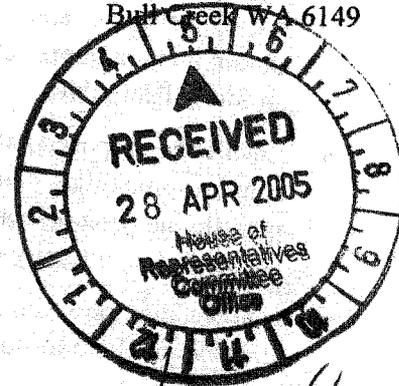


**Sustainable  
Transport**  
Coalition WA

PO Box 272  
Bull Creek WA 6149

26 April 2005

Dr Mal Washer MP  
Chair, Standing Committee on Environment and Heritage  
House of Representatives  
Parliament House  
Canberra ACT 2600



Dear Dr Washer

*Julia Thoenes*  
Julia Thoenes  
Inquiry Secretary  
9/5/05

#### **Inquiry into Sustainable Cities 2025**

The Sustainable Transport Coalition is a coalition of non-government organisations and local councils promoting sustainable transport in Perth and beyond. We welcome the Committee's continued inquiry into sustainable cities. An important issue the STC urges the Committee to address in its inquiry is oil dependence.

Transport in Australia's cities relies heavily on oil but oil supply is peaking. Rising fuel prices have sparked public concern but this may just be the start of a sustained and significant increase as global oil demand grows beyond production capacity. This will impact on economic activity and people's everyday lives as transport energy becomes more costly and less secure. The fundamental problem is that we have become dependent on cheap oil supply and oil supply will run low with little prospect of significantly increasing production.

Exposure to peaking oil supply is a threat to the sustainability of our cities. This is an issue that warrants a national response. The STC recommends a national taskforce on oil vulnerability, greater focus on sustainable urban planning and investment in travel alternatives, including bicycle facilities, public transport and demand management. A proactive, precautionary approach is needed to address the peak oil challenge.

The enclosed policy statement, entitled Oil: Living with Less, summarises the problems and identifies actions that can be taken. Also enclosed is a background paper on Australia's oil vulnerability. The proceedings of the STC's conference, WA Beyond Oil, are also included for your information.

The STC's submission to the inquiry suggested actions the Commonwealth Government could take to promote sustainable transport and respond to peak oil. These actions include:

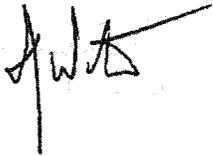
- Initiate a public inquiry into the implications of oil decline for Australia and transport energy options, including demand management and alternative fuels

- Develop a national transport energy policy to address oil decline and the need to shift to a less carbon intensive, more sustainable energy regime
- Reinstate automatic excise indexation for petrol and diesel and hypothecate a significant share of revenue to a sustainable transport fund
- Remove taxation measures that encourage motor vehicle use and the purchase of four-wheel drives and six cylinder vehicles over more efficient alternatives. This should include reform of fringe benefits tax and removal of import duty concession on four wheel drives
- Ensure the proposed national land transport plan focuses on developing sustainable solutions, including demand management and green modes in urban Australia. The plan should promote national health and environmental policy objectives and take account of community views
- Allow Commonwealth transport funds delivered under AusLink to be used to improve public transport and provide cycling facilities, in the context of regional transport plans.

Oil depletion poses a significant challenge for Australia's cities and impetus for sustainable transport. We hope the Committee will consider this matter in its inquiry and we would welcome the opportunity to speak to you about peak oil.

Please let us know if you would like further information or want to discuss this issue.

Yours sincerely,



Dr David Worth  
Convenor

phone 0414 509 043  
STC website: [www.stcwa.org.au](http://www.stcwa.org.au)

Sustainable Transport Coalition WA

**Transport and sustainable cities:**

**Submission to the House of Representatives inquiry into sustainable cities**

***Introduction***

The Sustainable Transport Coalition WA is a coalition of individuals, non-government organisations and local councils working to promote community awareness and policy reform towards sustainable transport. We welcome the inquiry into the sustainability of Australia's cities and the role the Commonwealth Government can play in enhancing this. Transport is critical to the functioning of our cities and reforms to the transport system must be urgently made to move the system towards sustainability.

Private cars and road freight provides flexibility and convenience, but growing dependence on these modes is taking its toll. Issues to be addressed include vulnerability to changes in oil supply, emissions of greenhouse gases and other pollutants, physical inactivity, social disadvantage and the economic cost of car-based urban transport.<sup>1</sup> The way governments presently plan and residents live in cities assume that cars will continue to be the dominant transport mode and cheap oil will be available to fuel them decades into the future.

Overcoming car dependence is a critical challenge for our cities. Reducing car dependence requires that alternatives are available (in terms of services or infrastructure), a supportive environment (land use facilitates use of travel alternatives) and effective demand management (to inform travel choices through information, pricing). We therefore advocate integrated transport and infrastructure planning to reduce the need for travel and facilitate use of travel alternatives and investment in those alternatives.

***Oil vulnerability***

The issue of oil vulnerability demands immediate national attention. Australia's transport system is heavily dependent on oil as its primary energy source but the availability of low-cost oil is likely to shortly decline significantly. Domestic oil production is declining and global demand is predicted to overtake supply in the next decade<sup>2</sup>. This could trigger a substantial and sustained increase in the base price of oil and make oil supply less secure, as production becomes more concentrated in the Middle East.

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<sup>1</sup> A summary of these impacts is included in the appendix.

<sup>2</sup> Domestic production decline is shown in Petrie, E. (2002) *Oil and Gas Resources of Australia 2001* Geoscience Australia, Canberra. The peaking of global conventional oil production is reviewed in Bentley, R.W. (2002) Global oil and gas depletion: an overview *Energy Policy* 30:189-205.

To reduce vulnerability to this oil 'rollover' we should be proactive in managing transport energy demand and shifting towards gas and renewable, less polluting energy sources. Priorities should include transport system and land use changes to enable more trips on foot, bicycle and public transport, more freight on rail and shorter trip distances and a turn-around in taxation measures to favour energy conservation instead of penalising it. Research and development support for sustainable transport energy sources is also vitally important.

STC recommends the following actions at the federal level:

- Initiate a public inquiry into the implications of oil decline for Australia and transport energy options, including demand management and alternative fuels.
- Develop a national transport energy policy to address oil decline and the need to shift to a less carbon intensive, more sustainable energy regime.
- Reinstate automatic excise indexation for petrol and diesel and hypothecate a significant share of revenue to a sustainable transport fund.

### **Travel choices**

Mode splits for passenger trips in Australian cities highlights the extent of car use, e.g. in Perth four in five trips are made by car including many short trips where non-motorised modes could be used<sup>1</sup>. Travel choices are influenced by factors including the built environment, trip distance and individuals' awareness and attitudes. Behavioural travel demand management programs show great promise in reducing car trips.

The TravelSmart household program in Perth has provided information on walking, cycling and public transport to receptive households and has achieved a 14% reduction in car use<sup>2</sup>. This is based on informing people's travel choices rather than building new infrastructure or adding to public transport services. TravelSmart has proven successful, but does not have secure long-term funding and is yet to be accepted as an essential component of urban transport management. Travel demand should also be managed through trip generators including workplaces, universities, schools and shopping centres e.g. through green transport plans complemented by end-of-trip facilities.

Pricing can also have a significant influence on travel choices, including the cost of car use relative to travel alternatives. Many car-related costs are fixed, e.g. third party insurance, vehicle registration. These should be related to car use so that the cost better reflects external impacts. Existing fringe benefits tax arrangements encourage car commuting as tax paid on employer-provided vehicles can be reduced by driving more and employers are penalised if they offer public transport tickets instead<sup>3</sup>. The import duty concession on four-wheel drive vehicles is not acceptable given their energy

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<sup>1</sup> Socialdata (2000) *Potential Analysis Perth* Report for the WA Department of Transport.

<sup>2</sup> More information on TravelSmart at [www.dpi.wa.gov.au/travelmart](http://www.dpi.wa.gov.au/travelmart)

<sup>3</sup> ARRB Transport Research (2003) *Impact of Incentive and Disincentive Programs on Passenger Transport & Efficient Vehicle Use* Report for the National Transport Secretariat. The Australian Greenhouse Office undertook research into the effect of FBT on passenger transport but its findings have not been made public.

inefficiency and hazard to other road users. Immediate tax reform is needed to favour more sustainable travel choices.

STC recommends the following actions at the federal level:

- Continue support for behavioural travel demand management programs, including funding and national networking through the Australian Greenhouse Office.
- Remove taxation measures that encourage motor vehicle use and the purchase of four-wheel drives and six cylinder vehicles over more efficient alternatives. This should include reform of fringe benefits tax and removal of import duty concession on four wheel drives.
- Investigate the potential for road user charges, as part of or in addition to existing vehicle charges, as an effective user pays regime.

### ***Transport planning and investment***

Transport planning and investment by governments have focused on car travel and road freight. If a better balance between passenger and freight modes is to be achieved then greener modes need to be a priority. Surveys in Perth and Sydney show that the community wants to see greener modes favoured over cars in planning and funding our national transport system<sup>1</sup>. An integrated, multi-modal, strategic approach is needed so that public investment is directed to achieving sustainable transport solutions.

The Commonwealth Government's AusLink initiative is a welcome move but excludes urban passenger transport and is biased toward economic development over sustainability. The national land transport plan and funding under it needs to promote sustainable outcomes. For the plan to be effective it must include urban transport, including public transport, cycling and walking as well as demand management and land use integration. Positive elements of the US Transportation Equity Act provide a good model for Australia, especially requirements for citizen involvement and regional planning and flexibility in how funds are applied<sup>2</sup>. Commonwealth investment should advance sustainability - funding urban arterials through neighbourhoods and bushland to cater to traffic growth forecasts is not sustainable.

Walking and cycling are important modes that deserve greater attention in transport planning. Travel surveys in Perth show that half of car trips are under 5km and many could readily be made on foot or bicycle<sup>3</sup>. With physical activity levels in the population declining and inadequate physical activity a significant risk factor for heart disease and

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<sup>1</sup> Market Equity (1999) *Examining public attitudes towards funding in transport* Report for the WA Department of Transport; Socialdata (2000) *Potential Analysis Perth* Report for the WA Department of Transport; Warren Centre (2002) *Sustainable Transport in Sustainable Cities: Community Values: Research Report* Warren Centre for Advanced Engineering, University of Sydney, Sydney.

<sup>2</sup> This and other overseas transport investment models that offer lessons for Australia are reviewed in Whitelegg, J. (2002) *Investing in Transport: an international perspective on methods, priorities and models* Paper for the National Transport Secretariat.

<sup>3</sup> Socialdata (2000) *Potential Analysis Perth* Report for the WA Department of Transport.

some cancers, active transport should be promoted in transport policy and regional and local scale planning<sup>1</sup>. The national cycling strategy needs greater support to achieve its aim of doubling bicycle use<sup>2</sup>.

STC recommends the following actions at the federal level:

- Ensure the proposed national land transport plan focuses on developing sustainable solutions, including demand management and green modes in urban Australia. The plan should promote national health and environmental policy objectives and take account of community views.
- Allow Commonwealth transport funds delivered under AusLink to be used to improve public transport and provide cycling facilities, in the context of regional transport plans.

### **Urban growth management**

Sprawling urban growth in Australian cities is associated with increased car dependence. Australia's cities have large urban footprints for their relatively small populations. Continued outward expansion burdens the public purse by requiring the spreading of urban infrastructure services like public transport and roads over a greater area. Collectively we spend more on transport than many cities - Perth for example spends 17% of gross regional product on transport whereas European cities spend on average 8% and Toronto, Canada spends 7.4%.<sup>3</sup> Post-war suburban development assumed car travel. For an equitable, healthy and less polluting access we need to ensure the built environment allows its residents a range of travel options.

Many new homeowners live in the outer suburbs where housing is 'affordable' but amenities and jobs are few and travel options limited. Opening up more land on the fringe is not a sustainable solution for affordable housing and simply locks new homeowners into car dependence. Low income households in outer urban areas have the greatest dependency on private car travel and spend up to a quarter of household income on transport<sup>4</sup>. Affordability should be improved in better ways, for example location efficient mortgages that allow households to buy into more accessible neighbourhoods based on travel savings they will have.<sup>5</sup>

<sup>1</sup> Armstrong, T., Bauman, A and Davies, J (2000) *Physical Activity Patterns of Australian Adults. Results of the 1999 National Physical Activity Survey*. Australian Institute of Health and Welfare, Canberra; Rissell, C. (2002) *Sustainable Transport in Sustainable Cities - Community Values - Research Report* Warren Centre for Advanced Engineering, University of Sydney, Sydney.

<sup>2</sup> Austroads (1999) *Australia Cycling - the national strategy 1999-2004*.

<sup>3</sup> Laird, P., Newman, P., Bachelis, M., and Kenworthy, J. (2001) *Back on Track: Rethinking transport policy in Australia and New Zealand* University of NSW Press, Sydney (see table 3.11).

<sup>4</sup> Warman, B. 2001 Cars – Where are they taking us? *Research Insight* March 2001 Charter Keck Cramer ([www.charterkc.com.au/research/researchinsights.php](http://www.charterkc.com.au/research/researchinsights.php))

<sup>5</sup> Location efficient mortgages are offered by some non-profit and commercial lenders in the US. See for example [www.locationefficiency.com](http://www.locationefficiency.com). The STC recently made a submission to the Productivity Commission inquiry into first home ownership raising these issues.

At the regional and local scales development should be managed to enhance sustainability, including reduced car use<sup>1</sup>. Urban growth boundaries have been proposed for Perth and instituted in other cities e.g. Melbourne, Vancouver (BC, Canada) and Portland (Oregon, USA) to contain urban expansion and focus development where it is wanted<sup>2</sup>. Urban villages can be developed on transport corridors to provide a better land use mix, greater density and travel choice. In Perth, the Subiaco redevelopment sets a good example of transit-oriented redevelopment. Urban design needs to promote good access by walking, cycling and public transport through the location and mix of activity, linkage with transit routes and safe, connected routes and road crossings.

STC recommends the following actions at the federal level:

- Support innovation in housing assistance and affordability measures to enhance urban sustainability rather than sprawl. In particular, location efficient mortgages should be considered.
- Work with State Governments to develop urban growth boundaries around all Australian capital cities and major regional urban areas.
- Provide funding to redevelop older suburban areas as suitable locations for low-cost housing for first home-buyers.

Sustainable Transport Coalition WA Inc  
c/- Conservation Council of WA  
2 Delhi Street, West Perth WA 6004

November 2003

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<sup>1</sup> The need for integrated land use and transport planning to reduce the need to travel and promote travel choice is acknowledged in the National Charter of Integrated Land Use and Transport Planning (Australian Transport Council 2003). Growth management efforts need to extend beyond metropolitan boundaries to address growth pressures in surrounding areas that are experiencing rapid population increase.

<sup>2</sup> See Dialogue with the City report for Perth at [www.dpi.wa.gov.au/dialogue](http://www.dpi.wa.gov.au/dialogue), Melbourne 2030 strategy at [www.melbourne2030.vic.gov.au](http://www.melbourne2030.vic.gov.au), Vancouver's Livable Region Strategic Plan at [www.gvrd.bc.ca/growth/lrsp.htm](http://www.gvrd.bc.ca/growth/lrsp.htm) and Portland's Metro 2040 Growth Concept at [www.metro-region.org](http://www.metro-region.org).

## Appendix

### Impacts of car dependence in Australia: a summary

Most passenger and freight transport in cities is by fossil-fuelled motor vehicles on roads. The heavy reliance on motor vehicles, especially private cars, is a concern because:

- Heavy dependence on oil to power transport makes Australia vulnerable to the predicted 'roll over' where growing global demand will outstrip supply. This is likely to bring increased fuel costs and supply shocks<sup>1</sup>.
- Motor vehicles are a significant and growing source of greenhouse gas emissions. Road transport accounted for 68 million tonnes or 13% of Australia's net emissions in 2001, some 24% higher than in 1990<sup>2</sup>.
- Urban air quality remains a health concern, with motor vehicles a significant source of photochemical smog precursors, fine particles and air toxics. Vehicle emission standards have improved but vehicle kilometres travelled is increasing<sup>3</sup>.
- Physical activity levels in the population are declining, due in part to increasing use of the car and fewer trips on foot, bicycle and public transport. Inadequate physical activity is contributing to disease and so the burden on Australia's health system<sup>4</sup>.
- Those without ready access to a car can suffer social and economic disadvantage, especially if they live in fringe suburbs. Poor urban design and public transport can limit travel options and so access to employment and social opportunities.
- Road crashes incur a significant social and economic toll on the community. In 2001 some 1,736 people were killed and many more injured<sup>5</sup>.
- There is a significant economic cost to building and maintaining roads and owning and maintaining cars. Transport costs the average household about 17% of earnings<sup>6</sup>. Car dependence places a burden on city economies with a high proportion of regional product consumed by transport costs.<sup>7</sup>

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<sup>1</sup> Bentley, R.W. (2002) Global oil and gas depletion: an overview *Energy Policy* 30:189-205.

Robinson, B. (2002) Australia's Oil Vulnerability at [www.stcwa.org.au/papers/data/oil\\_vuln.doc](http://www.stcwa.org.au/papers/data/oil_vuln.doc)

<sup>2</sup> Australian Greenhouse Office (2003) *National Greenhouse Gas Inventory 2001: Factsheet: Energy - Transport*

<sup>3</sup> Australian SOER Committee (2002) *Australia: State of the Environment 2001* CSIRO Publishing, Melbourne.

<sup>4</sup> Armstrong, T., Bauman, A. and Davies, J. (2000) *Physical Activity Patterns of Australian Adults: Results of the 1999 National Physical Activity Survey*. Australian Institute of Health and Welfare, Canberra.

<sup>5</sup> ATSB (2002) *Road Fatalities Australia 2001 Statistical Summary*. Australian Transport Safety Bureau, Canberra.

<sup>6</sup> ABS (2000) *Household Expenditure Survey, Australia: Detailed Expenditure Items* Australian Bureau of Statistics, Canberra (ABS 6535.0).

<sup>7</sup> Laird, P., Newman, P., Bachelis, M., and Kenworthy, J. (2001) *Back on Track: rethinking transport policy in Australia and New Zealand* University of NSW Press, Sydney.