



**AUSTRALIAN LOCAL GOVERNMENT
ASSOCIATION**

Submission

to

**The Senate Standing Committee on Rural
and Regional Affairs and Transport**

**Inquiry into the Investment of
Commonwealth and State Funds in
Public Passenger Transport
Infrastructure and Services**

February 2009

Introduction

The Australian Local Government Association (ALGA) represents the interests of more than 560 councils at the Federal level. Its membership is made up of the associations of local government in each state and territory. The ACT Government is also a member in its role as the local authority in the Australian Capital Territory.

ALGA wishes to bring to the attention of the Committee, in general terms, a number of issues relevant to the current review. We understand that specific matters relating to individual jurisdictions will be the subject of separate submissions by individual councils and State and Territory Local Government Associations.

Local government generally does not have responsibility for the direct provision of public transport with the notable exception of the bus and ferry services provided by the Brisbane City Council. Nevertheless, local government plays a critical role in ensuring that public transport is effective and efficient by providing connectivity to services provided by the State Governments.

Local government plays a critical role in providing and maintaining transport infrastructure at the local level. Councils take a proactive approach in addressing transport challenges in their municipal areas and responding to the needs of their communities. For example, many councils provide and/or fund local community transport services.

Although there are differences between jurisdictions in responsibilities, in general terms, local government is responsible for local roads (which accounts for more than 80% of the total road length), most bicycle and pedestrian paths, bus shelters, many public car parks used by commuters and in some cases interchange facilities. For the purposes of this submission we have taken the view that all these functions are, or contribute to, public transport.

Many councils have developed transport plans for their municipality to provide a framework for addressing freight and passenger transport issues. In urban areas the passenger elements of these plans focus on linkages to the city wide public transport facilities. Local government also participates in regional transport planning with state authorities.

Transport and the Environment

Recognition by the community and governments of climate change and the need for action has increasingly focused on the relationship between transport and the environment. Transport is estimated to be the source of about 14% of greenhouse gases (GHG) with about two thirds of those emissions coming from passenger vehicles.

In response, all levels of government have commenced or increased efforts to evaluate current practices and behaviour with the objective of better coordinating land use and transport planning, providing broader transport options, reducing traffic congestion on roads, providing better conditions for cycling and walking, all with the aim of reducing the level of GHG and other transport-related pollutants in our atmosphere.

While the government is yet to settle on the arrangements for the Carbon Pollution Reduction Scheme (CPRS), we believe, that eventually it will influence travel patterns away from motor vehicles towards public transport.

Fuel prices

The increasing price of oil and the resultant increases for petrol at the fuel pump during 2008 led to significant increases in the use of public transport in the major cities. These increases in patronage resulted in over crowding on buses and trains. Although ALGA has no data we would expect that the ancillary infrastructure associated with major public transport would have also experienced increased demand.

Although oil prices have dropped from the highs of 2008 there is little doubt the price of oil will remain high in future as known reserves are depleted.

The rising patronage across all modes of public transport as a result of the oil prices increases in 2008 indicates that people will change their travel behaviour in response to changes in the cost of motor vehicle operation.

Role of governments and the private sector

The combination of the CPRS and oil price rises means there is little doubt that the demand for public transport will rise in the future. ALGA believes that it is the responsibility of all three levels of government and the private sector to coordinate to the provision of adequate capacity and connectivity in public transport services.

The role of the Federal and State Governments in our view is to set regulatory frameworks and provide the planning, coordination and funding for public transport infrastructure at a regional or city wide level. We see the role of local government being one of supporting broader state and national policies developed by the Federal and State Governments.

The private sector also has a role. Workplace travel plans (such as car pooling, recognising public transport timetables and adjusting work hours to fit) are an effective way of encouraging behavioural change while reducing carbon footprints within both the corporate and private realms.

Benefits of Public Transport

Environment and climate change

In 2007 the Bureau of Transport and Regional Economics (BTRE, now BITRE) estimated that the social costs of congestion in 2005 for Australia were approximately \$9.4 billion.

Transport is estimated to produce about 14% of total greenhouse gas emission in Australia. About two thirds of those emissions come from passenger vehicles.

A shift of passengers to public transport, which is less energy intensive, has the potential to reduce greenhouse gas emissions and reduce congestion of the road system. However care must be taken in assessing the GHG reductions as the electric power for public transport in Australia is largely sourced from coal and oil fired power stations.

A factor to be taken into account in the future is the increasing efficiency of motor vehicles, including hybrid vehicles and electric powered vehicles, which has the potential have lower emissions without reducing congestion.

Depending on the final configuration of the Carbon Pollution Reduction Scheme there is likely to be, over time, increased demand for public transport services.

Equity and access

Public transport provides physical accessibility for those who do not have private motor vehicles or those who cannot drive, such as children and youth, the elderly and people with a disability.

Where there is limited access to public transport, such as in the outer metropolitan areas and rural and regional communities, there are severe constraints on the mobility of people without access to motor vehicles.

Another form of public transport is community transport. Community transport refers to a range of transport services such as mini buses or privately owned vehicles provided for people who experience severe transport disadvantage, including those who:

- Live in areas where public transport and taxi services are unviable due to low population density/isolation;
- Have a physical or mental disabilities;
- Have complex disabilities, especially barriers to communication or behavioural issues; or
- Are very frail and require physical assistance.

Local government is a major provider of such services together with not-for-profit agencies, community groups and volunteers. Community transport services have arisen in response to local unmet transport needs and demonstrate the initiative taken by councils.

The incidence of disabling conditions increases significantly with age. The ageing population is therefore expected to place considerable demand on community transport services and other public transport infrastructure.

The future challenge for government is to plan for and manage ongoing demand by providing the most appropriate and cost effective mix of transport services as needed.

Health benefits

Active transport modes, such as cycling and walking, are the most environmentally sustainable forms of transport as well as providing significant health benefits. For people with full mobility that have a short to medium travel distance, cycling and walking are also the most cost-effective transport options.

An estimated one third of day to day car trips are three kilometers or less in length. This suggests that there is considerable scope for a greater reliance on cycling and walking for local trips to meet local needs. The gains, in terms of reduced emissions, would be significant given that cold engine starts account for a large proportion of noxious emissions.

The health cost of air quality is estimated by the CSIRO at between \$3 -5.3 billion every year.

Councils are well aware of the health, environmental and financial benefits to their residents of cycling and walking. As a result, councils are active in directly providing safer and more widespread cycling and walking infrastructure. With rising levels of obesity among all age groups, the promotion of active transport has important health benefits.

Economic efficiency

The congestion costs calculated by BTRE referred to above will only get worse with the expected more than doubling of the freight task by 2020.

Congestion severely restricts traffic flow and adds to the overall transport costs. The transfer of goods from source to destination involves a complex chain of physical movements and any unforeseen delays in this carefully timed process, such as a build up of road traffic or reduced rail/road travelling speeds due to failing infrastructure, can add significant costs to the entire supply chain.

Increasing the use of public transport will free up space on the existing road system and reduce the demand for further investment in road infrastructure.

Oil vulnerability:

As a country with high private car ownership and a generally dispersed pattern of settlement Australia is a high user of oil on a per capita basis. Because Australia is highly dependent on imported oil is it vulnerable to oil price fluctuations and international downturns in oil production. Rising global demand in the face of supply constraints means that prices for liquid fuels will keep rising significantly into the future.

As public transport is less energy intensive, policies to increase the use of public transport will reduce Australia's dependence on imported oil.

Commonwealth policies*Federal Funding and involvement in the provision of public transport*

Commonwealth governments have consistently taken the view that public transport is the responsibility of state governments, and to a lesser extent local government, and that public transport funding is therefore a matter for those levels of government. The Commonwealth's stated view has been that the general purpose funding provided to state and local government could be used for public transport if it was considered a priority.

Relatively small, ad hoc, Federal programs have existed such as the Urban Public Transport program in the 1980's. That funding focused on provision of ancillary infrastructure to the main urban public transport systems operated by the States. While the funding was welcome it was modest, totaling about \$100 million per year, and did little to address the fundamental issues of under-investment in public transport.

Local government has consistently argued for the need for direct Federal funding of public transport infrastructure on the basis that the Commonwealth collects more than 80% of all taxes in Australia and the efficient operation of our cities impacts directly on the national economy.

Direct Federal funding would be in line with the role central governments play in other Federations.

Local government does not advocate the Federal government taking over the operation of public transport systems. It believes that Federal funding could be directed towards capital upgrading and extension into the poorly served outer areas of the major cities as part of a national approach. This is consistent with the Infrastructure Australia preliminary report on infrastructure needs.

The combined impact of rising oil prices and the CPRS will lead to increased demand for public transport. Governments need to increase investment in public transport now, given the long lead times to build public transport infrastructure. Consideration also needs to be given to alternatives to fossil fuel electricity generation.

Roads to Recovery

The Federal Government's Roads to Recovery Program provides funding direct to councils for the construction and maintenance of roads. Funding is tightly controlled and restricted to roads and road-related infrastructure. In the last Budget the Government announced that the program would be extended for five years to 2014 at an increased rate of \$350 million per annum

While local government is pleased with the increased funding and the extension of the Program, it has been advocating an easing in the rigorous requirements of the Roads to Recovery Program. Local government has been seeking the option to use Roads to Recovery funding for transport infrastructure more generally including, the provision of facilities to support major public transport infrastructure.

Community Transport

Community transport provides an important mobility and access role for some of the most transport-disadvantaged members of our communities. The demand for these types of services will grow with the ageing of the population.

This is a role that local government and volunteer groups are best placed to provide. However to be viable, the community transport sector needs to be integrated into state and national transport policy and include funding commitments that sustain and establish appropriate forms of community transport.

Cycling and walking infrastructure

The provision of walking and cycling infrastructure is one of the core responsibilities of local government. Local governments, especially in outer metropolitan areas and regional locations experiencing rapid population growth, face a difficult task in providing the facilities expected and required by local communities.

Local government welcomes the Government's decision, following the advocacy of the Greens, to include \$40 million for bicycle paths in the Fiscal Stimulus Package.

Local Government would welcome an ongoing program specifically focused at the provision of walking and cycling facilities which address this important transport need with the attendant health benefits for the community.

Local government is already actively and extensively involved in initiatives to encourage walking and cycling. For example, through the Healthy Spaces and Places initiative (a joint project between ALGA, the National Heart Foundation and the Planning Institute of Australia, with funding support from the Department of Health and Ageing), local government is playing an important role in helping to encourage greater physical activity

levels across our communities, by developing a national Healthy Spaces and Places planning guide for use across many different professional sectors.

The planning guide and web resources 'Healthy Spaces and Places' is intended to encourage the design and development of environments that support the health and wellbeing of the community and enhance the success of public health campaigns and preventative health measures.

Evidence supports comprehensive approaches to obesity prevention. In keeping with this, strategies to reduce obesity, such as public advertising to change eating habits and increase physical activity will have greater effectiveness when complemented by supportive changes to the built environment. Such changes include improved public spaces, parks, walking and cycling routes and public transport as well as better connectivity, mixed land uses and increased housing choices and densities.

Public transport is an integral feature of the built environment which requires continuous upgrades and improvements so people of all ages and lifestages have choices in transport type.

The Commonwealth's funding support for the initiative will see guide being launched by 30 June 2009. Funding has been sought for subsequent activities including implementation, promotion and training, and evaluation.

Integrated long-term planning

Local government sees value in the integration of long-term transport and land use planning at the local, state and national levels. Planning allows people to make informed decisions about the future and assists councils in meeting their communities' current and future needs.

The integration of transport and land use planning is critical to reducing the need to travel, improving access to services and employment and reducing car dependency. These factors all contribute to liveable and sustainable communities. To achieve this requires sound urban planning at both a strategic long term and day-to-day level.

Well serviced, connected communities that enjoy high quality of life will not be achieved without greater collaboration, clear long-term plans and a shared commitment to implementation across all levels of government.

The aim of integrating land use and transport is to ensure that our urban form – buildings, land uses, public areas, transport systems, open space and subdivision and street layouts – collectively contribute to:

- improving access to housing, jobs and services by walking, cycling and public transport;

- increasing the choice of available transport modes and reducing car dependence and congestion;
- reducing travel demand by creating safe, walkable neighborhoods and places, which support the efficient and viable operation of public transport services by developing intensive and mixed use development around transit; and
- providing for the efficient movement of freight.

While integrated local area planning is a role for councils, support and input from the state, regional and national levels is necessary for the delivery of effective outcomes. Regardless of where responsibility lies, effective public transport infrastructure and services are crucial for successful urban planning outcomes.

Revitalisation of Rail

Local government supports revitalisation of the rail freight network to reduce the burden on roads. Local government has been pleased to note the increased funding of rail by the Commonwealth Government in recent years and urges the continuation of the higher levels of funding to meet the investment backlog in the capacity of the rail system.

Increasing car occupancy

Increasing car occupancy levels, particularly at peak times, is a practical way of reducing the number of cars on Australian roads. Local government urges the development of greater incentives for car pooling among work places, recreational and educational facilities and for people who live in areas with little or no public transport options.

Fringe Benefits Tax on motor vehicles

The Fringe Benefits Tax provides significant incentives for people on higher income to use cars instead of public transport. It also encourage unnecessary vehicle usage to meet the distance requirements of the tax provisions.

Local government recognizes that there are good reasons for the Fringe Benefits Tax especially for people in rural and regional areas. However in urban areas the tax can lead to perverse outcomes for the economy and the environment.

Local government would see benefit in a greater targeting of these tax provisions to minimise the incentive for car use in urban areas.