

February 26 2009

Senator Glenn Sterle
Chairman
Senate Rural and Regional Affairs and Transport Committee
Parliament House
Canberra
ACT 2600

Dear Senator Sterle

Senate inquiry into the investment of Commonwealth and State funds in public passenger transport infrastructure and services

Thank you for the opportunity to provide comments to the Rural and Regional Affairs and Transport Committee on this inquiry.

Policy development, planning and investment in passenger transport is an important national issue and one that will impact on the Australian community, and economic growth and productivity. Public passenger transport however is just one part of the bigger transport picture.

Public transport and private passenger transport are inherently linked, failures or success in one impact on the other. With that, those networks also interact with freight transport – road and rail. The NTC believes that the best transport solutions are those made on a cross modal or ‘whole of transport’ basis.

The National Transport Commission

The NTC is an independent statutory body that provides advice to governments on regulatory and operational reform in the road, rail and intermodal transport modes. The NTC’s focuses on delivering improvements in safety, productivity, efficiency and environmental transport outcomes.

In 2008 the NTC provided advice to transport ministers called the National Transport Policy Framework. This document addressed the issue of passenger transport, urban congestion and broader transport challenges. A copy is attached for your information (Appendix 1).

Urban congestion

Passenger transport, both public and private, presents a growing issue for all governments. The ‘urban agenda’ poses challenges including growing congestion, mounting travel demand, increasing greenhouse gas emissions and rising fuel prices. Urban congestion affects the productivity and liveability of our cities.

A recent COAG study predicted that by 2020 the avoidable cost of urban congestion would be \$20.4 billion.¹ Cities remain the central population and working hubs. Access in and around cities is vital to ongoing productivity and social amenity.

Lines of responsibility for managing the broad range of urban transport issues – including funding, policy, planning, maintenance and taxes – often cut across government departments with competing interests. Progress has been made by governments individually, but a more coordinated and integrated approach can better support national transport objectives.

A national problem?

Public and passenger transport has traditionally remained the responsibility of state governments in funding, policy, planning and regulatory functions.

Historically, the Commonwealth Government has spent little on public transport. In the 30 years to 2004, it has invested \$2.2 billion on rail and \$1.5 billion on public transport but \$58 billion on roads. The Commonwealth has had little or no role in policy or regulatory reform of public and passenger transport services.

The Commonwealth recently signalled a renewed interest in urban transport by establishing a Major Cities Unit within the Infrastructure, Transport, Regional Development and Local Government portfolio.

Urban congestion is an issue of national importance. When considering what is ‘national’ it is no longer sufficient to look at issues that are Commonwealth responsibilities or those that relate to ‘cross border’ issues. A ‘national’ issue is one which affects a significant proportion of Australians, irrespective of where they live. Public and passenger transport should no longer be considered the domain of one state or local government, but an issue which is going to affect the majority of Australians, and our potential economic growth.

Many OECD countries have developed national ‘moving people’ strategies, and the increased interest in public and passenger transport by the Commonwealth government, including Infrastructure Australia, is welcome.

The response

In the current statutory review of NTC, the terms of reference consider whether the commission’s role should “encompass issues beyond regulatory and operational reform, and include passenger and freight”.

Significant opportunities exist to optimise the movement of people and goods on shared and linked networks. NTC believes a national and co-ordinated ‘system-wide’ policy response is needed to ensure public transport plays an important role in the future.

More coordinated long-term planning for forecast public transport growth at a national level is also important. This would ensure investment and land-use planning for future capacity is better aligned across borders and all levels of government.

Long-term reform should also consider the emerging external policy challenges of urban congestion, climate change and energy security.

¹ *Review of Urban Congestion, Trends, Impacts and Solutions*, COAG Competition and Regulation Working Group, December 2006, pg 5

Potential opportunities for a more coordinated national approach to public and passenger transport could include:

- national objectives and strategies for people movement, linked to regional strategies to underpin the next generation of investment in passenger transport;
- best practice transport governance structures – for regulators, government agencies and service providers across all modes – to ensure urban transport works more effectively together as an integrated system;
- minimum standards for transport access;
- a common technology platform for integrating “smart card” technology on any transport mode in any city;
- elimination of taxes that distort behaviour and encourage car use;
- strategic investment in vital public transport;
- high density urban planning along public transport corridors, funded by the sale of development rights, while increasing public transport capacity (e.g. Hong Kong metro);
- road pricing to optimise the use of urban infrastructure;
- coordinated local programs such as TravelSmart, HOT lanes and car parking co-located with public transport nodes.

Some policy options, such as road congestion pricing and governance reform, may require tough politically-sensitive decisions for government.

The NTC believes that the provision of transparent, independent advice to governments, commonwealth and state, through a national moving people strategy is the best way to facilitate an informed, coordinated and effective policy response to those challenges.

In the near future, NTC’s own submission to the NTC Review will be available at www.ntc.gov.au. Should you require further information regarding this submission, please contact Paul Sullivan on 03 9236 5000 or psullivan@ntc.gov.au .

Yours sincerely



Nick Dimopoulos
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