

Submission to

**Inquiry into the provisions of the:
Exercise Tariff Amendment (Fuel Indexation) Bill 2014
Customs Tariff Amendment (Fuel Indexation) Bill 2014
Fuel Indexation (Road Funding) Bill 2014
Fuel Indexation (Road Funding) Special Account Bill 2014**

By: Cole Hendrigan

Saturday, 21 June 2014

Fuel Indexation:

While perfectly political to offer reduced taxes to the public, it is ultimately false economy. Ideally, people may apply their wages to those parts of the economy they value rather than ‘pork-barrelled’, over-engineered infrastructure as promoted by opaque bureaucracies. This resentment to paying taxes can be understood if the scenario outlined above were the truth. However, most western democracies have a legal process and an educational development which rewards merit; as such most of the bureaucracies do employ, and have consulting services of, many of the best and brightest their countries may produce. These ‘service providers’ advise their political leaders on dollars required on long-ranges programs of infrastructure renewal and capacity increases to keep pace with growth. Yet, sometimes the dollars don’t appear due to reduction in revenue. Without the dollars, the infrastructure programs fall behind. Which is fine were it not that our population is growing and our economy is expanding. To maintain liveability, mobility, accessibility and robust communities we need to raise taxes from users of values and hard to replace commodities – such as right-of-way space – so that their continuance as a transport corridor may be maintained, enhanced and with capacity expansion as required due to population and economy growth.

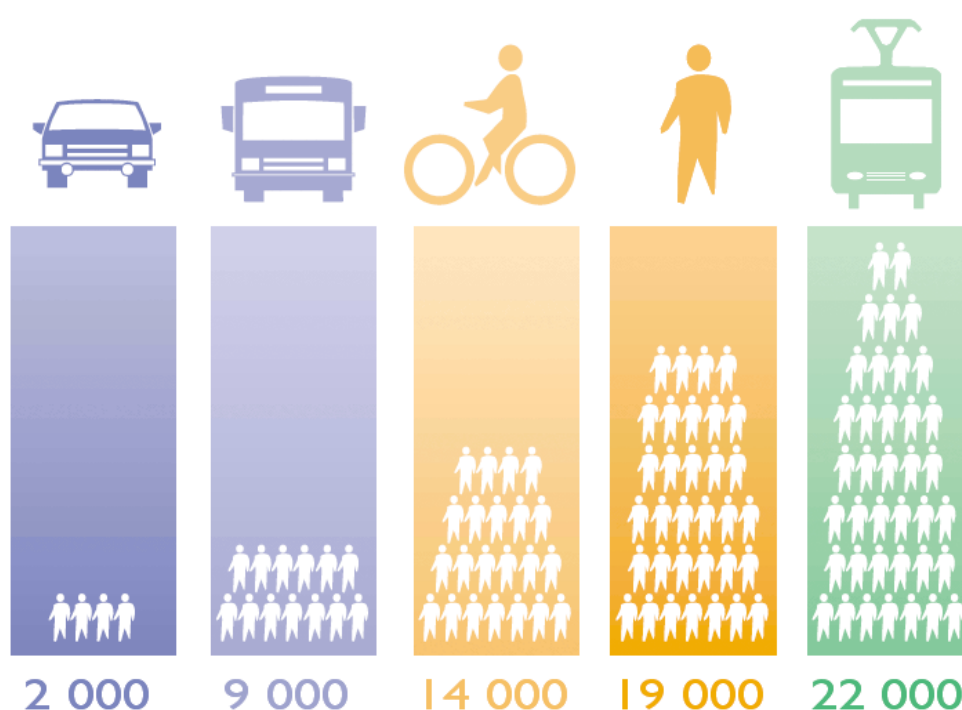
An investment in high-capacity transport modes is an investment in the real economy. Fuel Indexation is one key means to achieve the low and slow tax revenue to support our cities’ multi-modal transport needs.

Road Funding:

Road funding is a necessary part of the Australian economic strategy. Due the extreme dispersal of the urban and regional (rural) jobs and housing based on private automobile access, Australia will have to maintain a high-capacity road network which links imports and exports, jobs and housing. However, by far and away the best means to leverage land uses *inside the urban fabric*, and to support the highest and best use of the land base, it is better to fund high-capacity public transport. For almost equal capital dollars on far less right-of-way, 10 to 20 times more people may travel on the same corridor via high capacity public transport such as light rail or medium rail options. The typical throughput of an automobile highway is approximately 2,000 persons per hour while at the same speed the optimised throughput of a rail-based transport mode may move 22,000 persons per hour. See Images supporting the notions of ‘capacity’ below.

Ongoing operational funds may be higher for rail than for highway, especially given the labour required to operate the network as well as to maintain and replace the rolling-stock. However if all the cost of highway automobile travel were more thoroughly counted, including the costs of air pollution, time spent driving and not being productive, the health care costs of car accidents and deaths, the enormous land-take for car parking requirements and the loss of land values (eroded tax-base) adjacent to highways one could begin to see that highways and roads are indeed a very costly enterprise.

Person Capacity per Lane-Equivalent



Number of people crossing a 3.5-meter-wide space in an urban environment during a one-hour period.

Source: *Ticket to the future: 3 Stops to Sustainable Mobility*. UITP, International Association of Public Transport, Brussels, 2003, based on Botma & Pependrecht, *Traffic operation of bicycle traffic*, TU Delft, 1991.

Figure 1 Right-of-Way Capacity, illustrated



Figure 2 Right-of-Way Capacity from Munster, Germany. Car, Bus, Bicycle

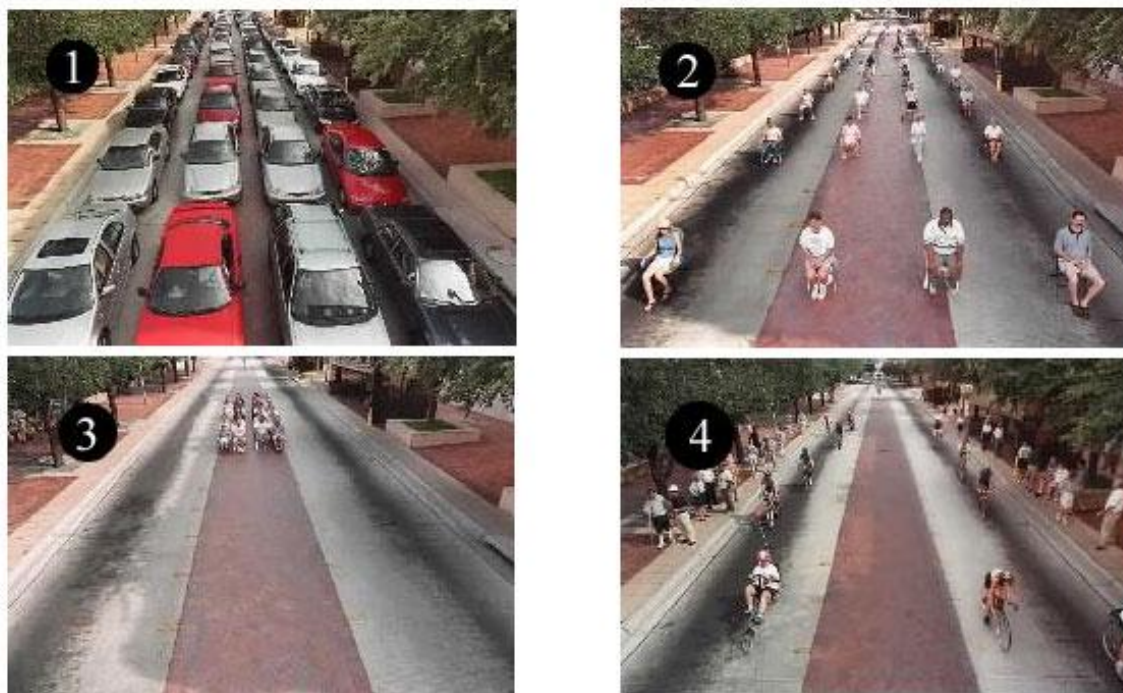


Figure 3 Right-of-Way Capacity from Tampa, Florida, USA. Car, Car, Bus, Bicycle

Thank you for your time and I do hope the information provided may spark more questions from the senators towards the true costs of not indexing fuel taxes and supporting road more than rail projects in urban areas.

Cole Hendrigan, PhD Candidate in Urban Land Use and Transportation Futures