to go by ferry because it's a much more pleasurable way to travel.

**CHAIR** - But we're not talking about getting people out of buses and into ferries, we're talking about the fact that we have, in southern Tasmania, about a 4 per cent usage of public transport - 4 per cent across the board. That's very small.

**Mr MULDER** - It's common for small country towns though.

**CHAIR** - Possibly, yes. We're looking at trying to persuade people to get out of private transport and into public transport, whatever form that transport is.

**Mr LEISHMAN** - There's no doubt that that is a challenge and there will be people that always use their car, no matter what, and you'll never change that behaviour.

But one thing is, to change behaviour you need to have a good offering and it needs to be integrated offering. One of the problems with people using public transport is it might take you into the city but then it might not go to other places you want to go, so you still need a car anyway. If there is a good network of services then people are less likely to rely on the car.

I do not know the percentages but there is certainly a trend where green-conscious people, particularly in the trend that we're experiencing now, much prefer to use public transport. When you're in a major city and there is a good system, it is very convenient and you look at some of the examples in Europe and the way it works there.

I grant that the population densities necessitate that probably a lot more than in Hobart but if there is not a good integrated service on offer then people are never going to use it

in the first place. There needs to be a sufficient service with a reasonable headway - by that I mean frequency - that people are going to be able to rely on and not use a car.

**Mr VALENTINE** - Do you have Wi-Fi on your ferries?

**Mr LEISHMAN** - We are bringing that in presently.

**Mr METCALFE** - Yes, that is being done for Redland Bay. In Gladstone we already have it and then in the Redland Bay area they are just putting it on now.

**CHAIR** - And the CityCats certainly have it.

**Mr METCALFE** - The CityCats have had it for a couple of years. The man who installed those on the CityCats now works for Transit Systems Australia. That is Mr Greg Baulkham(TBC?) and his ideas from those days have been transported across and are now applying to our ferry fleets.

**CHAIR** - Greg has had a lot of experience because he worked in Sydney as well.

**Mr METCALFE** - Yes, he did. He has had a lot of experience with buses, ferries and the public transport sector for quite a while.

**CHAIR** - To get back to my question: is Hobart big enough to have more than one form of public transport? Because I guess that is one of the things I hear too, that we have Metro buses, we have a small population and surely that's probably enough just to run a bus service. Can we afford to run a service that has maybe a commuter train and maybe ferries as well as buses?

**Mr LEISHMAN** - I'm not sure that I can answer that, I think that is probably answer for you, as the government, and the people of Hobart whether they want that or not. As an operator we come in and we make things work and we extract the best efficiencies we can for that community and try to provide the best service, but at the end of the day the strategic decisions and the direction of the whole system is really a government decision as to where they want to head, what their philosophy is and what their objectives are. For us it is more about meeting those needs for the government as opposed to trying to tell government what they should or should not do.

**CHAIR** - I suppose that is an issue that our government is going to be looking at in terms of cost. How much more will it cost to have two or three forms of public transport as opposed to one? On the other hand, currently we subsidise significantly for 4 per cent of the population and we do not have a good public transport system.

**Ms RATTRAY** - Is it \$35 million for Metro annually?

**CHAIR** - More than \$30 million anyway.

**Ms RATTRAY** - Yes, \$35 million last year, I believe.

**Mr LEISHMAN** - I guess that is why in our letter we dovetailed the two suggestions together. My understanding is there is some momentum to have a ferry service in Hobart and I can understand the reasons for that.

**CHAIR** - Public momentum I think.

**Mr LEISHMAN** - Yes, and that is a good thing and I think it will be a really positive thing for the city, not just from a commuter perspective but also the tourism perspective. In Brisbane and Sydney a good proportion of the trips are tourist trips and it brings life to the city and the river because it is not just a peak-hour service. It becomes a whole-of-week and particularly weekend service, and that brings a new dimension to the city. I think there would certainly be a lot of benefits from having a system like that.

**Mr VALENTINE** - It was driven quite heavily and when the bridge went down it used to have this vegetarian beverage service on board that worked well - beer.

**Mr MULDER** - The relevance of which is?

**Mr VALENTINE** - That is why I liked to go on board the ferries.

**Mr METCALFE** - During the peak of the bridge disaster when the ferries were operating at their peak they were selling 3 500 litres of alcohol a week on the ferries.

**Dr GOODWIN** - There were a number of social problems coinciding with the consumption of alcohol.

**Mr VALENTINE** - There were certainly social problems associated with that.

**Mr METCALFE** - I think you will find the sales outdid the sales of the tickets at the time.

**Mr MULDER** - They just reintroduced the 6 o'clock swill on board an hour earlier.

**Mr LEISHMAN** - The Sydney ferries serve food and beverages on some of their services and the private operators across to Manly sell alcohol as well.

**Ms RATTRAY** - They hit a whale and her calf a month ago.

**Mr LEISHMAN** - That was one of the public ones.

**Mr MULDER** - We can't have ferries if they are attacking our wildlife.

**CHAIR** - Interestingly I think Queensland has just brought in very strict environmental regulations and the transit systems have had to respond to those, as I recall.

**Mr MULDER** - Ferries have to give way to whales.

**Mr LEISHMAN** - We had the state government bring in a marine park plan in the area we operated in the Bay Islands and it meant that some of the zones we operated the speed limit would have had to go down to about 6 knots. That would have almost doubled the trip for some of our passengers and there were a lot of dugong and turtle strikes that they



were blaming on the ferries. They had these ugly pictures of dead dugongs with propeller marks and things like that, so we worked at the Australian Maritime College, based down here, with the Queensland government and local stakeholders and we designed some ferries that are water jet-propelled and they have a flat bottom with no protrusions so that there is nothing to slice through dugongs or turtles.

**Mr METCALFE** - The way the hulls ride if they were come in close contact with an animal, actually pushes them away so they do not strike the animal.

**Ms RATTRAY** - Like my Shoo Roo.

**Mr MULDER** - We would like to see some of these innovations extended to motorcars to get rid of our roadkill.

**Mr METCALFE** - Funny you should mention Shoo Roo because one of the ideas I have had is an ultrasonic transmission which can be placed under the vessels very similar to the Shoo Roo, which are set at the right frequencies for the animals that are in the waterways and it will work on the same principle. It doesn't have to work that far ahead, but it just gives a safe option for animals to know that something is coming towards them and they can move out of the way.

**Ms RATTRAY** - And they just usually jump away.

**Mr VALENTINE** - They are on the move when you see them rather than coming off -

**Mr LEISHMAN** - We have videos that detect the heat in the water so you can see the mammals and because they are jet-powered you can stop them very quickly compared to trying to stop a traditional ferry.

**Mr MULDER** - If you are going any slower than 6 knots you would stand the chance of them rear-ending you.

**Mr LEISHMAN** - Six knots would have meant that our business would not have been viable and the passengers would have had a 45-minute commute just to get to the mainland, and then it's another one and a half hours to get to the city.

**Mr MULDER** - Is there some sort of critical mass which would allow you to run multiple public transport systems? Constantly we are being told that Tasmania or Hobart does not have the population to run more than one subsidised operation.

**Mr LEISHMAN** - Where I was getting to in our submission is that if there is momentum for a ferry service then funding is an issue for that; obviously it needs to be funded because it's not going to be a commercial operation. Going back to the contract, in our view we could see that if you contracted buses there was potentially enough money you could save there to have a ferry service, with a net neutral effect on your profit-and-loss statement.

The critical mass question, I don't have any answers to that. Once again, it is a question for government to decide.

**CHAIR** - Do you have knowledge of other cities around the world that are our sort of size that have integrated public transport systems?

**Mr METCALFE** - The Gold Coast would be equivalent in terms of population.

**Mr LEISHMAN** - The Gold Coast is putting in a light rail system that is jointly funded by the state government, the Gold Coast City Council and the federal government. I'm not sure of the price, but it was more than \$1 billion.

**Mr METCALFE** - It was. They are also looking at trialling a couple of ferry services on the Gold Coast, but they are very small point-to-point services, as well as integrating with Surfside Buslines.

**Mr LEISHMAN** - They have a large bus system there already.

**Mr MULDER** - But there are about a million people in that catchment area.

**Mr METCALFE** - From one end of the coast to the other. I think the immediate catchment area in the Surfers Paradise area with the light rail is equivalent to what Hobart is.

**Mr MULDER** - Then you have the comparison with Hobart - you have to excise the eastern shore and the southern suburbs - because we are talking about light rail just to the northern suburbs. So the reality of the catchment is 80 000 for northern suburbs. When you are starting to look for comparable cities, if you are talking about light rail you have to talk about 70 000 to 80 000 people. I am not sure there is another area in the world where 80 000 have been able to substantiate light rail.

**Dr GOODWIN** - I suppose the benefit of going down the path of integration is you could add on if your population grows. Say you decide the only thing that is potentially viable for now is to have buses and ferries integrating. When the population grows you might add light rail in a few years time, or do it the other way and have light rail and buses. If you start thinking about integration, this is all about growing the proportion of the population who use public transport, so the more attractive it is the more it will grow and perhaps the more components you can add.

**Mr VALENTINE** - At certain points it becomes viable to do other things.

**Mr LEISHMAN** - I hear where you're coming from. Light rail is a large capital investment and it's a decision for -

**Mr MULDER** - In relation to your experience, what is the operating cost? Once you supply, which I understand is the model the franchise works on - someone else is supplying all the capital, infrastructure and things that go with it and your job is to run it - what is the operating cost of, say, moving a passenger on a ferry versus a bus versus rail?

**Mr LEISHMAN** - I would prefer not to answer that.

**Mr MULDER** - You can supply us with information that is commercial-in-confidence as long as it is clear that doesn't become part of the record and we will not quote it.

**Mr LEISHMAN** - I can answer it generally in the sense that if you look at different states around Australia you are generally looking at \$3.50 - \$5 a kilometre -

**Mr METCALFE** - Thereabouts.

**Mr MULDER** - For?

**Mr LEISHMAN** - For buses.

**Mr MULDER** - And the others?

**Mr LEISHMAN** - I couldn't tell you off the top of my head for rail or ferries. I was just speaking generally, that is pretty common knowledge.

Light rail is obviously a massive capital commitment from the government. Regarding the low-hanging fruit that we identify in the ferry side of things, from what Rick has identified there is quite a bit of infrastructure already there and it will probably just need some minor upgrades.

**Mr VALENTINE** - You have a highway that doesn't wear out so you don't need that infrastructure.

**Mr MULDER** - That is why I am referring to operating costs because from the material we have heard today it is quite clear that public transport will have to be subsidised. The question I am trying to get at is which is the most efficient form of transport in terms of operating costs, because the capital expenditure will be the capital expenditure. In terms of the subsidy per kilometre travelled, depending on the mode, would lead you to saying, 'This is more efficient than that', which I think is the underpinning assumption behind light rail - that it is somehow more efficient than road, as hopefully ferries are too. I am trying from my perspective at least to get a handle on which is the most efficient in terms of operating expenses rather than capital. Once you have invested the capital, that's the capital.

**Mr LEISHMAN** - In our experience, from an operating perspective ferries and buses are quite similar, depending on the parameters. We do not operate any light rail or rail so we cannot comment on that but I think what is often forgotten in that analysis is the actual cost of that capital. Light rail and rail have significant up-front costs.

**CHAIR** - And roads.

**Mr LEISHMAN** - And roads for buses. That is often not considered when you look across the bus systems; the roads are just there but they are significant costs. For ferries, the water is there. Limited work needs to be done apart from keeping the infrastructure in place and often that is the responsibility of the operator.

**Mr VALENTINE** - But you still have the issue of passenger convenience. It can be as cheap as you like but at the end of the day if it is not convenient for the passenger then they are not going to bother travelling on it.

**Mr MULDER** - You mentioned at the beginning of your submission that the subsidy was 60 per cent to 80 per cent. In other words you are saying that 20 per cent to 40 per cent of operating costs are recovered in the way of fares. I am trying to get some feel for what sort of patronage is required to achieve even that high level of subsidy.

**Mr LEISHMAN**- That is really a ratio that is generally pretty poorly -

**Mr MULDER** - How many passengers are you moving over how many kilometres to achieve 20 per cent to 40 per cent recovery rate?

**Mr VALENTINE** - That is the question I was asking before in a different form.

**Mr LEISHMAN**- We moved, in our ferry operation, 1.2 million people and that is a profitable operation. It really comes down to what the catchment is and what kind of load each service is going to take. There are operations in Brisbane where there was an average load of 0.5 of a person, and obviously that is not going to make much money.

**Mr MULDER** - You have seen some of our daytime bus services with a 48-seat bus rolling down the road with one person on it, but that is just the nature of the beast.

**Mr METCALFE** - And the community service obligation to provide a service.

**Mr MULDER** - You are not going to buy another bus to leave the big one behind to run a small one just for the looks of it.

**Ms RATTRAY** - That is a question posed to Metro every time they come before the parliament: why don't you have smaller buses? 'Oh well, we need bigger buses most of the time so we run bigger buses all the time and just have to put up with' -

**CHAIR** - And the big buses are not much more expensive to run than the small bus.

**Dr GOODWIN** - They still need the same number of drivers whether they have little ones or big ones.

**Mr MULDER** - And that gets on to my last issue, which is the cost you talked about being able to obtain efficiencies and things like that. What Metro has told me, and I think most operators do, is that the biggest cost you have is the driver or the staff on board your boat, train or bus. In terms of that, how much of your efficiencies have been achieved by being able to rewrite the awards for people who used to be public sector employees but now are private sector employees? How much of the industrial relations culture changes to enable you to get efficiencies in one of your highest cost areas?

**Mr LEISHMAN** - That is a big part of it and private operators will try to extract more productivity out of their workforce. We often find that the workforce responds well to that, though, because we offer more flexibility often in what is provided so that is a given fact. Certainly, you are right, that is a very big part of the efficiency savings.

**CHAIR** - You have not had union trouble?

**Mr LEISHMAN** - We are very proud at Transit Systems that we have never lost a day due to industrial action.

**CHAIR** - I thought I read that in your submission.

**Mr LEISHMAN** - We have a very close relationship with our staff and we treat them with dignity and respect and we have a lot of loyalty in return for that.

**CHAIR** - That is a very proud record.

**Mr METCALFE** - Transit Systems has a population of 1 700 employees and there is still no loss of days due to industrial -

**Mr LEISHMAN** - In 16 years of operation.

**Mr MULDER** - Are you guys paying penalty rates and things like that? I guess you have to as it is federal law.

**Mr LEISHMAN** - We pay overtime when we need to pay overtime.

**Mr MULDER** - Overtime is fine but what about penalty rates for weekend or evening work?

**Mr LEISHMAN** - Each agreement is different. We will negotiate separate agreements. In Perth we have multiple agreements with different contracts that we have won at different times but it is what has been negotiated in that agreement basically.

**Ms RATTRAY** - It is an impressive record.

**Mr VALENTINE** - It is 1 700 employees in how long?

**Mr LEISHMAN** - Since 1996.

**Mr MULDER** - If you can keep Kevin's fingers out of the pie, you will be right.

**Mr LEISHMAN** - That is unusual in the industry. I don't think any of our peers can lay claims to it. Transit Systems certainly has a slightly different philosophy to some of the other operators.

**CHAIR** - We have a pretty efficient manager of Metro here, as your company knows of course as you have worked with her in Adelaide, so I wouldn't expect that we might have huge, like the 29 per cent type savings that you might have had in a system that wasn't managed quite so efficiently?

**Mr LEISHMAN** - I have the highest regard for Heather Haselgrove. We have had dealings with her in South Australia and she is a very professional operator. I go back to my earlier point that most of the people who work for us have come from government operations and yet those savings have still been achieved, and they have been achieved I think primarily because people who work in government still have to work within the confines of government. It is a lot harder to get decisions made and to move quickly on things. The reasons behind decisions are often convoluted and need to be explained to

multiple parties and it is very difficult. Whilst there are some very good people who operate services in government I still think there is significant savings that can be made and that has been shown in other jurisdictions. As I said before as well, often suppliers will say, 'It's government, we'll add 20 per cent to our margin', and just because it is a government and that is, unfortunately, what government has to deal with.

**CHAIR** - Thank you very much, Adam. Thank you, Rick, again. It is our first day of hearings so we are only at the early stages but obviously we are keen to try to progress this discussion about the possibilities for integrated transport and more options for people in southern Tasmania, and certainly to get more than 4 per cent of people using public transport.

**Ms RATTRAY** - It has generated a huge amount of interest just in the local southern community.

**Mr LEISHMAN** - I know, this guy keeps telling us.

*Laughter.*

**CHAIR** - It is all Rick's fault, you understand, he started all this year four years ago by knocking on our doors.

**Ms RATTRAY** - He can take the credit.

**Mr MULDER** - The real question is: do you have any relatives in Tasmania?

*Laughter.*

**CHAIR** - Not yet.

**Mr LEISHMAN** - I have some friends.

**Ms RATTRAY** - They are the relatives you choose.

**Mr LEISHMAN** - Very early this year I had a lot of media support and the idea of getting the ferries up and running - overwhelming support from the community when you start reading the comments written in the *Mercury*. There were a couple of detractors amongst it but overall it was as high as 95 per cent for 'Let's get this going, let's do it' and that was the support from the community.

There are only two places in Australia that do not run integrated transport - Hobart and Darwin - and even Darwin is catching on at the moment where they are trying to integrate the Mandurah services with the buses, so they are slowly catching up. Now it is our turn.

**Mr METCALFE** - The lowest populations, that's why.

**Dr GOODWIN** - And the most socioeconomically disadvantaged states.

**CHAIR** - That is one of the issues that Metro is certainly working really hard on, because we all know that for a public transport system to be used, it has to be fast, efficient, safe and frequent. Our Metro system is trying hard at the moment to run corridor services, fairly direct stuff, so it will be frequent, fast and efficient. But that means that the bulk of the people who currently catch the public transport - and we know that they are mostly people who are at a socioeconomic disadvantage or they have no choice; it is elderly people who do not drive anymore and unemployed and whatever - tend not necessarily to live along the commuter bus routes. We make those bus services more efficient and faster for commuters, that is terrific. But what happens to the people who live out from those areas who are the very people who currently need to be catching the public transport service?

**Mr VALENTINE** - That is the problem with placing our public housing out that far. It should be integrated into the city more.

**CHAIR** - If we could find a spine of some kind, whether it is the river or whatever and then do -

**Mr LEISHMAN** - Build around that spine.

**CHAIR** - Yes, and then have Metro services running to that spine as they do in Perth.

**Mr LEISHMAN** - The cheapest spine will be that body of water out there.

**Mr VALENTINE** - That's exactly right.

**Mr METCALFE** - That is advantage of running through-services that service both sides of the river. That is the biggest advantage of it all and the rail is terrific but it comes down only one side. But it needs to be integrated. Whatever you have, your high population density being on this side of the river, yes you can see the rail eventually working. There are initial higher costs, yes. But by having a ferry service that feeds both sides of the river, you are doing it for a lot cheaper and you are achieving it a lot quicker.

**CHAIR** - Thank you very much.

**THE WITNESSES WITHDREW.**

**Alderman DOUG CHIPMAN, MAYOR, AND Mr ANDREW PAUL, GENERAL MANAGER, CLARENCE CITY COUNCIL, WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.**

**CHAIR** - Welcome to the public hearings of this committee. I remind you that all evidence taken at this hearing is protected by parliamentary privilege. I also 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? Yes. The evidence you present is being recorded and *Hansard* will be published on the committee website when it becomes available.

Can you please advise the committee of your field of interest and expertise?

**Mr CHIPMAN** - Clarence Council appreciates the opportunity to make a submission to this committee. Over many years the council has held an interest in sustainable transport and especially ferries and the way they might integrate with the rest of the transport options across greater Hobart. The council also has interests in seeing transport options extended right through the south east of Tasmania.

There are a few key points in the council's submission. I will not go into the details now, but I will try to outline them. We are interested in seeing a detailed and considered report into how the ferry transport options might come together, in particular looking at ferry terminals and the infrastructure that is necessary to facilitate operations. Integration with Metro is essential. I think that for anything to work for a particular passenger going from home to work, or to go shopping in the city, or wherever, it has to be a seamless experience. They buy a ticket. They might start off in their car, then go on the bus, then catch a ferry and whatever else they need to do.

Cycleways linking with the bus and ferry terminals is part of that infrastructure. There needs to be some sort of service-delivery thinking. I mean, who is going to do what? At the moment we have a GBE running some of the buses, particularly in south-eastern Tasmania. We have a contractor providing some of the buses as well. Do the ferries have to be owned? Probably not. We would like to see some sort of governance framework so that all this can be brought together. All that emphasises the need for long-term planning and integration which is not there at the moment.

**Mr PAUL** - One of the key things we would be keen to see in respect of ferries is a fair dinkum business case that looks not only at the cost of operation of the ferries, but things like how that might forestall or defer or delay future capital works. For instance, what pressure would a fully-fledged ferry service alleviate in respect of the Tasman bridge duplication at some point in the future? Are there options there? In the past we have seen fairly crude or cursory analysis of the business case for ferries. We would like to see something that looks at all aspects of it.

I assume that the STCA made a submission.

**CHAIR** - Yes.



**Mr PAUL** - We are looking at running a trial jointly with Hobart Council through the auspices of the STCA. The details of that are still to be finalised, but there is some interest in doing that. It still needs to be ratified by the various councils, but we are looking at that option.

**CHAIR** - Who would be funding that?

**Mr PAUL** - That is still to be determined by the councils. It may be that, for a one-month trial, there could be some cost sharing between an operator and the respective councils to see whether there is sufficient interest or enthusiasm from the community for a service that is running at appropriate times and speeds. There is still a lot to be done to set up a trial like that to meet the procurement requirements of the Local Government Act and things of that nature. These are the sorts of things we are looking at and that we are interested in.

**Dr GOODWIN** - Is the infrastructure there?

**Mr PAUL** - The infrastructure there is sufficient, as we understand it, having spoken to a couple of the ferry operators to a run at least an initial trial. In the long term, no.

**CHAIR** - Where in Clarence have you looked at?

**Mr PAUL** - We are looking at the possibility of a trial from Bellerive, Kangaroo Bay to Hobart with one or two stops. There may be a couple of other options if we get to the point of going to an expression of interest from operators to provide the service -albeit on a trial basis. There is a lot of detail still to be sorted out; it is only in early stages at this point.

**Mr VALENTINE** - There would be a few issues such as people who have paid car parks on a monthly basis: obviously you are not going to attract those people in a trial like this, but it might mean that, if the trial is successful, there is greater potential in the future?

**Mr PAUL** - That is the intent. You are right, it is not expected that people will drive to the ferry terminal. I am crystal ball gazing now, but we might look at a shuttle bus from the Rosny bus mall for a trial period. A lot of people coming from the eastern shore change their mode of transport at Rosny anyway.

**Mr FARRELL** - Would that be using an existing ferry in Hobart?

**Mr PAUL** - There are a number of proposals and it is not appropriate for me to speculate on what that might be, but there would be a procurement process to go through. I understand from speaking to some of the ferry operators that there may be some capacity early in the new year to look at something like that.

**Ms RATTRAY** - As soon as that? That would be fantastic wouldn't it, to be able to get in and have a trial.

**Mr PAUL** - The critical issue is probably going to be the cost; whether the cost is justified in terms of running it for a month or six-week trial. There appears to be a lot of interest through the STCA.

**CHAIR** - There appears to be a lot of interest in it in the media also.

**Mr PAUL** - A question that we think needs to be answered in respect of the bridge. We hear from DIER that the bridge is starting to become an issue in terms of capacity and it will get worse over the next 10 to 20 years. Is it a cheaper option to look at the cost of running a ferry service?

The other issue is, in terms of the public debate in the past, that ferries don't pay for themselves. Well, it is our understanding that Metro buses don't pay for themselves either.

**CHAIR** - No public transport pays for itself anywhere in the world.

**Mr PAUL** - So what level of subsidisation would we need to make a ferry service viable? Until we know that figure it is hard to have an informed public debate about it.

**Mr VALENTINE** - How far to the north do you extend? Where is your boundary?

**Mr CHIPMAN** - We include Richmond and Otago Bay, so we cross into Clarence from the Bowen Bridge as well as the Tasman Bridge.

**Mr VALENTINE** - I was just thinking that the viability of a northern service down the river might be more viable than Kangaroo Bay.

**Mr PAUL** - It may be, I do not know. The point we have tried to make in our submission is that someone needs to do a fair dinkum study, rather than just -

**CHAIR** - I think that's a really good point you make, that someone needs to do a study.

**Mr PAUL** - There have been studies commissioned in the past but I think they have been fairly -

**Mr CHIPMAN** - There have also been services provided in the past. Up until about three or four years ago there was a regular ferry service across the river and that ended up dying because it wasn't viable.

**CHAIR** - So what makes you think doing a trial for one month is going to change things?

**Mr CHIPMAN** - One hopes that in putting together this trial maybe we can dovetail with Metro services better and try to get them on side so it becomes a seamless experience. Maybe you could buy a ticket which will get you onto the ferry when you buy the bus ticket. What we are looking at is getting a Greencard to work for the ferry service. If we can't get things like this in place then I remain very pessimistic about how the trial is going to work.

**Mr PAUL** - The theory is that ideally it could be a faster service. The red ferry that used to do it, in rough weather it was 20-25 minutes. If you could do something quicker -

**CHAIR** - We've had a lot of submissions for this inquiry and many of them say you need a frequent service and you need it to be fast, faster than you could probably drive, and it needs to be safe. You have to take all those things into account.

**Mr CHIPMAN** - Absolutely. Unless we do, there is very little point in a trial.

**Dr GOODWIN** - With the North Melbourne football match, there was a breakfast down at Wrest Point and then a lot of the people attending the breakfast caught the ferry to the football match. Some of the submissions have also mentioned university students and the opportunity for them to benefit from a ferry because that is obviously quite close to the university.

**Mr CHIPMAN** - There are two things there. The email I received yesterday from the water taxi suggested he was hoping to develop a model whereby he could convey university students from Bellerive to Wrest Point. If he can put that together, maybe that's a start to what you are talking about.

**Mr PAUL** - In some of the discussions we've had it is possible, hypothetically anyway, to do a service from Bellerive/Kangaroo Bay to Hobart and do a couple of services of a morning and one of those extending to Wrest Point, if you have a high-speed suitable service.

**Mr VALENTINE** - Taking in South Arm?

**Mr CHIPMAN** - I was about to address that. We were briefed last night at council at a workshop on a proposal for a golf venture on Arm End. While they are not applying for it to get the place up and running, a key part of their proposal is to have a high-speed ferry running on a regular basis between Opossum Bay and Hobart.

**CHAIR** - What they found in Brisbane is that areas along the river that didn't have much in terms of population - Bulimba was a light industrial area - when the river cats came on in Brisbane that totally changed in that 16 years. It is no longer light industrial; it is now totally urban/residential and one of the most used ferry points. They have shown in Brisbane that where it may not have been so viable to have housing and residential in some places because of the difficulty of transport, a ferry service may well stimulate that kind of development, of which you have a fair bit at both ends.

**Mr PAUL** - In the context of ferries I am aware that, for instance, the Hutchins School is surveying parents at the moment about the feasibility of running a ferry between the eastern shore and Wrest Point. They are working on the theory it may be cheaper than the buses they are currently running.

**CHAIR** - They run their own buses.

**Mr MULDER** - It's not a subsidised service.

**Mr PAUL** - No.

**CHAIR** - Well, the school subsidises it.

**Ms RATTRAY** - And the parents pay through fees.

**CHAIR** - Yes, that's true.

**Mr MULDER** - It's no different to the taxpayer subsidising your own travel.

**CHAIR** - No, that's true.

**Mr PAUL** - They are looking at an option.

**CHAIR** - One of the earlier submissions suggested that you probably need to have a minimum of four ferries doing that sort of run to provide the frequency you need. I am interested in your thoughts that one ferry might be sufficient as a trial.

**Mr CHIPMAN** - I don't have the details on the logistics. I think we'd have to go to an operator to get that sort of stuff.

**Mr PAUL** - Certainly I have been privy to and participated in discussions with at least one operator who believed you could adequately do two services/two runs each morning and each evening at peak time with a suitable craft.

**Ms RATTRAY** - It's that high-speed craft that is the key to delivering that service.

**Mr PAUL** - I am sure you will raise it with the STCA. I don't know if they're appearing before you at some stage but they'll probably talk about that as well.

**Ms RATTRAY** - In relation to amending the Roads and Jetties Act, can you help me get a bit more of an understanding about that, Andrew?

**Mr PAUL** - It has nothing to do with transport but we use every opportunity we can to tag this on the bottom of something. At the moment it runs something like this: DIER are responsible for a state road corridor until such time as we build a footpath or a bike track or any infrastructure in that corridor. Then the whole corridor, with the exception of the road itself, becomes our responsibility. That is certainly our understanding of how it operates. So I suppose all we are saying is that, in this day and age, responsibility and accountability should rest with each of the respective authorities. There is also a counter way. We think as the local road authority, provided we're operating within approved procedures we should be able to make decisions about road safety control measures and whatever within our own road corridors.

**Ms RATTRAY** - Speed limits, are you interested in those?

**Mr PAUL** - I am not going to go with speed limits. Again, within prescribed matters we should be able to make decisions in the local road corridor, without having reference to DIER. Similarly, we think they should look after the whole of the state road reserve rather than an expectation that we do bits and pieces of it where we build a footpath, a bicycle track or something of that nature. So that's, in essence, what we are referring to.

**CHAIR** - You can't even paint white lines on roads.

**Mr PAUL** - No. What I have certainly been used to in other jurisdictions is where we have wanted to put traffic control signs or holding lines or something on a road, provided we are operating within a DIER-approved standard series of protocols or road manual or whatever, we can make those judgments ourselves. There has been a little bit of give and take in regard to that in recent years, but the Roads and Jetties Act is a bit muddy.

**Ms RATTRAY** - Outdated.

**Mr PAUL** - Yes, I think it is 1963 or something like that.

**Dr GOODWIN** - So has the minister indicated any interest in having a look at that?

**Mr PAUL** - It is probably not an issue that we have pursued at that level or at that extent. It is just one when we get the opportunity.

**Mr MULDER** - You talk about the subsidy and you're not quite sure what the level was and you want to talk to private operators. Can I perhaps refer you to the submission, which should be on the website by now, from Metro Tasmania where I think they went through the level of subsidy. What a lot of people have done is separate capital from the operating costs because we are just the previous people that have had a suggestion where the state owns the capital but they outsource the operating on a franchise model. The evidence we had from the people just before you was - and this was not in confidence at all - that their level of subsidy for ferries and buses that they run was such that they were only recovering about 20 to 40 per cent of the operating costs in the way of fares. That is something I think you need to bury in. That has probably given you some information more than me getting to this. I think that is one of the benefits of this committee: you get some of that information into the public domain as to what subsidies are going on anyway.

The other one that I am a little bit concerned about is that you talk about the need for more terminal sites on the eastern shore of the river. The one that comes to mind obviously is Kangaroo Bay, which you were going to run a trial from. The other one is Lindisfarne Bay, where the infrastructure already exists. But I am a bit more concerned about south of the bridge where a fair swag of the population of the city lives and would not be serviced by any infrastructure at the moment.

You are probably aware that on two occasions now there have been proposals put to your council to build a jetty or a boat ramp, one at Anulka Street and the other one as part of the car development at Droughty Point. On both occasions, council has rejected it. I am wondering, when it comes to further infrastructure, it is nice to come here as the mayor, but do you have the numbers to back up?

**Mr CHIPMAN** - When you say the council rejected it, it rejected it for the time being, it did not reject the concept.

**Mr MULDER** - Which one are you talking about?

**Mr CHIPMAN** - The one you spoke about in Tranmere. It was put forward as part of a development application and got rejected in that context. I cannot speak in a formal

sense, but my impression is that most councillors would be very sympathetic to seeing some sort of ferry infrastructure in the Tranmere region.

**Mr MULDER** - You obviously have a higher optimism rating than I do and I was part of the debate. But I am not here to argue the pros and cons of it. But it was quite clear, I think, that one of the major speakers against it was really about not wanting a jetty in that particular area because that outline development plan, as you are well aware, contained six jetties. Everyone is in favour of it until it comes to a particular development and suddenly it is the wrong jetty in the wrong place.

**Mr CHIPMAN** - Personally, I voted against one of the development applications for other reasons. It did not have anything to do with the fact that I was opposed to the jetty. I am sure that was the case with some of the other councillors.

**Mr MULDER** - I guess the question is: what particular jetty would you support?

**Mr CHIPMAN** - It is a matter of one being in the right place, having the right infrastructure around it and I would be very open to seeing some suggestions.

**Mr PAUL** - I do not think there is any doubt that to run a viable, long-term and well-sourced ferry service you would be looking at a jetty down there along that Tranmere corridor somewhere. I think the big difficulty or the issue that needs to be addressed in terms of building a jetty down there is that it is not sheltered and it would be, in my understanding, something that, if you are going to spend money building a proper facility down there, you would need a fairly serious breakwater or something of that nature to provide a sheltered facility that could provide adequate docking at various times. I do not think it is opposed in that context. I think it is a matter of getting the right proposal at the right time.

**CHAIR** - As you say, to service the population, for a viable service, you would need to have more jetties.

**Mr PAUL** - There is no question that the population is trending in that direction.

**Mr VALENTINE** - Did you say Ralphs Bay is not an option?

**Mr CHIPMAN** - Ralphs Bay does not need that detailed breakwater infrastructure because it has natural protection.

**Mr VALENTINE** - Would you consider Ralphs Bay as being a pick-up point?

**Mr PAUL** - There has certainly been at least one proposal from a property developer for something basically around the point. The only problem is that it adds another 10 minutes to the fare.

**Mr MULDER** - You talk about your trial running a bus service from the Rosny bus mall to the ferry terminal, to Kangaroo Bay terminal.

**Mr CHIPMAN** - That was one of the General Manager's.

**Mr PAUL** - It is a possibility. It has not been addressed yet by council but it is certainly in preliminary discussion.

**Mr MULDER** - What thought have you given to the council making the Percy Street car park, for example, a park-and-ride option?

**Mr CHIPMAN** - That remains one of our options which I personally would like to see -

**Mr MULDER** - Until someone puts a development application in.

**Mr CHIPMAN** - No. The Percy Street car park has recently been upgraded, as you would be aware, and it still remains something that we will be looking at in our next strategic review of planning about converting that park to a paid park-and-ride operation. That is still on the agenda.

**Mr VALENTINE** - Where is Percy Street?

**Mr CHIPMAN** - It is at the corner of the bakery in Bellerive Village. It goes up towards Scott Street.

**Mr VALENTINE** - I am with you.

**Mr MULDER** - It is on the other side of the river, Rob.

**Mr VALENTINE** - I wanted to clarify it. I am a Dunalley boy.

**Mr MULDER** - That is no excuse. The next question, which flows probably from the subsidy one, is: given the fact that the subsidies required are 20 to 40 per cent and the council tenders are bylined to potentially run it, is council committed enough to a trial of this nature to actually provide that level of subsidy for a trial?

**Mr PAUL** - That is the question that still needs to be asked that we are preparing. I know some of my guys are working with some of the Hobart people in putting together a discussion or exploration paper for this that it will ultimately have to go both councils in terms of whether that is the right level of subsidy that is needed. That is certainly my understanding of the sorts of figures that we are talking about. Council will make that judgment when they get a report presented to them in that respect. At the moment, we are just preparing preliminary -

**CHAIR** - I think it is very difficult to ask them to make decisions when no decisions have been made. It is very early days.

**Mr MULDER** - The question was fairly open-ended - have you considered that level of subsidy and could you do it?

**Mr CHIPMAN** - The simple answer is no, we haven't. Would it be likely to get through council? I would say that with that debate it is too early to say.

**Mr MULDER** - Can I have an invite to the council workshop when you discuss this?

*Laughter.*

**Mr VALENTINE** - You gave up that privilege.

**Mr MULDER** - This would be for entertainment value alone.

**Mr CHIPMAN** - You are most welcome to attend any council meeting, Mr Mulder.

**CHAIR** - It would be good if we could have some questions.

**Dr GOODWIN** - I was going to ask in relation to the trials that you are looking at, do you think you might link that in with, say, the Twenty20 matches at Blundstone Arena as well?

**Mr CHIPMAN** - There are three different things here. There is the ferry trial that we are talking about maybe in the new year and there is a decision on council's books that we supported the two games of AFL football at the North Hobart Oval. That didn't materialise because the wharf infrastructure in Bellerive wasn't up to scratch and we are working on that with Federal Hotels, who are the owners of the jetty. Then there is this third dimension of whether that trial in regard to AFL football be extended to the cricket and I would say that if the football one is a success then there is a reasonable chance that council would agree to extending that.

**Dr GOODWIN** - Okay, so you are going to look at the football first and not the cricket first necessarily?

**Mr CHIPMAN** - The football one is the only one that has been approved and formally adopted by council.

**Mr PAUL** - The ferry service we are looking at and preparing information for council's consideration, is fundamentally at this stage just a commuter service because we are conscious of the cost and to look at what we can do within reasonable parameters.

In relation to the cricket, one of the things - and I think it started last cricket season for the first time but only got fully into swing towards the end of it - is doing park and ride at I think the venues are the Derwent Entertainment Centre, Cambridge and somewhere down at Kingston. My understanding is that at the last North Melbourne game 2 500 people, I was quoted the figure, used that service coming and going from the game rather than having to park around the ground or whatever. That is where we have been going in that respect but as for how that expands or develops into the future, the numbers there are a bit of a moving feast.

**Dr GOODWIN** - The Twenty20 matches last year were incredibly popular.

**Mr PAUL** - That service did operate for at least some of the matches towards the end of the season but I think we will get a better indication of how successful it is going to be during this cricket season as people become more accustomed to using it.

**CHAIR** - It is a bit of a marketing exercise too; people need to know that it is there.



**Dr GOODWIN** - Part of it is about that mentality; people getting used to the concept of using ferries.

**Mr VALENTINE** - It's a lifestyle thing.

**Dr GOODWIN** - We had it when we had to do it because of the Tasman Bridge collapse, but we're not in that mentality now. Every opportunity is a good opportunity to get people into that mentality of thinking, wow, this is a great way to travel! There might be a private operator who could look at Twenty20 or other events if the wharf infrastructure is there.

**Mr VALENTINE** - There are all sorts of health benefits as well because people have to walk.

**CHAIR** - We have had a submission from Sorell talking about bus transport and the difficulties between where the Metro service finishes and the private operators - who are also subsidised by the government under the same system - take over and the fact that there is no bus service that goes straight from Sorell into Hobart. This is a real problem for them. Does that apply to other areas?

**Mr CHIPMAN** - Richmond and Opossum Bay - although Metro goes to South Arm, but I am not sure whether it goes all the way to Opossum Bay.

**CHAIR** - Yes, it does.

**Mr CHIPMAN** - Richmond, I think Metro goes to Richmond.

**Mr MULDER** - Tigerline Coaches goes to Richmond and Sorell. I have not read the Sorell Council submission, but I think the problem is that it only goes to Hobart, because where does it go if it doesn't go to Hobart?

**CHAIR** - I had a feeling that it didn't go as far as Hobart. I'm sorry, I can't remember.

**Mr FARRELL** - I have seen them terminating in the Rosny bus mall.

**CHAIR** - It may be that it is very slow and it stops at Midway Point and Clarence, rather than being direct.

**Mr MULDER** - The issue there - as we took up with Norm McIlfatrick as you recall - is the fact that it is two lanes of highway all the way from Sorell until you get to Cambridge and you cannot travel any faster than the slow moving line of cars is going. That is not a question of the bus service, it is a question of the inadequacy of the road system to cope with the volumes of traffic, which is an extension of the bridge problem.

**CHAIR** - Let's put a train in from Sorell.

**Mr CHIPMAN** - That would grab the headlines.

**Mr MULDER** - We talk and joke about that, but don't forget that Norm McIlfatrick did say that DIER would look at again at the issue of recreating the bridge between Penna and

Cambridge. The old Bellerive to Sorell railway line used to run through there, and a short-distance floating bridge would be perfect to providing an alternative route.

**Mr VALENTINE** - Not a very big distance.

**CHAIR** - It is a real problem for the growing urban area out at Sorell -

**Mr CHIPMAN** - Absolutely it is and, once again, the private bus service ought to be seamless with the Metro service.

**Dr GOODWIN** - I will ask a question about Eastlands because it is a very popular shopping centre and people come from all over the place not just the immediate vicinity. Do you know how many of the people who use Eastlands use public transport to shop there or do you think it is mostly people in their cars? Of course Eastlands is going to expand soon with a new food court and more shops, and it will probably become even more popular.

**Mr CHIPMAN** - I do not have any statistics on it at all, sorry.

**Mr VALENTINE** - Metro might have some statistics.

**Dr GOODWIN** - It would be interesting to know that.

**Mr MULDER** - Eastlands does its own customer surveys.

**CHAIR** - How is the public transport to Cambridge Park these days? Are there buses?

**Mr MULDER** - There are two. There is a Metro bus which services the Aurora facility and then there is a Tiger Line one which drops in on its way to Sorell.

**CHAIR** - It would be interesting to know how many people actually catch it.

**Mr MULDER** - Sorry, I will take the oath in a minute.

**CHAIR** - Thank you for the information. It was one of the issues out there too - Aurora was certainly an issue when they first went out there. Workers were saying how much more difficult it was and that they had to take their cars, whereas previously they might have used a bus or ridden their bikes. Are there any more questions?

**Dr GOODWIN** - In your submission you mention the importance of the capital city plan. Did you want to expand on that at all?

**Mr CHIPMAN** - Only to say that these are big-picture things coming from the federal government and it is additional pressure for having integrated transport plans within the greater Hobart area.

**Mr PAUL** - In our view there needs to be still more focus, attention and serious consideration given to whole-of-area planning; not just on a service-by-service or municipality-by-municipality basis, but whole-of-metropolitan-area planning.

**Ms RATTRAY** - Is there any work being carried out by DIER to facilitate that? I know you have your southern Tasmanian councils -

**Mr PAUL** - I suppose this was in the context of the capital cities plan that was required to be submitted by the state government around Christmas last year for greater Hobart. Our view is that it needs to be more than just enough to satisfy the requirements of the federal government, it needs to be something that is genuinely committed to, resourced and progressed, rather than just ticking the box.

**Ms RATTRAY** - I recall there was some criticism of the government, particularly focused at DIER about two years ago, that they just did not seem to be ready for opportunities of infrastructure funding from the Federal government.

**Dr GOODWIN** - By not putting submissions in.

**Mr PAUL** - That was more a capital-planning issue as distinct from capital city infrastructure. That is not the point we are making.

**Ms RATTRAY** - I was thinking about the infrastructure needs. When you talked about the issues with the jetty and you were talking with the Federal group, I was wondering whether there was an opportunity to tap into some money? Are you prepared if there is some available straight away? I suppose that is not something you have looked at individually.

**Mr PAUL** - Yes, there's work still to be done on that.

**CHAIR** - You referred earlier on, Doug, and you referred to it in your submission as well, to the submission to the Australian Government Liveable Cities Program. You put in for funding last year for a study and you referred to the need for a study again. Do you remember what sort of money you asked for?

**Mr PAUL** - I can't remember, but it was done through the auspice of the STCA.

**CHAIR** - That may well be one of the recommendations that comes out of this report.

**Mr VALENTINE** - This was the nodal facilities and things - \$39 million and then one hundred and something million for roads and things throughout the region.

**CHAIR** - No, we are talking about a study. They made a submission for funds for a planning study that sought to deliver a report -

**Mr VALENTINE** - It was part of the STCA submission; I thought that was \$39 million.

**Mr PAUL** - I can't remember.

**CHAIR** - You wouldn't have asked for \$39 million for a study.

**Mr VALENTINE** - No, that was a component of that \$39 million. The \$39 million was to do with having a specific study to start and then the nodal facilities.

**Dr GOODWIN** - In relation to this committee, and I think it will go for a couple more months, do you think by that time this ferry trial may be finalised? Would it be possible for us to get some more detail on it if it does?

**Mr CHIPMAN** - If it progresses as a proposal, we are happy to keep the committee informed.

**CHAIR** - We are looking at this committee probably sitting until the end of the year and early next year having a report to give, which may also help to inform your decision making. It would be nice if we could keep each other informed.

**Ms RATTRAY** - We are hoping to inform somebody about something because we are very serious about this.

**CHAIR** - There have been so many studies done over the last dozen years or so all saying it is a good idea but nobody knows whether it is viable or not. It is probably time somebody did a business case to see, as you have suggested, what it takes to make it viable.

**Ms RATTRAY** - There appears to be quite a bit of community support and momentum for it, particularly in relation to ferries.

**Mr PAUL** - The issue missing from the debate from our perspective, and that is an issue we're trying to address in terms of going back to councils with the final detail, is the economics.

**CHAIR** - I suppose that is why long term it has to be seen as a state government initiative, not a local government initiative.

**Mr PAUL** - One of the things we would be trying to demonstrate if this ferry trial was able to go ahead would be to demonstrate to government that it is viable and they should be funding it. I don't believe I would ever put myself in a position where I was recommending to council that we were permanently funding a service. I think we are just trying to demonstrate whether it's practical, feasible and/or viable.

**Mr MULDER** - A note of caution on that: Launceston City Council set up a separate free-rider bus, then they tried to go back and say, 'This is a trial and it's very successful. Would you like to take it over?' and were told, 'Bad luck. You started it, you funded it, you want it, you keep it'.

**Mr PAUL** - In terms of our planning process, at this stage we are looking at a very defined time-limited trial of one month to six weeks, just to start to understand the economics of it.

**Mr MULDER** - I think Rob's point is you don't have time to build your potential customer base.

**Mr PAUL** - That is a very real issue we are conscious of. I don't know how you'd do that without the capacity to fund it for a longer period. I suspect that would be beyond the capacity of the councils.

**Ms RATTRAY** - From a non-city-dweller's point of view, in January I expect in the south of the state there are more people on holiday than I have ever known in my lifetime.

**Mr PAUL** - If we ran a trial after Christmas it would not be until the schools went back.

**Mr VALENTINE** - I reckon to include Otago Bay in your trial would be worth doing.

**Mr PAUL** - I'll see what the experts tell us. The problem is the more ports of call, the slower and longer the service is.

**Mr MULDER** - One of the reasons the trial failed, according to Metro anyway, was that there was a subsidised Metro bus running the same route as the ferry, but that bus also serviced the high schools and the schools at Lauderdale, Rokeby and things like that. So you were never going to get the bulk of the bus passengers onto the ferry because the bulk of bus passengers were not going to the city. That is why Otago Bay is a real issue. That is this critical mass issue. You have to have a base population somewhere and about 4 or 5 per cent of which will use the service to make it viable.

**Mr PAUL** - From my perspective - and we obviously still need to talk to council about this - I would be loath to recommend doing too much in the first instance. It is about taking small chunks and just testing the feasibility and trying to build an understanding of how it may or may not work.

**CHAIR** - Thank you very much, both of you.

**THE WITNESSES WITHDREW.**

**Mr SHANE DEWSBURY**, PRESIDENT, AND **Mr GEOFF LEWIS**, GENERAL MANAGER, TASBUS, WERE CALLED MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

**CHAIR** - Thank you both very much. All the evidence taken at this committee is protected by parliamentary privilege and I need to remind you that any comments you make outside of this hearing might not be afforded such privilege. What you say in here is parliamentary privilege but not if you speak to the media about it afterwards. The evidence that you give us is being recorded and the *Hansard* version will be published on the committee website when it become available. It is public.

First of all, do you want to talk to the committee about your field of interest and your expertise in the public transport area?

**Mr LEWIS** - Being the Tasmanian Bus Association, naturally our involvement is in bus passenger transport. We believe that we are not just buses, we are people movers, and however people move, buses fit into that movement wherever it is. Naturally we believe that passenger transport and buses are the most efficient, but one of the things that we would like to comment on, and your initial brief was that it was a system operated by Metro; we think passenger transport is a lot broader than Metro.

**CHAIR** - The reason we had to do that, Geoff, is because this committee can really only inquire into government services, technically speaking. Technically speaking we had to address it as Metro, but we are well aware of the fact that there are many other aspects of public transport we wanted to look at, so that is why the specific reference was to Metro. We weren't leaving you out and your submission was very good in that it pointed out that much of the rural and regional transport, and a lot of the urban fringe transport also, is not restricted to Metro.

**Mr LEWIS** - Ninety per cent of the urban fringe is non-Metro. This is one of the real things of passenger transport in Tasmania that we have been pushing for years and that is the integration of those two services to have the private and public. One of the reasons for that is to give that seamless trip through for the passenger. The first stage of that has been the Greencard and now we want to see that integration come through to where passengers can get on, say, in Dover and get off in the northern suburbs using the one card all the way through.

**CHAIR** - That is not the case yet?

**Mr LEWIS** - Not at the moment, but maybe you would like to comment on that, Shane.

**Ms RATTRAY** - What are the impediments to that then?

**Mr LEWIS** - At the moment, different ticketing systems.

**Mr DEWSBURY** - The association tries to bring up a brand of bus operators no matter who is operating, and as Geoff just said, 90 per cent of the outer urban area is operated by a private operator. It can quite easily get mixed up with Metro and I heard from the last conversation that Metro does this, this and this, well no they don't, private operators do.

We are trying to get an easy brand so that people get to know exactly what their services are. It does not matter who really operates them as long as the services are there and whether it is in a bus, or in a car, or a taxi or a bike -

**CHAIR** - Or a ferry.

**Mr DEWSBURY** - It doesn't matter and I suppose the ticketing system would be one of the first steps for us that we can put a person on a particular service, onto another one, onto another one to get to their journey, remembering that in outer urban areas so many people are transport-isolated, who do not even have bus services, but still need to get some form of transport to their closest bus stop or their hub or whatever they need to do. We think that if we had some sort of integrated ticketing and whether through buses or ferries it would be a seamless way for people to use a transport network. Surveys say that one of the difficulties for people who use the transport network is understanding the system: how do I read my timetable; how do I buy a ticket; where do I catch the bus; who do I travel with; how do I make the connection to my next one? It is all easy information that is out there, but it is all fragmented. We have so many different tiers of information, whether it is through a council organisation, whether it is through a private organisation or whether it is even through different websites. It is all fragmented and we are trying to get it all together.

**CHAIR** - Tell us practically how you could do that. What steps need to be taken to do that?

**Mr DEWSBURY** - At the moment we know that several operators are working with Metro to look at putting the same type of ticketing system in as Metro to start with, then we will work out how we will do the integration of the ticketing - that is one. The other thing is the integration of infrastructure. We have tens of thousands of people coming into Clarence and also Hobart and one operator will drop all his passengers at one end of town and the other operator will drop them down the other end of town and then you have Metro that run out of the hub, so people have trouble transferring from the different providers. That is an issue in itself and the other thing is the information. How do we put the information out? Metro has just designed a travel planner. That is just Metro, so now we are in discussion to bring in the private operators into it. It is not rocket science, it is pretty easy and it is just about getting everybody together with the right information and someone to lead it.

**Mr VALENTINE** - Collaboration and co-ordination.

**Mr DEWSBURY** - One good thing about Metro and TasBus at the moment is that we sit down and say, 'Do we have to do this ourselves? Do we have to get as many private operators as we can? Metro? Look at a journey planner. Look at integrated ticketing. Go together as a joint force to the councils and say, "Guys, when you think about transport options, think about the bus network and what we actually do"', because the information out there sometimes is not right because we don't know who is running that particular service so we don't think about it in our planning. We forget about the provider running the services from New Norfolk that brings in thousands and thousands of passengers a day and how it makes the connections through Glenorchy and then Hobart. We are carrying school kids. We are carrying adults. We are carrying all the urban fringe, the elderly and that is one of the big markets that we forget about. Those

little things, I think, can lift the brand and bus transport is a hard thing to sell unless you really, really need it.

By doing these sorts of things it will lift the product and give us a product to sell. It is no good going out there and yelling, 'Catch a bus, catch a bus', if people are going to have trouble going from Campania to the northern suburbs. It doesn't work because people want to get to the place and be reliable without having a hassle and we are not just talking about one particular kind. School kids, for example, have to have a transfer sometimes when they come into the city to go to their particular school. People who work, whether they work in Clarence or they work over here in the city or whether they work out in the northern suburbs, we still have to get them to work on time. If we can't beat the car, if we are stuck in the traffic and we take the long way around and the person who is using our product doesn't know how to do it more efficiently, we don't win.

**Mr LEWIS** - I think one of the things that we are seeing - and I was interested in your point earlier and previous speakers to do with getting people to ferries - we haven't seen trouble getting people onto buses because Tasmanians do not have a culture of travelling by public transport or any form of transport, it is the car to the door. They won't go anywhere different than the car to the door.

**Ms RATTRAY** - It is actually parking outside of the stores, too.

**Dr GOODWIN** - We keep driving around until we get a park.

**Ms RATTRAY** - It is shocking, isn't it. I have done it myself. I am to blame.

**Mr DEWSBURY** - Having said that, since 2008 we had a review of the bus system in Tasmania and we have seen an increase in patronage of the private operators, some between 20 and 30 per cent. If we look at why that has happened, one is that the bus fleet has been upgraded because you wouldn't know the difference between a Tassielink bus, a Derwent Valley Link bus and a Metro bus. There is no difference at all except the logo. The investment that has gone into these buses has certainly lifted the image. As for bus stop infrastructure working in with councils, the operators have been keen to go out and get councils on board and say, 'Give us a bus stop, we want to pull over safely'. It's more prominent so the brand then lifts up and the contract framework also encourages the operator to try to increase patronage because we get paid by the fare, whether it is via a top-up from the government or by an adult passenger. We have an aim to get to a certain amount of passengers per year per vehicle so the formula in the fare base pays for the bus and the operation of the service.

**CHAIR** - They might actually be able to answer your question about how much it costs per kilometre or per person per kilometre because we have asked that question several times today and not got an answer.

**Mr MULDER** - Apparently it is classified top secret, commercial-in-confidence and the information is not available. One thinks the numbers might be there that we could do a simple division and find out.

**Mr LEWIS** - I think before we answer that, we work on a totally different basis to Metro. Metro get a subsidy or a bucket of money to run to kilometres. If we don't get bums on



seats we don't get money. Even though they pay a top-up, as Shane mentioned, it is based on a fee for each person who travels a distance. It is all based on, say, 80 per cent loading and if you only get 60 per cent loading on your vehicle you are losing money. The incentive is to get more people on your buses -

**CHAIR** - It is a different style of contract.

**Mr LEWIS** - Totally.

**CHAIR** - One of the suggestions today has been that there should be perhaps a state transport authority, not running Metro as a GBE but tendering out for contracts for all the services so that it was a level playing field for operators.

**Mr DEWSBURY** - The outer-urban contract framework is all the same. Metro has some outer-urban contracts. Their urban contracts are run under a different framework, but all the others are exactly the same. That was done with TasBus working very closely with the review committee, which looked at the cost of running the service and the funding of these \$450 000 buses, remembering that most of our members, other than Metro, are private family-run businesses.

**Dr GOODWIN** - On the point about integration between Metro services and private operators, and the concept of a trip planner; I think what you want is some sort of smartphone application. I think Metro is working on this. At the moment it's quite difficult to search timetables and find out how to get somewhere, particularly if it's not your usual route.

**CHAIR** - Also finding the right place to catch the bus.

**Dr GOODWIN** - That's right. I think that discourages people because they think, 'I don't know how to get there by bus so I'm going to stick with my car because at least I know what to do'.

**Mr LEWIS** - That will be a part of all this. If we can get integrated ticketing the rest will flow through.

At the moment, every operator runs a different way of timetabling and you can't look at one and marry it with the next one.

We have discussions with Metro. With a new company coming into Hobart we need to make sure that they integrate with Metro services.

**Mr VALENTINE** - It is those cross areas like going from New Norfolk to Brighton or from Brighton to Cambridge Park or something.

**CHAIR** - And even from West Hobart to Sandy Bay.

**Dr GOODWIN** - Week day travel might be different to what you want to do at the weekend so you need to have that flexibility.

**Mr MULDER** - You can't provide those sorts of services for one passenger per day. That is where you have to have a critical mass.

**Mr DEWSBURY** - I think that the services are already there, and that's what we forget about. Cambridge Park is a good example. I run 10 services a day to Cambridge Park, Redline comes through Cambridge Park and Metro goes through Cambridge. All of a sudden there are three different timetables. If you put them altogether, it would be interesting to see the frequency, but then how does the passenger know, 'I can go out on this particular bus and come back at this particular time on another bus, and use the same ticket'. There is a lot out there, but we have different levels. I know that around Hobart there are three or four main urban-fringe operators. So all we have to do is get the information.

**Mr VALENTINE** - There is no transit centre. That is half the problem, isn't it?

**Mr DEWSBURY** - Yes, it is, and when you find a report has come back from a council saying one of the big issues is transferring between bus stops.

**Mr VALENTINE** - So you have one that stops in Brisbane Street and another one that stops in Collins Street.

**Mr MULDER** - Despite the fact you have a bus mall- you don't use it.

**Mr DEWSBURY** - Private operators don't go into the mall.

**Mr MULDER** - Not even all Metro services go into the mall.

**Mr DEWSBURY** - We try to get as close to the mall as we can.

**Mr VALENTINE** - You are not allowed to use it though, is that right?

**Mr DEWSBURY** - Well, it's that, but we don't get the provisions. I know where I share my particular stop with another private operator. We have probably 80-100 people at that stop at any one time.

**Mr VALENTINE** - Treasury?

**Mr DEWSBURY** - No, Macquarie Street - one bus stop shared between the two of us and we try to shuffle as much as we can in between so people can get around to their Metro connection. The Treasury is mostly used as a departure point so we don't feel the impact as much, but when we are bringing people in, that Macquarie Street bus stop is very important to us. Remember that we are bringing the people in from the outer areas by busloads and dropping them off in one lump area. Then they need to go to where they want. so if we bring a bus in from the Huon Valley and they want to go to Eastlands it is important for us, as operators, to get as close as possible to the next bus that goes out to Eastlands. Arriving at Macquarie Street passengers frequently walk straight across the street to the Metro bus to the university.

**Mr VALENTINE** - There needs to be a transit centre somewhere.

**Mr LEWIS** - That is under review, is it not? The council has got the money and DIER is to look at where it should be.

**Mr VALENTINE** - Yes, that is right.

**Mr LEWIS** - That is all it is at the moment.

**CHAIR** - It is just a study of where it should be.

**Mr DEWSBURY** - We need to do a lot of work on that because Launceston has a transit centre.

**Mr VALENTINE** - That is right.

**Mr LEWIS** - Maybe in the wrong place.

**Mr DEWSBURY** - It is not doing what we thought it was going to do ten years ago. We have operators starting to pull out of the transit centre because it is not providing -

**Ms RATTRAY** - Because it is too far out of the way. To be perfectly honest.

**Mr LEWIS** - Yes. Metro does not use the transit centre any more.

**CHAIR** - Don't they?

**Mr LEWIS** - They pay for a bay but do not use it because it does not fit in with all their runs. They have St John Street.

**Mr DEWSBURY** - We need to think about how it will work. Remember we have three tiers of services; urban, urban fringe and long distance runs so there are three different levels patronage and markets that we have to cater for.

People are coming in from Swansea or the west coast with luggage and that sort of thing so we need to think about how they are looked after. If you are going to catch the west coast bus that is not going to go every hour, it goes a couple of times a week. We need to think about that and get the right information before we make those decisions.

**Mr VALENTINE** - The Melville Street car park was supposed to be considered.

**Ms RATTRAY** - It is central.

**CHAIR** - I thought your comments about community transport were interesting.

**Mr DEWSBURY** - Community transport is one of the largest fleets of vehicles in the state - about 60 vehicles. In regional areas it is difficult to get people to the bus stop because it is down a road where we cannot take a bus. We would probably rely on developing a partnership with community cars. You talk about 'park and ride' a lot, but we talk about transport hubs. In places like Richmond, New Norfolk, Huonville or Snug, we create a transport hub. It does not matter whether kids ride their bikes in or whether they catch a regional taxi or a community car to get onto the bus and then travel into the cities.

Park and ride facilities are good for those people that are in a car already, but once we get further out they are more dispersed. People do not have the car options that they do within urban areas and kids who do not have licences use their bikes. The elderly are dependent on community transport.

For two people who live at Lower Longley for example, they can go in to the nearest transport hub by a community car and then catch the bus in. That car can then be used for community transport services. It does not come away for four or five hours at once. I am talking only about outside the urban area. When you think about longer distances like Port Arthur it is even worse. It enables them to utilise their fleet. It puts, as Geoff said, bums on seats for our fleet. When it comes into the city it puts these people on other services whether they are taxis or Metro buses. All of a sudden the car is not here.

**Mr VALENTINE** - What about carrying push bikes? Does your association have an issue with that?

**Mr DEWSBURY** - Bicycles on vehicles in outer urban is difficult because of the road. If you think about putting a bike rack on the same sort of buses as Metro has it becomes dangerous because we are not pulling in against kerbs, we are pulling off to the side of the road. You need a different vision really if you are looking for a bike rack. We have tried some different ways to travel bikes. With our urban fringe buses, we put bins in. If someone has a bike, we can put it in the bin.

**Mr VALENTINE** - Do they do a vertical hang?

**Mr DEWSBURY** - No, they have to lay down and go in because where a low floor bus comes along and then we build it so it comes up a little bit, so we can just put a bit of a parcel rack in to put a bike. We are not convinced that in outer urban areas that a bike rack on the front of the bus is the safe means to do it.

**Mr VALENTINE** - No, I was thinking internally where you have you have them vertically hanging.

**Mr DEWSBURY** - Buses are designed now with parcel racks for the outer urban, so you can put your shopping and all those things in because people who do travel on the outer network, come in to buy something or do something, so they have bags and need somewhere to put that. So it is a bit of a different market.

**Mr LEWIS** - We said in our submission that the non-infrastructure can provide a better return on investment from now on. I was interested in your comment earlier on about Midway Point. You have two lanes of traffic, buses caught the same as everything else. You also have the Southern Outlet coming in where it quite regularly gets caught. They put in 300 or 400 metres of bus lane and they had already made three to five minutes difference. If that was extended down Macquarie Street, then we are going to get people on buses because the cars are going to be sitting still and bus is going past them

Then, coming to your plan, they get to the transit centre and they can then disperse to wherever they want to go to. Where at the moment there is no incentive to go on a bus because you still sit in the traffic with the cars.

**Mr VALENTINE** - Solves the bike problem too, because we were saying earlier about New Zealand where they have ferries coming in and they have bikes hanging in pods and you can rent the bike or, indeed, some of them are free. You have a pass and you can take the bike and run off the work with it and come back to that same point and catch your bus or ferry.

**Mr DEWSBURY** - That is why we try to encourage that. When councils do bus stops in pubs, it is not only about car parking, it is about a bike locker, because they can ride in, put their bike in a locker, then come into the city and some councils do provide that bike. It all works in as one at the end of the day. I suppose it is understanding the infrastructure and the framework that is already out there. I think a lot of people get a bit of a shock once we are talking about a 500-bus fleet right across Tasmania and about the number of trips that we carry and where we run to and from. There is a little bit of a shock once we find out exactly what is out there and one of TasBus's aims is do an audit of the whole transport system across the network, no matter what form of transport it is.

**Mr LEWIS** - As we mentioned in our submission, in the last four years the bus fleet has been upgraded and hopefully by upgrading the school buses we will get that bus culture again and you will keep them on, because the at the moment, the 17-year old, what does he want to do? Get a licence, get a car, get off the bus because he want to get to where he want to. But if we can get them and hold them on the bus, then that helps.

**Mr DEWSBURY** - As an industry, we are trying to find out what triggers people to catch buses. Why do they want to catch a bus or why don't they. It was interesting with the COTA report, why they do not. I, as an operator, did not have a clue why they did not. Some of them did not know where the bus went to, so they did not want to catch the bus. But now we have big destination signs, just like Metro, or easier to read timetables. So find out why with kids, the first thing they want to do when they leave school is to jump into a car. Why? It is probably because they have been running around in a 25-year-old Bedford, no heaters, dusty road. We are now trying to give them a better experience. A lot of buses are air-conditioned now. The seats are starting to be a little bit more modern. Even with the fare structure with the students, now that they pay the same on a school bus coming into the city as they do a general access bus or a Metro bus, so they can come in on the actual school bus but go home after sport on another bus for the same fare. That has, all of a sudden, made a big difference in the way operators do their marketing for out patronage because we are finding that the students in outer areas who come into work, come in to go to their social activities, have increased, because they are still paying the same fare no matter what time of the day or the day of the week, where before it used to be 50 per cent of an adult fare. Once you start to get out into the non-urban areas it becomes expensive. Mum and dad can now go, 'The bus is reliable; it is an even fare. Kids, you can make your own way into Salamanca Market or Eastlands and then come back on the bus'.

**Mr VALENTINE** - What is your age profile for your rural buses coming into the city? What sort of age profile for the passengers?

**Mr DEWSBURY** - The majority of the market is students going to school.

**Mr VALENTINE** - Apart from that; that is commuter.

**Mr DEWSBURY** - Then you have between the elderly and a normal commuter, you would say, that would be 50-50. It depends which areas. I can only talk about my operations; coming in from Campania and Richmond I would probably have a higher older population coming in.

**Ms RATTRAY** - What do you call older - 75-plus?

**Mr DEWSBURY** - People who are retirees. But for the services coming in from the Huon there is a large commuter market. Different areas have different profiles. With the different areas, sometimes people move out of the urban areas to save on rent or the cost of living, but what we are finding is that they may have moved out of the urban areas to save on the cost of living, but it becomes more expensive to be connected. To go to the library or to be socially included becomes more expensive and we are finding that with the aging population. As operators, we have people that get on the bus just to socialise. They do not necessarily come into the city to do anything; they come in to socialise.

**Mr VALENTINE** - Is that survey data?

**Mr DEWSBURY** - That's some of the Australian data. Personally I can tell you that a lady comes in from Swansea. The bus leaves at 6 a.m. in the morning; she comes into the city, she gets her hair done and she will sit in my terminal until the 4 o'clock bus goes back. She has her own little chair in the terminal. I say, 'How come you always come into the city and spend all day in here?'. She said, 'Because I get to talk to the driver and I am home on my own so I come in to do my little bit of banking and get my hair done'.

**Mr MULDER** - I recall a letter to the *Australian* once, in fact I was in Sydney at the time, when a guy said that the thing about the ferries was that it was a great way to sit down and have coffee, have food supplied to you and to sit down and read the *Weekend Australia* cover to cover whilst touring around the most magnificent harbour in the world. What is wrong with that?

**Mr LEWIS** - I have one from Toowoomba. This woman got on the bus and all she did was the loop and she got off where she got on. All she did was interact with the people on the bus. She lived on her own and had no family and it was her only social outing.

**Mr DEWSBURY** - Remembering that there is encouragement for the elderly to stay in their homes as long as they possibly can. That is really good, but if we cut them off from the community we are in trouble and that is why we keep coming back and say why do people catch our services, why do they need us and that is why. That is what we are finding out as an association, why people are catching buses and what we can do to improve it.

**Dr GOODWIN** - You make an important point in your submission about the fact that buses are the safest form of transport currently available in Tasmania, and that is a significant competitive advantage with other forms of transport. I understand why young people want to get out into a car, because it is like a rite of passage, but from a parent's perspective they are a lot safer travelling in the bus.

**Mr DEWSBURY** - It is a hard message to get across because we still have that emotional involvement with seatbelts. We still say to put someone on a bus with no seatbelts is still safer than putting them in a car with a seatbelt. It is a hard message to get across. As soon as someone stands on a bus, even though it is still safe, parents do not see it as safe. The message is there and we are very, very safe.

**Mr VALENTINE** - Buses are increasingly getting seatbelts, though, aren't they?

**Mr DEWSBURY** - They are but depending on what areas because it is a bit of a juggling act. We have standing capacity on our buses so we don't leave anyone behind and different services fluctuate from day to day from whatever. On a student-free day everyone gets a seat but if there is something particular on a particular day the last thing you want to do is leave anyone on the side of the road and that is why we would prefer someone standing in our bus and holding onto a hand grip. Our policy is we would never ever leave anyone on the side of the road.

**Mr MULDER** - No child shall be left standing on the side of the road.

**Mr DEWSBURY** - We say 'nobody'. An older lady in a regional area left on the side of the road, what type of service would do that?

**Ms RATTRAY** - Getting back to your point about community transport, Shane. I was speaking to some older members of our community at Swansea on the weekend and they told me that it was \$45 to get the community car into Hobart now. There is no way they can afford to take the community car so they will be relying on your bus.

**Mr MULDER** - Forty-five dollars isn't a bad price from Swansea to Hobart.

**Ms RATTRAY** - That is a lot of money to a pensioner.

**Mr DEWSBURY** - There is a trial going at the moment with community cars and again it is getting that message out for the people there to get the car into Swansea and then catch the bus. The only problem we are finding is the frequency of the bus because the bus gets its most passengers from bringing the kids into school so it leaves at 6 o'clock in the morning. That lady catches it and then it goes back at 4 o'clock. That is the disadvantage of it.

**Ms RATTRAY** - And also she said to me the issue was that if she gets it in and it doesn't meet the time frame for appointments so she has to stay overnight and then she has to pay another fare to come back the next day, so it is \$90 to get down and back because you can't use the one \$45 fare on the same day, you have to have two fares. It is really important that we still provide these opportunities for people.

**Mr DEWSBURY** - It could be the case that she may need to get the car in but she finds that the bus service going back the next day suits her needs and she pays a concession fare on the bus. That is what I mean, to get that information, whether it is a phone call to a coordinator and saying, 'I live at Swansea. I need to go to Hobart. I need to go to my doctor by 3 o'clock. How is the best way for me to do it?' At the moment, I know that community cars do have some coordinators in some areas but it is mostly about their product. If you start adding everything else in and someone is saying, 'Yes, we'll send a

car around to pick you up at 9 o'clock in the morning, we'll take you to the bus stop, we'll take you into Hobart and there will be another car there then to take you out to wherever you have to go'. That is just utilising what is already there. We haven't created anything. We haven't added a cost -

**Ms RATTRAY** - It is that coordination, as you said at the beginning of our other session.

**Mr LEWIS** - There is a study going on in Warrnambool in Victoria at the moment where they have layered[3.23.12 that's what it sounds like] everything out and that is what we should be doing. They found buses there that no-one knew about that owned by the local Lions, Rotary or whoever, providing these - and the buses were doing that. They have now got some federal money to look at appointing a coordinator - for two years, I think - to try to see what can be done.

**Mr VALENTINE** - If they could coordinate the ticketing system that would be even better.

**Mr LEWIS** - Yes.

**Ms RATTRAY** - There is a lot of detail when you delve down into it and unpack it.

**Mr MULDER** - I was really interested in the thousands of people you are moving from New Norfolk into the city on a daily basis and I thought with such a highly popular route I was wondering what the cost per passenger was at that rate. I had a discussion with a local member who didn't think there were that many people in New Norfolk let alone catching buses.

**Mr DEWSBURY** - When I say 'a thousand', let us say a thousand trips it could be and that means the students going and general access. We are talking trips really.

**Mr MULDER** - When you have a full bus, capital aside and just the operating cost, the cost of the driver and the cost of the -

**Mr DEWSBURY** - There are two huge costs: it is fuel and wages.

**Mr MULDER** - They are the operating costs.

**Mr LEWIS** - They are about 70 to 80 per cent of your operating costs.

**Mr MULDER** - What is that in dollar terms then for a trip for a fully laden bus obviously from New Norfolk to Hobart?

**Mr LEWIS** - How many kilometres are you talking about from New Norfolk to -

**Mr FARRELL** - It is about 36 to 40 - say, 40.

**Mr DEWSBURY** - When we designed the fare we broke it up into three categories: the fixed cost, the capital costs and the fixed payment. I would say that a fare to New Norfolk would be \$9.

**Mr LEWIS** - A fare to New Norfolk, zone 2, is \$7.20.



**Mr DEWSBURY** - It may be \$4 per passenger in the running cost. The capital cost is clearly explained in the fare because it is looked at every year with a general access. They get the quotes and they say if we average 20 000 trips a year, I will use that, and we will say that we have to pay back a loan of \$60 000 a year for the bus. Okay, it works out to \$3 per passenger just for the bus, not for the running costs or the labour. Different operators have different infrastructures, some have depots, some have terminals and some work off the side of the road, so that varies between operators. When we looked at the fares we looked at the average patronage per corridor. If an operator always fell below that average patronage the government worked out some way to close the gap, especially in the longer areas where there is low population.

**Mr LEWIS** - It was worked out that you have to have your bus 80 per cent loaded to be breaking even, above that you are making money, below that you are losing money and that is why you need the students. If you are 100 per cent loaded early in the day then you compensate for those lower loads later.

**Mr MULDER** - That then comes onto the next thing: what level of subsidy are you getting per passenger?

**Mr LEWIS** - We are getting no subsidy because it is all based on the fare and its cost to produce that -

**Mr MULDER** - So the government doesn't -

**Mr LEWIS** - There is a top-up but that is not a subsidy.

**Mr DEWSBURY** - There is a base fare that we charge and if you are a concession holder you will get 50 per cent off it, that is what you pay, the other 50 per cent is then given to us by government. If you are a child and you pay \$1.30 you will then be topped up to that base fare. So we are getting paid the same per passenger no matter if it is a student, a concession or an adult. We might put a product together that gives you discounts for the amount of rides that you do or a day ticket or whatever, so we can change the product like that, but when you talk about concession or a top-up scenario it just brings it up to the agreed base fare, which is normally the same throughout our network based on the zone system, no matter who it is.

**Mr MULDER** - So the government does not contract with you to provide that service?

**Mr DEWSBURY** - No, well, it is a contract, but it is based on a fare contract.

**Mr LEWIS** - If you cart one student or one person you get one fare, that is all you get, nothing more, whereas Metro are getting  $x$  to run that distance in the urban zone.

**CHAIR** - To run the service.

**Mr MULDER** - It's a pity you weren't sitting in the background this morning when we had people who run private buses and private ferries but they do not own any of the capital. The model they were using was a franchise, which then brings me onto whether you

would see any advantages to you basically providing a franchise service where someone else provides the capital.

**Mr DEWSBURY** - It depends on what you actually do as the service because one of the reasons we went away from a gross contract - where the government might say here is a fixed amount of money so go and provide that service - is that we believe there needed to be encouragement to lift the patronage. You provide better service to get more people onto the transport network. By having a gross contract, a set amount of money, we could not see how that would make the operator go out and try harder.

**CHAIR** - But you could have incentives built in on top of that.

**Mr DEWSBURY** - You could, but if it is only gross you would only go to that limit, you would never go out and try to exceed what you are trying to do.

**Mr MULDER** - This morning we heard that what happens is they have different contracts for different services on different routes, with different incentives in them.

**Dr GOODWIN** - And penalties.

**Mr MULDER** - And penalties for not achieving benchmarks. That is fine providing you do not have to supply also the capital equipment and the infrastructure, which is why I have been pushing what does it cost. It seems to me that they were coming up with a model that says that they were running at between 20 per cent and 40 per cent of subsidies at the rate of 60 per cent to 80 per cent on fares for operating costs. What they are saying is they were only getting 20 per cent to 40 per cent of the operating cost by way of return, the rest of it is produced as a result of a government contract. It seems to me that if we recognise that some level of government support is needed for a valuable service -

**Mr DEWSBURY** - They all do.

**Mr MULDER** - Is that a better model than having individual operators running completely different systems and trying to dovetail? I wouldn't expect a yes.

**Mr DEWSBURY** - Nearly every transport mode needs some sort of input by government bucks.

**Mr MULDER** - It is accepted that there is a community service obligation and none of these services would be stand-alone and able to be run by private enterprise. We are looking at which is the best model of running this. Here we have a hybrid one, private plus public and argument about who should go where and no crossovers, which is one of the issues you have raised, but it seems to me that if government owned the whole thing and simply paid franchised operators to run it, you would get your operating expertise rather than your capital.

**Mr DEWSBURY** - So you're buying a service rather than the operation? I'm not sure if there have been examples where that outcome has been the better one.

**Mr LEWIS** - The other two states doing it are Western Australia and South Australia.

**Mr MULDER** - You might just go and have a look at the transcripts as to what was said this morning.

**CHAIR** - Are they doing it in rural areas as well?

**Mr DEWSBURY** - No.

**CHAIR** - Just urban - and that's the difference, I think.

**Mr DEWSBURY** - That's where you get into the rural areas where you have an operator who lives there and so forth.

**Mr LEWIS** - I think that's our biggest problem - we don't have that critical mass of people to do what you are talking of there. We have a decentralised population and I think it's going to get bigger. I think us baby boomers are going to end up further out than we are now.

**Mr MULDER** - We all talk about incentives but, as I keep reminding people, you also need disincentives. If you're going to change behaviour you need push factors and pull factors and if we don't talk about both of them we will never get anywhere.

I was interested to hear you talk about the integration with the school buses because, as someone who is often on the roads at peak hour - usually walking, I might say - you find that the traffic flows amazingly well during the school holidays. If you have a look at this Friday compared to last Friday, the fact is that for some reason there are tons of parents running their kids from the outer suburbs into schools. It seems to me that if perhaps we got those kids onto buses, which means we need a bus service that isn't centred on the city so much but rather on the schools and drops off ordinary people on the way through, that might be a way of encouraging people onto buses and freeing up our roads a bit.

**Mr LEWIS** - There is another thing to that. Some parents don't want their child travelling on buses with adults, and some don't want their children travelling with others, which comes back to this point that they are seven times safer on a bus.

**Mr DEWSBURY** - Your point is a valid one and when you think about all the schools around the suburbs, there is a lot of schools. If you take a particular corridor you might find that on your bus there may be 15 different schools you are servicing. To get the bus around those 15 schools by the time they all go in at certain times, it is important that we can bring them in, then they can get onto the buses that go directly to those schools. But how do we get that information across to the parents? They might say, 'I want to go to a school down at Sandy Bay but your bus only goes to the city'. Then we need to say, 'But do you know that there is a Metro bus' - we might get in at 8.05 a.m. and the Metro bus leaves at 8.10 a.m. and then they go -

**Mr LEWIS** - One of the things we are finding now, for example, is that people move from the Sandy Bay area to the southern midlands and they still want their children to go to school in Sandy Bay, so we have to get them all the way through.

**Mr MULDER** - That is fine if they are prepared to pay for it.

**Mr LEWIS** - But we are coming back to the integration. If we had a better integration of it that would happen more smoothly than it does now.

**Mr MULDER** - This is where I talk about disincentives coming in.

**CHAIR** - Gentlemen, thank you both very much indeed.

**Mr LEWIS** - I did have one more point to do with the northern corridor and the light rail. Again, we see that as maybe in the interim of BRT -

**CHAIR** - The corridor?

**Mr LEWIS** - Yes. It can be integrated both ways, morning and night. Our national body have just been on a study tour to North America and in Cleveland they have recently taken an old railway line and made it into a BRT -

**CHAIR** - Yes.

**Mr LEWIS** - for the same purpose of looking at what we are looking at here. Again it comes back to the fact that we want to move people and I think buses are still going to be a very integral part of it all and we shouldn't dismiss them.

**CHAIR** - No, you are absolutely right. I suppose the northern suburbs light rail people have been looking at using that as a spine and then instead of all the other buses running alongside it, buses can come to it and feed it, which might mean we get more short trip buses into areas they currently do not go to, but again we are talking urban here.

**Mr DEWSBURY** - That's right, and we're talking about one little particular corridor when we have so many areas that are disadvantaged with transport options right across southern Tasmania. If you've got infrastructure that is already there, like buses and maybe a corridor, it's hard to explain how we utilise it for best value for the dollar and service the rest of the community, not only that little stretch of road.

**CHAIR** - We have asked the question and not had an answer about how much it would cost to actually turn that rail corridor into a rapid transit, because you would have to concrete the whole corridor obviously and there is significant cost in that as well I think. Then you still get the issue, which a train would have too, of level crossings.

**Mr LEWIS** - Yes, but you've got no capital costs -

**Ms RATTRAY** - And there are 23 of them.

**Mr LEWIS** - because we've already got the buses.

**CHAIR** - The capital cost would in transforming -

**Mr LEWIS** - That's right, which you're going to have to find anyway.

**CHAIR** - Probably, yes.

**Mr LEWIS** - Because it's got to be upgraded.

**CHAIR** - That is right, yes. Thank you both so much. You have contributed very usefully to the discussion so thanks for coming in and thanks for your submissions.

**THE WITNESSES WITHDREW.**

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

**CHAIR** - Welcome to the public hearing. All the evidence taken at this hearing is protected by parliamentary privilege but I remind you that any comments you make outside of the hearing may not be afforded such privilege. Have you looked at the information for witnesses which is there in front of you?

**Mr DAY** - Previously.

**CHAIR** - The evidence you present is being recorded and the *Hansard* version will be published on the committee website when it becomes available along with all the other presentations. Will you please tell the committee your field of interest and expertise.

**Mr DAY** - My submission was as a member of the public with interest in public transport due to my preferred career and employment path in the past, which has been as a resource manager and a scheduler. I worked with Metro for 20 years. I started as a driver and progressed into the administration side of it, working on the drivers' duty schedules, rosters, planning services and identifying costs and savings for big vehicles and vehicle usage.

**CHAIR** - I didn't realise that from your submission. It's good to know that because you obviously are talking about your experience in Metro. You make some comments about route changes and so forth in the past, and the fact that you have been in the field gives that a whole lot of credibility.

**Mr DAY** - Yes, basically an interest due to my previous occupation.

**CHAIR** - Probably your main contention is that we need a complete overhaul of all the Hobart bus services.

**Mr DAY** - That is a fair statement, mainly because what has been done in the past has been very ad hoc. If you want something truly integrated, it probably has to go even beyond Metro. I think you should include O'Driscoll coaches that do New Norfolk, for instance.

**CHAIR** - We have just had the TasBus operators here.

**Mr DAY** - Obviously they have their particular areas that they do, and do well, but the ticketing system that O'Driscoll's has is different from Metro so people can't even get a through ticket from New Norfolk to Eastlands. So you have to look at the whole picture. Where do you draw the line, as in the metropolitan area? Do you call New Norfolk and Brighton the limit? How far do you go? The population is, as Peter just said, very dispersed and not very centralised.

**Ms RATTRAY** - I think we heard from the previous witnesses that 90 per cent of the urban fringe bus services are provided by private operators and only 10 per cent by Metro so it is a significant amount.

**Mr DAY** - But if you wanted to integrate it all into one, I think it would have to be looked at as a great big picture.

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

**Mr DAY** - I haven't had much time to do it but I have a map of the metropolitan area here. I have only worked on the northern suburbs, only because the eastern shore has been looked at in the last few years. I don't like 'bowls of spaghetti' where buses are going here, there and everywhere, so I have tried to straighten them out as far as the road network allows.

So basically for the northern suburbs, heavier buses from Bridgewater and Brighton. Say the Brighton one will come down the Brooker to Claremont, then service a bit of Claremont and then have a fairly quick trip down. The one from Bridgewater/Gagebrook comes down the main road to Austins Ferry, servicing all stops and then be limited stop or express for the rest of the way. From areas south of that you have this one route that divides into two alternate peaks through Austins Ferry and that will go down the main road to Glenorchy and then we might have a quick trip also. The nearer you get to Glenorchy and the city, the more the buses go down the main New Town Road corridor. With the buses that are further away, to give them a quicker trip down there, it would be express from Glenorchy or points further north.

We have a local service through Claremont, it just does the higher part of Abbottsfield to Claremont, and you have a service from Cadbury through Allunga Road, Marys Hope Road and then Main Road, just trying to iron it out. This one here starts at Rosetta. This can actually pick up all stops on the Brooker Highway because it underutilises the corridor.

Then you have buses from Hobart, Lenah Valley, going a couple of different ways. I have an idea that these ones can continue some trips in the morning peaks so people don't have to transfer, so you have two routes linked together into one. When buses arrive in Hobart, they don't just stop there and turn around. They actually advertise the schedule to go to beyond.

**CHAIR** - To the university or the eastern shore or whatever.

**Mr DAY** - Obviously to get to the southern suburbs you have to go through Hobart anyway. It is a bit of a different picture if you want to go from the northern suburbs to the eastern shore. There could be a debate of a bus avoiding the city and just going over the Domain highway, the Tasman Bridge or even the Bowen Bridge as a quicker trip rather than going straight across there, rather than going down to Hobart and out again. There are those possibilities but you are probably restricted with population densities and bus numbers.

**CHAIR** - I notice that certainly coming down Elwick Road, say, from about 4.30 or thereabouts. Most of the traffic goes down Elwick Road and then goes across the Bowen Bridge rather than going into the city, so there is obviously a fair degree of interchange between the eastern shore and the western shore. It doesn't affect the city at all but is actually going through the northern suburbs through to eastern suburbs.

**Mr DAY** - If you look at these and compare them with the current route services, they do a lot less, so people in most areas get a quicker trip to where they are going. For example,

people in Central Avenue, Moonah, today have to get on a bus going in the opposition direction to Hobart and wind their way through Lutana, but now I have a direct line.

**Mr VALENTINE** - With your work at Metro years ago, I used to work with them, too, in the IT area, and Dave Tardy used to do all the scheduling.

**Mr DAY** - Yes, he did.

**Mr VALENTINE** - Have you looked at the origins and destinations in terms of across-suburb travel to see whether or not there is viability in some of these things?

**Mr DAY** - We have to some degree. I can't remember the source of it but I have read something that gave origins and destinations and there were a surprising number of trips going from north to east and even down to Kingston.

**Mr VALENTINE** - Which backs up your idea of the direct route rather than through the city?

**Mr DAY** - Yes. I haven't got the actual numbers on me now.

**Mr VALENTINE** - What about the eastern shore to, say, Kingborough way?

**Mr DAY** - Yes, there is movement there too. I think there are a lot of people in the Lindisfarne/Geilston Bay area who would certainly find a Sandy Bay/university link very handy. The university is a major attractor and Eastlands is as well. Kingston, with all the activity going on down there, is a big growing area, too, and I think it needs direct links to other places in the city.

**Mr VALENTINE** - Mind you, the university is moving into the city more and more these days so I suppose that is taking some of that traffic away and the need to travel down there.

**Mr DAY** - As I say, this is just an idea and it has to be all done with the eastern shore and with the southern suburbs and with the private companies that service the metropolitan area.

**CHAIR** - Everybody has said to us that systems have to be integrated. They have to be fast, frequent and integrated. One of the suggestions has been that, rather than have Metro as a GBE, the state government might have a transport authority in the same way as they do in Western Australia and South Australia, for instance, and then franchise out or contract out all the services and not run a service itself as a GBE. That that might provide a bit more incentive and level playing field for a whole lot of operators. Have you an opinion on that?

**Mr DAY** - Yes. I think that works interstate and also I understand that most other states have a separate government body to do the service planning.

**CHAIR** - Yes.

**Mr DAY** - Metro doing it; is it more like having the child in charge of the candy shop?



*Laughter.*

**CHAIR** - That is right and this state authority would have, as you say, the service planning and then tenders out service contracts.

**Mr DAY** - Let them decide what is required and -

**CHAIR** - Yes, people tender for that and then have to provide that service as contracted, with incentives or penalties if they do or don't perform.

**Mr DAY** - I certainly agree with that.

**CHAIR** - The suggestion has been that there are significant cost savings to be made by doing that because you haven't got the government actually operating service. You have private contractors who possibly have more incentive for providing, firstly, a good service because they are in competition with others, and, secondly, a cost-effective service.

**Mr DAY** - I know from experience, and they would probably deny it, but the Metro drivers are actually paid considerably more than maybe Shane's drivers or other private company drivers, so if they are on a higher hourly rate that is going to increase the cost. If everyone was on a standard rate that would be a cost saving.

**Dr GOODWIN** - You talked about efficiency and faster routes being more attractive for customers. Are there any other barriers that you see which could explain the low usage of public transport in Tasmania?

**Mr DAY** - Yes, there are a couple of things. One is the information available. I think I've got reasonable intelligence, but it took a fair while to learn the timetables and routes with the information provided when I came here from South Australia in 1991. It is confusing both for the passenger and the person who is not normally a public transport passenger. They find it very confronting and hard to understand. It needs to be simplified a lot, both in the structure of the timetable, the layout and the information provided to make sure that it is as simple as possible and easy to read. For example, in Kingston they have introduced a new timetable format where you have a column that has the hour and you go to the next column for the minutes. That tells you that at 1 o'clock and 15 in the next column, the bus is due at 1.15. A lot of people have trouble reading that format. The timetables and information provided need to be improved a lot.

The other factor is the cost. Compared to some other cities is a bit expensive, especially for a family. In Sydney you can get a \$10 all-day ticket on the weekends. Here, if I take my two boys and my wife on hour and a half tickets it might cost \$6 or \$7 - just for the one trip.

**Ms RATTRAY** - So you would get the car out for that?

**Mr DAY** - Exactly. It is probably cheaper for most people in Hobart with more than two or three people to use their car rather than a bus.

**CHAIR** - If people did trips only where they had two or three or more people in the car we would not be so worried about that. The biggest issue is the number of single-passenger vehicles.

**Dr GOODWIN** - When Metro gets its smartphone app going you will type in, 'I want to get from Hobart to Eastlands, how do I get there?' and it will tell you which bus you need to catch at what time. I hope that is what it will do. Do you think that might help?

**Mr DAY** - I hope so. They have the thing set up for the Burnie services at the moment. I did have a look at that, but I couldn't work out why it got me there an hour before I wanted to be there. The buses are every hour there, so I couldn't work it out. Maybe it was being conservative with the time I had to get off the bus and walk towards where I was going. Hopefully that will be a useful tool, but I am yet to be convinced with the one I've seen in Burnie.

**Dr GOODWIN** - It will not integrate with the private operators; it is purely Metro.

**CHAIR** - Unless it is integrated it does not serve a great deal of purpose.

**Mr DAY** - It is a good idea on the face of it, but it needs a bit more work and a bit more across the board usage.

**CHAIR** - You said that you thought the introduction of the Green Card had missed part of the possible advantages by not implementing the 'tag-on tag-off' system. Why do you think that?

**Mr DAY** - I had a recent visit to Canberra and people flash their card when they get on and off and it tells me exactly how many people I have on the bus at any one time. The Green Card can tell you how many people board at a particular stop, but it doesn't tell you where they get off. Unless you visually look at the bus to see how many people are on it, it is just guesswork.

**CHAIR** - Yes, and if you are do that then your route planning and your trip planning should be a lot easier if you had accurate information about that.

**Mr DAY** - The best thing about the Green Card system while I was still working there is that they have data in relation to GPS. You could tell exactly where the bus was at a particular point and how long it took to get from A to B. That was useful because you go through data for various services on various days of the week, and over several weeks you get a pattern. Then you can work out the average time it takes to get from A to B and that is very useful when you are scheduling the timetable.

I used that data a lot while I was reviewing the Burnie services. It was an interesting case because we did a complete overhaul of the Burnie services. In the end it was not accepted because of the higher roster costs. Although we used the same number of buses, the costs were higher because the buses were on the road for longer it created more penalties. In the end, we analysed the data and then identified which services were running late that needed attention, and we amended the timetables that way, based on the Green Card information. I understand that Burnie system is now working quite well. They have the problems with a fairly low population base and, apart from Hellyer

College in the Shorewell area, it is very hard to get the numbers up in the public transport because it is easier for people to jump in a car and travel five minutes down the road you are in the city.

**Mr MULDER** - It seems to me that we keep getting mixed up between mass transit and public transport and I think the two have slightly different objectives. Public transport is about moving people from here to there and includes door-stoppers and those convoluted routes through the backs of the suburbs to pick up one or two passengers. At the same time, we also talk about mass transit which is about getting the maximum number of people down a corridor. Unless we work out what it is that Metro is, we are going to continue to get this conflict between efficient mass transport versus effective public transport.

**Mr DAY** - Metro tries to be both.

**Mr MULDER** - That is what I wanted to hear. The committee has wandered off a number of times into, 'how does Mrs Jones, with a walking frame, get to the bus station?' which is a public transport issue. Whereas, we also have to talk about the other thing.

**CHAIR** - There are two different issues, you are quite right.

**Mr MULDER** - It is good to see that comes out of it. In terms of the mass transit system: I have spent some time living in cities like Melbourne and Sydney and, although their timetables are up there, the average commuter would go to the railway station and they were interested in the frequency of the service. The fact that it was not at bus stop 27 at 11.15, did not matter because you knew that there was a bus or a train running down that service every five or 20 minutes. If we are talking about scheduling and we are focussed on mass transit, the way you will get people on there is if there is a regular service. You know that if I get here, within 20 minutes I am going to get picked up. If I am on this route, I am going to get picked up within 10 minutes or five minutes.

**Mr DAY** - Without a timetable, it would be great and they could just turn up.

**Mr MULDER** - Have your timetable, by all means, but it is more about frequency than it is about timing.

**Mr DAY** - The problems with the door-stoppers is that for the number of passengers carried it is a very high cost.

**Mr MULDER** - We all get the requests saying, couldn't we make this a bus stop by exception? If someone phones up and says, can you come this way today? It seems to me that is, once again, getting confused between public transport and mass transit.

**Mr DAY** - People expect the bus service to operate as a taxi service at bus-service prices. There are other things like community transport and other organisations that run people around who have mobility problems and we have to separate this from the main public transport.

**Mr MULDER** - From your days of scheduling and administration, what was the cost per passenger or per journey - the operating costs?

**Mr DAY** - Sorry, I cannot recall that now.

**Mr MULDER** - That is all right. We would only have received the eighteenth different answer that question anyway.

**Mr FARRELL** - I have a letter here and I wondered what this was about. We have covered most of these issues, like the difficulty with the complex and unclear timetables. He says, 'An explanation of satellite time would be helpful as customers querying Metro's customer service are told that Metro is on satellite time', an answer that does not address the complaint for them.

**Mr MULDER** - They're in orbit.

**Mr DAY** - Does that mean the bus is really a satellite as a GPS? Is that what that means?

**Mr FARRELL** - I don't know. They are just told that and they don't know what it means. That is the reply that comes back from Metro: 'Well, I'm afraid you've missed the bus because it's on satellite time.'

**Mr DAY** - Again, that is the lack of information for the public, isn't it?

**Mr FARRELL** - Yes.

**Mr DAY** - Their response needs to be improved.

**Mr MULDER** - I think Craig is hoping you can enlighten him as to what satellite time is.

**Mr DAY** - I haven't heard that one.

**Mr FARRELL** - It's a good one. I'm going to use it for my replies.

**Mr MULDER** - It means the bus is actually off the route a little and it's in orbit.

**Mr DAY** - In other words they don't know where the bus is, yes. It is in the twilight zone.

**Mr VALENTINE** - I think it's about when the bus leaves rather than when the bus arrives at its destination or something like that.

**Mr DAY** - Just on that point, from my experience it seems that the bus drivers in Hobart, while they are a friendly, good bunch, they don't seem to be able to maintain a schedule as well as interstate counterparts as in early running. They won't slow down and keep to the time points and of course it is better for a person to wait an extra couple of minutes than to miss the bus.

**CHAIR** - Yes.

**Mr DAY** - My view is the bus should never run early. The time points on the timetable should be adhered to.

**CHAIR** - Yes, that's right.

**Mr DAY** - I've seen various instances in Hobart where that hasn't been the case.

**Ms RATTRAY** - As soon as there is no-one there - whssssh.

**Mr DAY** - Yes.

**CHAIR** - In the same sense that interstate there are contracts let with service delivery KPIs, does Metro have that kind of requirement from the government or not? Because if they ran early or if they did not run to their schedule, they would get penalised for that because that would be written into the service contract that you have to be on time for x per cent of the time or you pay penalties.

**Mr DAY** - That's a good point. It might be that I don't believe there are any inspectors on the road, it is just a matter of not enforcing it. It's the old story - people get away with things until they are caught.

**Dr GOODWIN** - We need to have more of those mystery shoppers. What are they called? The bus transport version of them?

**CHAIR** - Phantom.

**Dr GOODWIN** - Phantom passengers.

**Mr MULDER** - No but seriously today with radio frequency devices and things like that it would be quite easy to simply have them scheduled and you could go on a website and see where your bus was.

**Mr DAY** - We could get the information after an event. Because information doesn't come through live you have to wait for the bus to get back in the depot and the information is downloaded and someone can look at the next day. But it is probably going to be a full time job for someone just to go through all the information.

**Mr VALENTINE** - In other places they do have displays that say when the bus is going to arrive based on that GPS idea. It is an expensive exercise.

**Mr MULDER** - You could do it on a phone, a smart phone.

**Mr VALENTINE** - Yes, an app, yes.

**Mr MULDER** - They just have to have the GPS on the bus and you go into your phone, your app, 'What bus do you want?' -

**Mr VALENTINE** - 'What bus number do you want?'

**Mr MULDER** - 685, I'm on 685, oh hang on, you have just missed it or it is 10 minutes up the road.

**CHAIR** - Do CityCats do that, what you are saying? They know where every CityCat is at any given point in time? Just through the GPS and -

**Mr VALENTINE** - Even the bus stop displays, electronic displays in the main places or in the mall and other places.

**CHAIR** - But if the bus comes early and leaves early -

**Mr VALENTINE** - No, it actually takes account of that. It actually says the bus will arrive at such and such.

**CHAIR** - But you mightn't be there. If you know the bus is going to go at five past you might aim to get there at four past and the thing has gone.

**Mr VALENTINE** - Oh, no, I understand what you are saying.

**Mr MULDER** - This is contributing. Madam Chair, this is contributing.

**CHAIR** - Sorry.

**Mr VALENTINE** - No, I understand what you are saying.

**Mr DAY** - From what I said earlier -

**Mr VALENTINE** - Early running, yes, you are right.

**Mr DAY** - In Adelaide on the parade I had these electronic ones and it would adjust so if the bus was due there at five past but it was running late it would adjust the time on the front -

**Mr VALENTINE** - That's right. I'm talking about late runs, not early runs. You're talking about early runs.

**CHAIR** - Yes, late runs, not early.

**Mr MULDER** - 'The next bus is due to leave at...' like you see on the railway stations.

**CHAIR** - Yes, that's right.

**Mr MULDER** - Well, your next train is due to leave, it's a railway station of course.

**CHAIR** - Are we all done with questions? Thanks, John. It's very good of you to be continuing to take that interest and want to continue to contribute to the public transport system.

**Mr DAY** - I'd love to see a system that's more user-friendly and we can get the people on the buses that we think should be on there. Unfortunately, because I got a redundancy at Metro I am no longer involved in that but it's still an interest and I would like to see especially across suburban travel, like in Adelaide you can go from the northern suburbs

to the southern suburbs, just go on the same bus. Probably more to the extent before it was privatised under different companies.

**Ms RATTRAY** - Do you think that has changed a little bit? Have you noticed that there has been a change from when it was in public ownership to now that it's in private service delivery?

**Mr DAY** - Because they isolate the different regions and they allocated it on that basis, the particular company and depot would do a certain area, and if that didn't coincide with the through-linking that has previously happened before, the bus will finish in Adelaide, would turn around and go back to the same area, whilst before it was all under the South Australian government. They could go from Mitcham in the south to Blair Athol in the north as the same service. Once it was split up you had a lot more buses finish in the city so they had to go in the city, find somewhere to turn around or even lay over for a few minutes and then the bus would be emptying as it goes down and then filling up gradually, while buses that go through the city can have the people staying on, get more people as it comes to the city and so you won't have that empty bus, you will always have some on the bus going through. That's what could be advantageous with this Tolosa Street one I have marked. If it comes up via Hobart, via Lenah Valley Road, Kalang Avenue to Glenorchy and then continues on the Main Road down, people in Tolosa Street can get on to go to Glenorchy, Moonah or the city and people from Lenah Valley can go on to Glenorchy or Moonah, so it creates more options and the bus is being utilised.

**CHAIR** - John, what can we do about people who work out-of-normal hours, for instance, nurses who start at the hospital at 6 a.m. or something, shift workers?

**Mr DAY** - That's a good point.

**CHAIR** - There are all sorts of people, there are nurses, there are cleaners, there are all sorts of people and we don't cater for them. How do we cater for them?

**Mr DAY** - The short answer is you have a core number of services that run late at night and early in the morning on the main corridors only, no side streets, it would have to be Main Road, Sandy Bay Road, East Derwent Highway and a couple of others, just to get them to the city.

**Ms RATTRAY** - Or somewhere closer to home.

**CHAIR** - If you live in Lenah Valley, what are you going to do?

**Mr DAY** - That's it.

**CHAIR** - It's again that issue, as Tony said, between mass transit and public transport. They are two very different things in a way, aren't they?

**Mr DAY** - To cater for all the shift workers at the Royal or anyone else like that, you would have to have services earlier in the morning. I think the first one gets to town about 7 o'clock, but that's too late.

**CHAIR** - We are really saying to those people, 'The only choice you have really is to drive in and park your car in the city'.

**Dr GOODWIN** - Or cycle in or walk in.

**Mr MULDER** - Or relocate the hospital out to the northern suburbs where they can park their cars.

**CHAIR** - Well, we tried that.

**Mr DAY** - That can work.

**Mr MULDER** - I have one other thing. We all understand the benefits of public transport in reduced traffic congestion, reduced flow and the cost and things like that of having people travel that way. From your experience, what would be the impact if we trialled Free Rider for six or seven months just to see whether it is actually the cost that is the factor? Because if it's not then the fares aren't really relevant and we could perhaps try to recover a few more costs and put on a few more services. Has that ever been considered? Has it been tried elsewhere and has it been studied and what are the results?

**Mr DAY** - As far as whether it's been tried, I believe it was last year or the year before we had a fare-free weekend in Hobart. It coincided with the Wooden Boat Festival.

**Mr MULDER** - We do the same thing with the football at Bellerive Oval - I don't know where that Blundstone one is - but Bellerive Oval.

**Dr GOODWIN** - I am training myself to say 'Blundstone'.

**CHAIR** - Well, don't because it's temporary.

**Mr MULDER** - We do it for sports days and weekends, but once again we're talking about the commuter traffic, aren't we. When we're talking about mass transit you're talking about commuters at peak-hour traffic, so I am just wondering whether if you put on a free service there and trialled that -

**Mr DAY** - It's going to have some effect. I still think the parking in Hobart City area is very cheap compared to interstate.

**Dr GOODWIN** - You made that point in your submission.

**Mr VALENTINE** - It's the tension between providing the car parking and keeping the retailers happy, that's what it is.

**Mr MULDER** - That becomes the question of do you want -

**CHAIR** - What do you do about nurses who start at 6 o'clock in the hospital if there is no other form of transport?

**Mr DAY** - You could tell them to change their shift.



**Mr MULDER** - It's an intractable problem, but it's the same debate as we had before about the school kids. They are a special client and there has to be a critical mass of them to justify public subsidisation of their travel costs, but I am talking now about the commuters, the peak-hour-type stuff, how we get them onto the buses and whether that would be worthy of a trial, and of course the thing is that we need to make parking a disincentive to commuters, not to the general shopping public but to the commuters. If you made it, say, that you weren't allowed to park on the Domain before 10 a.m. you could then have free bus services and it would be interesting to see what the take-up would be if you forced them to pay for parking if they still wanted to drive their car in when there is basically a free service on the other side. I'd just like to explore whether you think that would work in increasing patronage numbers.

**Mr DAY** - Only if you've got quicker, more direct routes than we have now. To get from Bridgewater-Gagebrook to Hobart on the bus takes an hour and a quarter and it might take only 20 minutes in the car.

**Mr MULDER** - Mass transit, for example, doesn't stop at every dinky bus stop, it stops at a few key locations.

**Mr DAY** - Yes, and that was my whole idea here, to have the longer distance ones service less stops after it gets out of the outer suburbs.

**Mr MULDER** - The inquiry isn't really about public buses per se but it would be an interesting area to explore. If you want to increase mass transit then we need to come up with some disincentives as well as incentives for people to jump on buses at peak times.

**Mr VALENTINE** - The only thing is you would still only get those people who park on the Domain and in suburbs but you wouldn't get the commuter parkers.

**CHAIR** - Who pay for parking.

**Mr VALENTINE** - Who pay for parking because they don't want to waste their money on keeping a park open for a month.

**Mr MULDER** - London to a brick it would drive the price of those parks up.

**Mr DAY** - I think maybe part of the consideration apart from having more direct and quicker routes would be bus lanes - bus lanes down the Brooker. Discussing the light rail thing along the corridor, to me it goes through a lot of unpopulated areas. Apart from the Botanical Gardens and the industrial areas I don't think it does much until it gets to Glenorchy and further, so I think cost-effective-wise a bus lane down the Brooker would speed things up equivalent to a light rail down the corridor.

**Mr VALENTINE** - Unless you developed housing along the corridor which is, of course, what would need to happen.

**CHAIR** - It always is a chicken-and-egg situation. If there were a bus or train there that would encourage development along that line.

**Mr FARRELL** - That is where you have your integrated systems so you have all the buses into Granton and they hop on the train and they shoot straight into Hobart.

**Mr DAY** - It would have to be quick for them to do that otherwise they won't bother transferring.

**Mr MULDER** - The Chinese model is to build all the infrastructure first and then let people decide whether they want to live there or not.

**Mr DAY** - Just like new subdivisions as well - Glebe Hill, for example - do you put a service in before the people are there or do you wait until the population is there so you get a few people on the bus? Tolmans Hill, because there is only one road in and one road out, is an absolute nightmare because you have to double up. You have to go in Woodcutters Lane or whatever it's called and then come down the same way, so town planning has a part to play as well in making the streets public transport-friendly.

**CHAIR** - And not just the streets but actually planning your cities so that you don't extend your infrastructure needs beyond what is a good idea. I think the government is trying to address that through the Tasmanian planning scheme and regional planning schemes.

**Mr VALENTINE** - People have to walk to bus stops at night in darkly-lit streets.

**Mr DAY** - From a statistic I read, the population of Hong Kong, which is millions, is in the same area as Hobart. It is just amazing, the high density -

**Ms RATTRAY** - It's hard to comprehend, isn't it?

**CHAIR** - You probably wouldn't enjoy living there either but there's a happy medium somewhere.

**Ms RATTRAY** - It's too hot for me.

**Mr DAY** - Can I just say one more thing about the high-frequency corridor? I did mention that in my submission. They amended the timetables for the X1 Bridgewater and 42 Ten Mile Hill services. This is advertised on our website as high frequency - Main Road, Moonah, Glenorchy - and you have instances where there are 15 to 20 minute spacings between services because they have changed one timetable and not the rest. For example, you have a 4.25 p.m. from Glenorchy into Hobart and the 42 that used to go at 4.35 has been given more running time and now leaves at 4.48. So you have a 4.25, a 4.45 and a 4.48 - you have a 20-minute gap and then two buses in three minutes. To me, that is not good for the passengers.

**Mr MULDER** - That's that frequency issue, isn't it?

**Mr DAY** - Yes, it's not good for passengers and also encourages bunching. The second bus here would have a very light and quick run in and it would just mean a bigger gap when the next bus comes along, so that is not a good example of a timetable.

**CHAIR** - That is obviously since you -

**Mr DAY** - Yes, I was still there but my position had been changed so someone else had that responsibility.

**Mr MULDER** - John, have you had the 'All is forgiven, please come back' call yet?

**Mr DAY** - No, I haven't unfortunately.

*Laughter.*

**Mr VALENTINE** - It makes you wonder. They don't have too many schedules, do they?

**Mr DAY** - They just had another one start that has come from New South Wales and my manager, when I left, was also from New South Wales, so they obviously have a lot of experience there but probably not much local knowledge.

**Mr VALENTINE** - I reckon their local knowledge would be a bit wonky somewhere along the line maybe.

**Ms RATTRAY** - It's not that easy to impose.

**CHAIR** - Thank you very much. As I say, all your contribution will be on *Hansard* and we look forward to being able to say something useful at the end of this inquiry.

**Mr DAY** - Would you like me to hold onto this or would you like this as part of the evidence?

**Ms RATTRAY** - No, I think hang on to it. Do we need it as a committee?

**Mr MULDER** - I'd be interested to have a look at it.

**CHAIR** - Yes, thank you very much. We'll copy it then and send it back to John so he can have his original.

**Mr DAY** - Thank you for the opportunity.

**THE WITNESS WITHDREW.**