SUBMISSION TO:

INQUIRY INTO AUSTRALIA'S FUTURE OIL SUPPLY AND ALTERNATIVE TRANSPORT FUELS

SENATE RURAL AND REGIONAL AFFAIRS AND TRANSPORT COMMITTEE

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INQUIRY INTO AUSTRALIA'S FUTURE OIL SUPPLY AND ALTERNATIVE TRANSPORT FUELS – Brunswick Bicycle Users Group (BrunsBUG) SUBMISSION

INTRODUCTION

Cycling has increased considerably in Australia over the last few years, particularly in urban centres and in areas where cycling infrastructure has been provided. For example, WA has seen an increase in cycling participation of 21% in four years by people 15 years and older (Australian Sports Commission 2005).

As demonstrated by the recent renewal of the National Cycling Strategy (2005-2010), cycling has achieved acceptance as an integral part of Australia's urban transport mix. In a context of reducing oil supply and increasing greenhouse gas emissions from the burning of fossil fuels, this trend should be stimulated and encouraged through policy and funding mechanisms. Cycling is on the rise, and current trends suggest that cycling will continue to increase its modal share for a number of reasons, including higher fuel costs. As cycling continues to grow in popularity, demand for cycle-friendly infrastructure will also increase; strong government backing through policy and funding mechanisms will be required to ensure the continued viability of cycling as an alternative mode of transport.

OUR RESPONSES TO SPECIFIC TERMS OF REFERENCE (TOR) OF THE INQUIRY

a. Projections of oil production and demand in Australia and globally and the implications for availability and pricing of transport fuels in Australia.

Transport planning is often predicated on business-as-usual forecasts of increased motorised transport, based on the assumption that oil supply will match demand indefinitely. This concept of unlimited growth is physically impossible, and has myriad implications for the Australian and global economy, and for the way we plan our cities, set policies and allocate government funding.

b. Potential of new sources of oil and alternative transport fuels to meet a significant share of Australia's fuel demands taking into account technological developments and environmental costs.

Implicit in this TOR is the suggestion that increased supply is the first best option. In a world-wide oil depletion scenario, finding more oil for immediate use only increases our

dependency on it, and brings forward the time when production will peak. The best supply of additional barrels is so-called nega-barrels, achieved by reducing fuel consumption, freeing up oil for more efficient uses. Encouraging mode switching to cycling, walking and using public transport is an achievable way to generate nega-barrels and has a range of positive flow on effects for other sectors such as health and environment.

c. Flow-on economic impacts in Australia from continuing rises in the price of transport fuel and potential reductions in oil supply.

Higher fuel costs will accentuate social disadvantage. Residents of outer suburbs tend to rely more on private transport as public transport is lacking and they tend to be more economically disadvantaged to start with; see Robinson et al (2005). Dodson and Sipe (2005) have conducted an analysis which has the concerning finding that poor transport options tend to impede attempts by disadvantaged Australians to access the economic opportunities around them. When combined with strong public transport networks, low cost options such as cycling can play an integral role in mitigating social disadvantage due to rising oil costs.

Recommendation: cycling is promoted as a viable and economical option for short trips for all Australians and that cycling infrastructure is improved generally, with higher priority given to disadvantaged urban areas most dependent on car transport.

d. Options for reducing Australia's transport fuel demands

Short trips

Many suburban car trips are quite short and many could be made by bike instead. Research has found that even in an outer suburban area 38% of trips were 5km or less (Socialdata 2002).

A recent study reveals that 75% of children are driven to school (Davies 2005). Programs such as Safe Routes to Schools can reduce car journeys, enhance community safety and encourage health and fitness.

Promoting cycling in a neighbourhood has the potential to leverage gains, as local centres find they have increased patronage from people within cycling distance. As more activity is relocated closer to residents, there are fewer car journeys to centralised shopping districts (Litman 2004).

Recommendation: governments encourage more short trips to be undertaken on bikes by significantly increasing funding for cycling infrastructure, education and promotion.

Electric bikes

The electric bike opens up cycling to people inhibited by hills, long distances or lack of fitness. Electric bikes make existing cycling infrastructure available to many more people. Unfortunately vehicle regulations require electric bikes with power output over 200 Watts to be registered. The imposition of charges for economical, low-polluting, non-congesting bike transport is inappropriate.

Recommendation: a 300 Watt limit for electric bicycles should be adopted with 500 Watts for people with physical disabilities.

Travel behaviour change programs

A promising approach to reducing fuel consumption is Transportation/Travel Demand Management (TDM) which involves changing the cost structures in transport. For instance, by introducing Pay-As-You-Drive car insurance drivers effectively only pay for the insurance they use, whereas presently insurance is a sunk cost. Car registration could also be reduced and fuel taxes increased significantly to discourage car trips.

The Victoria Transport Policy Institute (located in Canada) has compared four options for reducing fuel consumption: alternative fuels, tighter mandatory fuel efficiency, higher fuel taxes, and TDM (Litman 2005a). The study concluded that the best option is TDM followed by higher fuel taxes. Although raising fuel taxes is politically difficult the economic arguments for it are compelling (Litman 2005b).

Another approach to travel behaviour change is TravelSmart programs. One program in Perth increased cycling by 61%, increased public transport use and reduced private motor vehicle travel. These changes were in the absence of infrastructure improvements; the gains were merely from promoting and encouraging cycling as a choice (Ashton-Graham 2003).

Recommendation: governments adopt highly cost effective measures such as Transportation Demand Management to achieve reductions in fuel use.

Transport planning

The current National Cycling Strategy 2004-2010 recognises the need for allocating funds to cycling within the roads budget. Local Government has a vital role to play in creating cycle friendly environments but many lack the financial resources to do so. The Roads to Recovery program has been a very popular and effective program; a similar program such as “trails to recovery” could be an effective tool to create more cycle friendly environments to increase the number of trips made by bicycle. There is clear evidence from overseas as well as Australia that creating cycle friendly environments, infrastructure and regulations are effective ways to change travel behaviour.

Current transport planning often follows a trend planning approach where planning decisions determine use patterns; for example, identifying a trend towards higher motor vehicle use leads governments to approve new roads; when new roads are built, more cars come to use them, creating a self-fulfilling prophecy. This scenario highlights the potential and indeed the urgent need to preempt more sustainable trends by giving priority in planning to sustainable modes.

Recommendation: sustainable modes be given priority in transport planning policies in recognition of the need to shift away from encouraging motor vehicle dependence through planning procedures and policies.

Urban planning

To ensure adequate cycling infrastructure it is necessary to consider features of urban design, especially in relation to new developments, that may impact on cycling rates. Some of these factors include:

- Location of employment, shops, schools
- Linkages to public transport
- Internal infrastructure – internal paths etc

- External links to neighbouring/trunk facilities e.g. cycle paths, greenways
- Subdivision layout – legibility/ permeability
- Residential bicycle parking facilities
- Traffic volumes / speeds

In addition, facilities at workplaces and other destinations such as bicycle parking, lockers, showers, change rooms at destinations can encourage cycling.
Some local governments are taking measures to encourage sustainable transport modes through policies that apply to new developments. For example, in the City of Port Phillip it is now Council Strategy that future residents and occupiers will not be entitled to resident or visitor parking permits regardless of the level of off street parking (City of Port Phillip, 2003).
Recommendation: urban design principles that encourage cycling should be incorporated into state, territory and local government development requirements and considered when approving developments.

Government fleets
Government departments operate large vehicle fleets, presenting significant opportunities for Government to lead by example in reducing fuel demand. Options for increasing fleet efficiency include implementing or raising mandatory standards for fuel efficiency in all fleet vehicles and ensuring that fleet management companies do not penalise low vehicle kilometers travelled as is currently common practice.

Tax concessions for salary packaged and four wheel drive (4WD) vehicles
Presently cars provided in salary packages are subject to FBT concessions. This has become a $1 billion p.a. financial burden. One of the indirect consequences of current FBT regulations is that they encourage greater use of cars to qualify for a lower tax rate. Also, 4WD vehicles pay only a 5% import duty compared with the 10% rate for cars. This amounts to a subsidy of over $100 million annually (Denniss, 2003) for vehicles which use considerably more petrol than an average sedan.
Recommendation: the current 4WD and FBT concessions be abolished.

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