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SENATE

STANDING COMMITTEE ON RURAL AND REGIONAL AFFAIRS
AND TRANSPORT

**Reference: Investment of Commonwealth and state funds in public passenger
transport**

FRIDAY, 6 MARCH 2009

SYDNEY

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**SENATE STANDING COMMITTEE ON
RURAL AND REGIONAL AFFAIRS AND TRANSPORT**

Friday, 6 March 2009

Members: Senator Sterle (*Chair*), Senator Milne (*Deputy Chair*), Senators Farrell, Heffernan, Hutchins, McGauran, Nash and O'Brien

Participating members: Senators Abetz, Adams, Arbib, Barnett, Bernardi, Bilyk, Birmingham, Mark Bishop, Boswell, Boyce, Brandis, Bob Brown, Carol Brown, Bushby, Cameron, Cash, Colbeck, Jacinta Collins, Coonan, Cormann, Crossin, Eggleston, Feeney, Fielding, Fierravanti-Wells, Fifield, Fisher, Forshaw, Furner, Hanson-Young, Heffernan, Humphries, Hurley, Johnston, Joyce, Kroger, Ludlam, Lundy, Ian Macdonald, McEwen, McLucas, Marshall, Mason, Minchin, Moore, Parry, Payne, Polley, Pratt, Ronaldson, Ryan, Scullion, Siewert, Stephens, Troeth, Trood, Wortley and Xenophon

Senators in attendance: Senators Heffernan, Hutchins, Ludlam, Milne, O'Brien and Sterle

Terms of reference for the inquiry:

To inquire into and report on:

The investment of Commonwealth and State funds in public passenger transport infrastructure and services, with reference to the August 2005 report of the House of Representatives Standing Committee on Environment and Heritage, Sustainable Cities, and the February 2007 report of the Senate Standing Committee on Rural and Regional Affairs and Transport Committee, Australia's future oil supply and alternative transport fuels, including:

- a. an audit of the state of public passenger transport in Australia;
- b. current and historical levels of public investment in private vehicle and public passenger transport services and infrastructure;
- c. an assessment of the benefits of public passenger transport, including integration with bicycle and pedestrian initiatives;
- d. measures by which the Commonwealth Government could facilitate improvement in public passenger transport services and infrastructure;
- e. the role of Commonwealth Government legislation, taxation, subsidies, policies and other mechanisms that either discourage or encourage public passenger transport; and
- f. best practice international examples of public passenger transport services and infrastructure.

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Committee met at 8.33 am**HARPER, Mr Leonard John, Executive Director, Chartered Institute of Logistics and Transport**

CHAIR (Senator Sterle)—I declare open this public hearing of the Senate Standing Committee on Rural and Regional Affairs and Transport. The committee is inquiring into public transport and I welcome you all here today. The committee has authorised the recording, broadcasting and rebroadcasting of these proceedings in accordance with the rules in the order of the Senate of 23 August 1990 concerning the broadcasting of committee proceedings. I put on record that committee witnesses are protected by parliamentary privilege with respect to their submissions and evidence. Any act which may disadvantage a witness on account of their evidence is a breach of privilege.

While the committee prefers to hear evidence in public, we may agree to take evidence confidentially. The committee may still publish or present confidential evidence to the Senate at a later date. We would consult the witness concerned before doing this. The Senate can also order publication of confidential evidence. I welcome our first witness, Mr Harper, from the Chartered Institute of Logistics and Transport. Do you have any comments to make on the capacity in which you appear?

Mr Harper—I am also the international president-elect of the chartered institute international.

CHAIR—Thank you, Mr Harper. Before we go to questions, do you wish to make a brief opening statement?

Mr Harper—Yes. Thank you very much for the opportunity to be here. Let me reintroduce myself in a broader sense. Apart from currently representing the Chartered Institute of Logistics and Transport, which is very much a professional body in the logistics industry, my previous experience takes me into a number of roles of senior management in public transport. I was the general manager of the Victorian public transport in the eighties, chief executive of Brisbane transport in the eighties and nineties, chief executive of state transit in the nineties and chief executive of state rail here in the later nineties. I have been around the world in public transport and I have had a few scratches on my back, so I understand the business and I am pleased to be able to share in some of the opportunities that I will be able to identify in that role.

A major difficulty in the public transport development has been the lack of any real coordination of the various systems, not only in the state but interstate, and that there has been no real central focus on the development of public transport. You would be aware that in the past the federal government, of whatever colour, has stepped back from the development of urban passenger transport, principally because they believe that it is a matter for the states, so there is something to be commended in the steps that have been taken under the umbrella of this particular Senate hearing.

The important thing, however, is to understand that there are other places in the world and other places in Australia that are doing good things. I could certainly detail those, but I will expect them to come out in the questions and answers. But the important issue is that it needs to be a centrally driven effort. That does not mean the Commonwealth government takes the role only, but it certainly needs to lay down some guidelines and understandings of investment procedures. We will learn from what others are doing. We will also have a much more efficient way of doing things. But, importantly, we will begin to share in the opportunities of being able to create what I may call an effective public transport system.

The issue is not one of creating a good public transport system. Australia is unique. The main part of our travel is by motor car and will continue to be; let's not fool ourselves. But it is unique in the sense that we can have the best public transport system in the world and people will not use it. Why? Because they are comfortable with what they are already doing and they are not likely to shift their mode.

Where we have seen a major use of passenger transport is where we have not encouraged people to use public transport, but where we have actually discouraged them from using their motor car: instances like the Sydney Olympics, grand finals, the Royal Easter Show here in New South Wales, the expo, major football games in Brisbane, the major AFL grand finals and the like in Melbourne. You can go on and on. In that sense, what we have done is not only provide a good passenger transport network on the day or on the days concerned, but we have made it difficult for them to bring their cars into town. Of course, there are other ways in which that could be discouraged, but it is fair to say that we are not looking just to develop an effective and efficient public transport system in Australia, we are looking at the means by which we can get people to use it. Thank you.

CHAIR—Thank you, Mr Harper. We will go to questions.

Senator HEFFERNAN—Given your eminent role in the past, is part of the present balls-up your fault, Len?

Mr Harper—I would like to say I can walk away from that one, Bill—very much so.

Senator HEFFERNAN—Or does it mean that your organisations did not have enough influence in those?

Mr Harper—The balls-up has happened for a number of reasons. You know as well as I what they are. Do not get me started on the New South Wales economic strategies.

Senator HEFFERNAN—I just thought I would set the tone for the day, Mr Chair.

CHAIR—How surprising, Senator Heffernan!

Senator LUDLAM—I would like to continue in that vein, if possible. Can you give us a bit of a sketch? Sydney has been cited already in the hearings in Brisbane as a case of what not to do. Can you give us a bit of an idea of what that is about?

Mr Harper—Yes. There has been a long-term lack of serious investment within the passenger transport system here in New South Wales and there has not been an acceptance of the need to maintain the standards. Since 1996-97, the New South Wales government, who was entering upon an economic strategy of debt reduction, has failed to invest in infrastructure across the board—health, education, police, security, transport. Whilst there was an attempt in the last few years to be able to resurrect some of that lack of investment—to give you some indication, the New South Wales railways requires \$400 million a year just to maintain its existing infrastructure. It needs another \$400 million a year to be able to develop its infrastructure beyond where it is today. Since about 1995-96, they have had their capital expenditure budgets consistently cut. It is just like a house. If you do not paint it and repair it, it falls to pieces. The public transport system in New South Wales has been allowed to fall to pieces. So has health. So has education.

CHAIR—Mr Harper, the beauty of this inquiry is that we are talking about public transport.

Mr Harper—Yes, okay.

CHAIR—So I would urge you to stay on the terms of reference.

Mr Harper—It is a broad-sweeping issue though.

CHAIR—We will stay on the terms of reference, Mr Harper. We are very keen to talk about public transport.

Mr Harper—Okay. That explains in brief terms the situation that applies here in New South Wales.

Senator LUDLAM—You cite a study in your submission which finds that the community benefits of public transport are such that the community could subsidise 70 per cent of the costs and basically be breaking even in economic terms. Public transport is always cited as costing the taxpayer a lot. Can you tell us a little bit more about this study and what kind of rationale it uses to come to those conclusions?

Mr Harper—The study I referred to is the IPART study—that is, the independent pricing tribunal study—which fed off other studies that have been done since the early eighties in Europe—particularly in Holland and Germany—and in Australia. That indicated that the user-pays system here in Australia and in other parts of the world represents about 30 per cent of the cost of running the service. As a rule, the public purse must bear approximately 70 per cent of the cost of public transport, and it does. It is seen as a public good or a merit good and, under that umbrella, public transport has been and probably will continue to be supported by the public purse to that extent.

Senator LUDLAM—One of the things that we are here today to talk about is whether the Commonwealth government should invest in public transport, which it has not done for a long time. The other thing is the institutional arrangements in the planning and the coordination and the ticketing arrangements between bus and train and all that. Firstly, do you have a view on whether the Commonwealth should be funding public transport? Secondly, what would need to change in New South Wales for that investment to be worthwhile?

Mr Harper—Why are you only referring to New South Wales?

Senator LUDLAM—No. We are travelling right around the country. If you want to speak more broadly, that is fine.

Mr Harper—Good. The issue of Commonwealth funding is, I would suggest, a matter of rationale. Seventy to 80 per cent of economic activity occurs in the urban areas. In the past the federal government has always stepped back from the development of public transport in the urban areas, saying that it is a matter for

the states, yet nearly 80 per cent of the people who vote for federal are in the urban areas. You cannot walk away from that. I guess it has been more a matter of funding than a matter of rationale. So, yes, I think there is a responsibility on the part of the federal government to at least lay down some ground rules and be part of a funding activity.

Within the states, there are varying activities occurring in parts of the states. This is one of the points I made at the beginning: there is certainly a lack of coordination between the states as to the advancement and development of public transport. A good example, straight off the top, is the integrated ticketing process. They have got an effective system operating in Perth under their transit card. They have got one in Brisbane now, south-east Queensland, with 270,000 tickets on issue, which is their go card system. Yet New South Wales cannot get it up and running. Victoria, worse still; cannot get it up and running. A rational person would ask, 'Why is that so?'

So the opportunity is there to be able to make things happen, but it needs a more focused and central direction than the states can undertake themselves. The states are very selfish groups of people and they are worried about their own issues, and understandably so, but you cannot expect that to be an aggregate benefit if they continue to operate in that way. So it is not just funding.

Senator LUDLAM—Yes, that has come across pretty strongly already. I might leave it there for the moment, Chair.

Senator O'BRIEN—When you say that the federal government might have a responsibility, what are you saying: for recurrent cost; for capital cost; for components of both; for components of one or the other?

Mr Harper—I do not believe, as I said, that it is just funding issues alone. I am not talking about running costs. Let's hypothesise for a moment and the Commonwealth government sets some standards as to the way in which it would see some simple steps forward in developing public transport across Australia. The operations of that must be left with the people who are going to be responsible for it, and that is within the states themselves. That would be in the efficiencies of the systems, as well as the effectiveness of those systems. I would see any sort of direction that the Commonwealth might take, apart from laying down the strategy of better performance, is certainly in capital funding, or assistance in capital funding, particularly new works. I am not talking about preventative maintenance or ongoing maintenance issues. You have got the new works that are the concern.

The bus freeway system in south-east Queensland is a marvellous example of how people will be encouraged to use public transport when you get them there in a time that compares favourably with the motor car. The opportunity of being able to develop the convenience of an integrated ticketing system, which is available to us, is another means by which you can make it easier, not only on existing people that travel but on those who are on the borderline, on the edge of considering public transport. We have talked about bigger works, such as metro systems within the Sydney metropolitan area. They are all very important opportunities. I will not blandly say that that is exactly what the need is, but basically that is where I would see the Commonwealth's assistance; not only in the planning and designing of those opportunities but for some contributions in the initial funding of them.

Senator O'BRIEN—What role would borrowings play in this process?

Mr Harper—In the current economic status in Australia, borrowings is going to be the primary means by which these works can be advanced. Let's not forget that there is the opportunity for private sector involvement in a number of areas where it is going to be worth their while to be involved.

Senator O'BRIEN—Where would that be?

Mr Harper—In most of these major new commencement works the opportunity is there, in an equity arrangement perhaps, or at least a long-term lease arrangement, for private sector funding to involve some ownership, or part ownership, which will enable the investors to get their returns over a period of time.

Senator O'BRIEN—Are you talking about a sort of BOOT system?

Mr Harper—Yes, similar.

Senator O'BRIEN—I guess that is all right, depending on the rate of return expected and the sorts of fares that are going to be charged and how acceptable that might find itself.

Mr Harper—All of that, yes.

Senator O'BRIEN—We are talking about multibillion-dollar works if we are talking about heavy rail. Is that what you are talking about?

Mr Harper—Not only heavy rail; light rail transit systems in Australia. Brisbane have been looking at light rail out of the Newmarket area for a period of time. We have got opportunities for light rail transit systems in Melbourne out to the airports. They have been discussing here within the city council the extensions of light rail out to Rozelle and similar arrangements. But, no, not just heavy rail; heavy rail will not always suit.

Senator O'BRIEN—We have a submission from David Hensher that questions the economic value of investing in heavy rail compared to the return from priority bus route systems. In the current environment, and given the structure of cities, would you concede that that would be a more cost-effective way of resolving transport issues for a city like Sydney?

Mr Harper—I would certainly agree with what David has said in terms of buses being the most immediate and efficient means by which we can extend public transport. But it goes with a condition: you have got to be able to provide to the bus transit the freeways that enable them to travel in a realistic way. You have got to have those and, without getting into too much detail, also the bus bays that are necessary to get the buses off the road when they have to stop—all those sorts of things. I would accept that is the first step. I think governments across Australia recognise that as well, rather than heavy rail or even light rail. But let's not lose sight of the fact that what we are talking about is people movers, and buses have got their own limitations and you have got to be able to use them where they are going to do the best job in the short run, but in the longer run it may not be the answer.

Senator O'BRIEN—No. Looking at the statistics provided for transportation on what he calls BRT systems, those systems in some cities are carrying many more people per hour than the current heavy rail system in Sydney does.

Mr Harper—Yes. The same could be said here in New South Wales. In fact, in the north-west areas and the hills areas, you have got bus systems which are already at capacity, and they are seeking ways now of bringing in some unique services—silver service issues. So you pay more, but you get more for what you pay.

Senator O'BRIEN—Like what?

Mr Harper—You can get on board and it is a non-stop service, guaranteed 25-minute run into the city; a newspaper on board. They are talking about coffees on board and those sorts of things. You pay \$85 a week rather than the usual \$45.

Senator O'BRIEN—Even the metropolitan transit authority in New York has a system of priority buses—

Mr Harper—Yes, they do.

Senator O'BRIEN—which are a lot cheaper than that. I think it is \$5 a trip instead of \$2.

Mr Harper—Yes. The options are certainly being examined by the industry, by both private and public bus transport groups, and there is a means by which you can get more capacity. More capacity and better turnaround of vehicles is all about getting the vehicle from point A to point B in the fastest and safest possible way. At the moment we do not necessarily give the buses a fair go.

Senator O'BRIEN—Is an integrated ticketing system made much more difficult by the diversity of fare structures even in the public transport system?

Mr Harper—The simple answer to that is no. There are complex systems in other parts of the world, and there are simpler systems, where such systems are in place.

Senator O'BRIEN—Yes, sure.

Mr Harper—We have made it very difficult here to get something done. For excuses, we have got 106 different ticket types and fare structures across—come on! That is nonsense. London Buses have got similar fare structures and they have got a great system in place. Hong Kong, on a simpler side, has only got 32 stations on their system, but they have got a system in place. You can go across the world and look for examples where it happens. Why is Brisbane so simple, where their go card system, which has been going now for nearly 12 months, operates across the private and the public systems—buses, ferries, trains, the whole thing? Are the Queenslanders brighter than we are? No. The answer is that there are problems and hindrances—

Senator O'BRIEN—I'm staying out of that one!

CHAIR—Fortunately, Hansard cannot pick up nodding.

Senator HUTCHINS—I actually caught public transport in here today. I am probably the only one at the table who did. In your submission you say in point 3:

If, for instance, Sydney trains could operate at, say, three minute headways we could create an additional 120,000 passenger spaces at morning peak times alone.

Can you expand on that for us, please. What do you mean there?

Mr Harper—Yes, sure.

Senator HUTCHINS—I will preface it with these remarks: I come from up in the mountains and one of my colleagues, who is behind there, Paul, probably caught the same train.

Mr Harper—Paul Trevaskis?

Senator HUTCHINS—Yes, he is there. We probably caught the same train down. One of the things I have noticed in travelling a bit, particularly in the last few months with the increased fuel prices, has been the increased patronage on rail which, from what I understand, has led to more people using it, which means more people getting on and off and taking more time. I wonder if you could expand on that observation; that unless we have more trains on the line, it does not matter how many headways we have, because we have got more people using trains and taking more time to get off and then more time to get on.

Mr Harper—Yes, sure. Back to the primary issue about headway: at the moment we do not have the capacity to be able to run trains at any greater headway than about five minutes. That capacity is not only platform space, because you talk about loading and unloading, but also the railway itself—the signalling system particularly. Those are the three primary areas where we are lacking capacity to be able to run more trains over the existing capacity area, particularly during the peak times. Yet in many countries overseas we have a headway of two minutes and three minutes at most. I have mentioned them in my paper so I will not need to go through them again.

The point I am making is that the opportunities for being able to introduce a more sophisticated signalling system and the ability to be able to load and unload in a better way—and we are not talking about 21st century stuff either, by the way; have a look at some of the KL areas, the Hong Kong areas, the Singapore areas, they do not seem to have trouble with the loading and unloading arrangements, because it is controlled, it is managed—are equally available here in Australia.

The other aspect of rail capacity has been one which I understand, certainly in New South Wales, is being dealt with. In fact, they have spent \$700 million so far separating the track for the nine different corridors that run in an integrated way within the Sydney metropolitan area. It is going to cost a total of about \$2 billion by the time they have finished. But what that will allow is greater capacity on the railway systems. Once you get greater capacity you can put on more trains.

So, sure, people are being encouraged in some sense to come across to public transport travel because of the higher cost of petrol. But let me quickly stop. Those that are doing that are longer distance travellers, like your Central Coast, Blue Mountains people. They are not your short-distance travellers, because they have still got to put their car away at the end of the day and that is a cost. Econometric studies have shown over and over again that the price of petrol and the cost elasticity of petrol is not a significant influence on the increase in public transport usage.

Senator HUTCHINS—Out where I live it seems to be.

Mr Harper—You have just given me the example of long-distance travel.

Senator HUTCHINS—In your paper you talk about the rolling stock:

Many of the buses and trains currently operating in New South Wales, Victoria and South Australia are beyond their economic life.

Do you want to expand on that for us?

Mr Harper—Starting off with South Australia, you have only got to go down there and use the public transport system. You can see that you are using rail carriages that are beyond 35 years of age. As an economist, I have for many years done the cost-benefit analysis on acquisitions of rolling stock and, if you are getting any more than 30 years out of a rolling stock life, you are doing very well, because the maintenance costs thereafter start to escalate severely. In New South Wales, up until recently, we still had something like 40 Tulloch cars running around. They are nearly 50 years old.

I mentioned Queensland. They are starting to get the additional rolling stock, particularly with their Gold Coast services, which are encouraging that to happen. But it took them a long while to get there. The simple message is that, if you are going to allow your rolling stock to age in the way that has happened because of lack of investment, you are going to find out it is costing you more than it is worth and, more importantly, you are not going to attract new and additional business.

Senator HUTCHINS—Do you include in your statement the many private bus operators? Do you see them also as not being in a position to replace their stock? Do you include that in your statement, or is this mainly public transport?

Mr Harper—No, I did. I do see the private bus operators as being part of the public transport family. There has been, let me say, a more efficient look at bus replacement in the private sector because they have got to pay for it. That does not mean that more efficient is a negative. They will go out and get a bus that costs as much as it needs to cost to do the job. School bus services are a good example. You do not go out there and get a \$350,000 bus to put on a school run.

Senator HUTCHINS—No.

Mr Harper—There is a fair amount of commonsense generally across the public and the private sector. I was not referring to any particular part of it.

Senator HUTCHINS—So you would say that the equipment of private operators in the public transport sector is beyond its economic life as well?

Mr Harper—No, I would not say that, but there are instances of it, particularly in the rural areas, of course.

Senator HUTCHINS—Has your institute done a study or come up with a figure as to how much it would cost state and national governments to look at what needs to be done and potentially replacing rolling stock? Could you give us a figure?

Mr Harper—In short, no. The institute has not undertaken that work. We know of work that has been undertaken, but it can be separated into various parts. There has got to be a program of replacement of about 15 per cent of your total stock in any one year. It is a bit like R&D: if you do not keep it up it will go to the pack.

Senator HUTCHINS—But your point is that the 15 per cent has not been replaced.

Mr Harper—No.

Senator HUTCHINS—Is that essentially it?

Mr Harper—Particularly from around 1996 to 2003 when government investment in a number of states went below the level it ought to have been, but particularly in New South Wales.

Senator HUTCHINS—Are we talking billions and billions of dollars for both the replacement of public and private stock?

Mr Harper—You are probably talking billions of dollars, yes. But billions now is nothing, in these economic times.

Senator HUTCHINS—No.

Senator HEFFERNAN—It bloody well is, mate! Don't worry about that!

Senator HUTCHINS—If you asked us to write out a cheque to replace the stock that is beyond its economic life, would we be writing out a cheque for \$10 billion, \$20 billion?

Mr Harper—I cannot answer your question. The point I made about 'billions' is the usage of a word.

Senator HUTCHINS—Mr Harper, you said that there had been a study. I wonder if you could refer the committee to that study.

Mr Harper—No, I did not say that.

Senator HUTCHINS—Sorry.

Mr Harper—I said, 'We have not studied it at the institute.'

Senator HUTCHINS—I am sorry. I never said you did. I said that you referred to a study.

Mr Harper—No. I am not aware of a study, other than individual sectors.

Senator HUTCHINS—I am sorry. I will have a look at the *Hansard*, but you did refer to one.

Mr Harper—Individual sectors, such as your high-speed trains, such as your replacement of vehicles in the underground systems. But, no, I do not know of a study.

Senator HUTCHINS—Sorry, I misheard you.

Mr Harper—That is okay.

Senator HEFFERNAN—Have you blokes done a study on the real cost of transport? I used to be the mayor of Junee years ago and over half the passengers that went through Junee did not pay on the train. So have we done a real cost? One of the problems with airlines now is that they are tending to get close to falling out of the sky because people think you can fly from here to Port Douglas for \$99 for some strange reason. What is the rate of fare-paying passengers on public transport? I mean, it is public. The term is a conflict in itself.

Mr Harper—Yes, sure.

Senator HEFFERNAN—But at some stage of the game, there has got to be a real cost.

Mr Harper—Indeed. Let's go back to your own example of the trains. We used to call the railways in New South Wales a system for the three Ps—pensioners, passholders and paupers. Thirty per cent of the population that use public transport are pensioners or are on some form of welfare payment. 'Paupers' was not meant to be anything other than that they were in the lower income bracket and therefore they did not have much selection. Passholders also represent about 15 to 20 per cent of the people that use the service. So if you take your Junee or any of those regional services, yes, you have got a real fare rate of about 30 per cent of your total fare rate.

Senator HEFFERNAN—I am not arguing that whoever they are should not get the subsidy, but we should recognise the real cost.

Mr Harper—Precisely.

Senator HEFFERNAN—In those same days there was an argument for a very fast train, which would open up a new corridor from here to Melbourne: one was an inland route; one was to pick up the snowfields on a coastal route. The cost of the line, which would open up a 100-year development corridor—which gets away from, 'Do we need to come into the city with modern communications, computers? Why do we need a CBD and why can't you live and work in the Blue Mountains and not have to come to the city?'—is and was actually cheaper than the cost of refurbishing the sewerage in metropolitan Sydney. So there are some real thinking exercises to be done on what is the shape of future communal living. But for airlines versus buses versus trains versus pushbikes, you really have not done the real cost study.

Mr Harper—No. That is not the role of the institute. That is not what we do.

Senator HEFFERNAN—No, I am not saying it is. We can fantasise about what we would like, but at the end of the day—same with hospitals and schools and all the rest of it—as you say, billions of dollars is meaningless, except if you have got to pay it back.

Mr Harper—Yes, of course. I am not saying it is not a significant amount, but there has been no estimated cost of the extent of Commonwealth government funding in this sense. The real issue you make is an important one, and these are where the separate studies have been done: the inland freight railway system; the very fast train between Sydney and Melbourne via Canberra; the opportunities of undertaking major works in the north-west metro system. A lot of work has been done on that, but the real cost of doing it is exceptional and the returns are extremely low.

CHAIR—Mr Harper, I have got a couple of questions. You mentioned the Perth public transport system and integration and how it is working, and the smartcard. Can you tell us, in your view, why it has not happened here?

Mr Harper—We are, in New South Wales, a much bigger and more complex area. In Western Australia, there are something like 1.1 million people in the whole of the state. It is a separate kettle of fish. They do have a single entity over there, the Public Transport Authority, which looks after all of their public transport, private and public. Therefore, they are in a position to be able to focus centrally on the things that need to be done and work together with even the taxi groups, the bicycle groups—the whole loop. They are working under that same umbrella. It would be a monolithic comparison to do the same in New South Wales. I am not saying it is impossible to be done, but it is not like for like. That is what I am saying.

Here in New South Wales we have got to talk to a lot of people to get anything done. The modes are separate. We now have separate ferry systems. We have a private bus system and a public bus system. We have a rail system; we have a country rail system. There are many players and there has not been, and there continues not to be, a lot of discussion between the parties. It is not impossible. Then, let me say, there are other barriers—union feelings, worker beliefs, the environmental issues that come up. You go back to Western Australia, it is a package village—a very nice place to live—but they can get things done because they are much smaller and much more able.

CHAIR—So there is a lot to be said about one single authority.

Mr Harper—Indeed.

Senator MILNE—I want to pick up on your brief mention there of the very fast train. How long ago was it looked at and dusted off? Is it a project that was looked at in the logistics and the economics of five, 10 years ago, or are we looking at it in the context of global warming, carbon price, new runway for Sydney? I have just been in Europe and have seen the train between Barcelona and Madrid, for example. The Spanish are going full-on now for really fast trains and the airlines are losing business hand over fist because it is much more convenient. It strikes me that the whole economics of the very fast train have now shifted in the new environmental context. Has anyone dusted it off and had a look at it in a different context?

Mr Harper—Yes. Let me say at the outset that the chartered institute is very much in favour of the very fast train here in Australia. In my own experiences, including the one at Barcelona which I travelled on about this time last year, across Europe on the TGV, Japan on the Shinkansens and other such fast train services, we have found that they have had a damaging effect on the patronage of airlines.

Senator MILNE—That is not a bad thing.

Mr Harper—There are two conditions that must apply. The total journey time cannot be any more than three hours and the fare must be about 80 per cent of the economy airfare. If they apply those, they have found that they can get a major shift in airline traffic. We could do much the same in Australia. One of the difficulties that we face—and it is a reality so we have to keep repeating this—is that we do not have the population to support the sort of cost that we may be looking at. If we put a short term of, say, up to 10 years on it, any investment in a very fast train in Australia has got to have a 30- to 50-year project life. Let's not fool ourselves. We have got about 18 million people travelling passenger journeys between Sydney and Melbourne at the moment. Look what can happen when you start inducing people to travel, like the reduction of airline fares.

Senator MILNE—Yes.

Mr Harper—People will travel when they would not ordinarily travel—not just travel by air, but travel—and the whole hypothesis and the assumptions of a very fast train in Australia, particularly between those two corridors that I have mentioned, which is the obvious selection, is about creating travel that does not now exist. It also has a major benefit on other issues—the environmental issues but, importantly, the development of the rural areas. If you put in a railway system, residents and industry around that railway system will develop. History shows you that.

Senator MILNE—Yes.

Mr Harper—So there are really good benefits, both socioeconomic benefits and financial benefits, over a longer period of time, by introducing a very fast train to Australia, particularly between Sydney and Melbourne, which are our two biggest cities.

Senator MILNE—I take your point about the traffic volume being critical to viability, but what I was really wanting you to comment on is whether the economics have been done again in the light of a carbon price and peak oil. If you accept, as I do, that we are at peak oil, and if you accept that we are going to have a carbon price and it is going to get higher, and your logistics of travel are going to be different, you are not going to have the airlines being able to fly like they are now at the prices they are now for very much longer.

Mr Harper—Yes. Simply put, I do not believe that there has been any extensive further study done. Professor David Hensher, who will be joining you here later on, did some original work in the nineties on that corridor and was able to establish the sorts of economic benefit costs at that time, but climate issues and the carbon footprint arrangements were not in place then. Yes, it is an opportunity to be able to look at it again and I think it should be done.

Senator MILNE—Thank you.

CHAIR—I want to pick up on your comment earlier in your opening statement that you could have the best public transport system in the world, but it does not mean you are going to get commuters on it. In the last five minutes that we have, I would like to explore that a bit further. In terms of New South Wales, because that is where we are today, how would you see that all forms of government could play a role in getting more commuters onto public transport here in New South Wales?

Mr Harper—It is very much the chicken and the egg. Of course you have got to have a public transport system that is an effective one. That takes time given, particularly in New South Wales, that there has been a lack of adequate investment over a period of time. We have got to get that back up to speed. More importantly, forget the spin. People are anxious here in the state to understand that something is happening, something is working. So that is a keynote start. But, importantly, I did say that, even though at best you have got a 15 per cent proportion of your population at peak times travelling on the public transport system, it is also a matter of not only encouraging people to use a better system but encouraging them in the softest possible way to leave their cars at home.

Thirty per cent of people that travel into the city at peak times could do so at other times. They are fringe travellers, we call them, yet they continue to come in at peak times and create the urban congestion that we suffer. Why don't they travel by public transport? I will tell you what the answer is: 'It's not convenient to do so.' There will always be a reason. So we have got to find a way in which we can overcome that reasoning, not just by putting on a better public transport system. That will not be enough in itself.

One of the opportunities that has been found in places like London and Stockholm, in Singapore, in Durham in England, is that they put a charge on people that have to come into town. In every case where that has been done, the usage of public transport has increased by about 25 per cent, the cleaner air has been increased by about 15 per cent, and congestion has been reduced by about 30 per cent. Moneys that are raised are being reinvested, in the main, back into public transport. Last November I spent some time on business in London, and I was quite pleased to see the advancements that have been made in a matter of only three or four years, not only in the buses but the systems, the new routes that have been put into place, the reduced number of vehicles, and the ease by which you can get around the place now, compared to what it was even 10 years ago.

That is what I mean by 'discouraging'. It is a medium- to long-term, five- to 10-year plan that we are looking at here. You cannot bring it in tomorrow. It is not something that says, 'All right, as from Monday we're going to bring in a congestion tax.' It will not work.

CHAIR—I remember being here a couple of years ago when one of the tunnels opened up and I was in the car and I said to the driver, 'Why is there no-one in the tunnel?'—one that popped up in the city here somewhere—and it was because no-one wanted to pay the \$2.80.

Mr Harper—Yes.

CHAIR—Which I found remarkable. You talk about discouraging, but I walked past a public parking place today—Wilson to name the place.

Mr Harper—Yes, Wilson Parking.

CHAIR—It had 'day parking \$27'. I thought that would be enough to discourage people from driving in and catching public transport alone, wouldn't it?

Mr Harper—You must give me the name of that place, because it is usually \$46 to \$52 a day in Sydney.

CHAIR—Someone probably turned it upside down.

Senator HUTCHINS—Is there any evidence yet, Mr Harper, that the differential tolling has had any impact on people's transport habits?

Mr Harper—There is no early evidence. It has only been on for about two months. But my advice to you is that it will have no impact whatsoever. Please do not be confused by the government here calling it a congestion tax. It is nonsense. It is just an increase on toll, a means of raising revenue from people coming to and from the northern areas, which are all Liberal seats.

Senator HUTCHINS—But hold on, isn't the impact of the tolling at different times of the day to encourage you to use the toll—

Mr Harper—Rubbish. It does not work.

Senator HUTCHINS—If you look at the WSROC submission, it refers to a number of people from Western Sydney using that route as well. What, you don't think that they do use that route?

Mr Harper—No. What I am saying is that I do not think the differentiations in the tolling will have any effect on the usage of motor vehicles across the bridge.

Senator HEFFERNAN—It certainly does not feel any different in the mornings to me.

Mr Harper—No, it is not.

Senator HUTCHINS—But there is no evidence yet that it has affected—

Mr Harper—Early days.

Senator HUTCHINS—Or early days yet.

Mr Harper—But my economic advice is that you will see no evidence.

Senator MILNE—Would abolishing the fringe benefits tax incentive differential change the traffic flows?

Mr Harper—I do not believe so. I think it could be used in a more positive way, where fringe benefits such as immediate deductions from salaries for the cost of public transport travel could be very helpful, if you use the public transport.

Senator MILNE—So providing an equal incentive as a packagable—

Mr Harper—Yes. That is the positive way of doing it.

CHAIR—Mr Harper, the committee does thank you for your assistance.

[9.18 am]

CADOGAN, Mr Alan Keith, Strategy Director, City of Sydney Council

CAMPBELL, Mr Richard Philip, Manager, Transport Strategy, City of Sydney Council

FRANCO, Mr Victor, Transport and Major Projects, City of Sydney Council

McCABE, Mr Graham, Senior Transport Planner, City of Sydney Council

MOORE, the Hon. Clover, MP, Lord Mayor, City of Sydney Council

CHAIR—I welcome to the inquiry witnesses from City of Sydney Council. Do any of you have anything else you would like to say regarding the capacity in which you appear today?

Councillor Moore—I am here in my capacity as lord mayor, but I am also the state member for Sydney.

CHAIR—Before we go to questions, do you wish to make a brief opening statement?

Councillor Moore—Yes, I would like to do that. With the impact of the global financial crisis, Sydney's capacity to drive the national economy has never been more important. So far, the federal government has responded to the crisis quickly, with a massive economic stimulus package, but all the indications are that it will not be sufficient to shelter us from the devastating impact being felt in the US, the UK and Europe.

We need to be smart and strategic about investment in our cities, where the majority of Australians live, to better position the national economy for the future. We cannot rely on the resources boom to drive economic growth and the capacity and the productivity of our cities is now central to securing our future economic development. As Australia's leading and only global city, Sydney's role is crucial.

Based on industry mix and relative occupational wage levels, it is estimated that the GDP generated by the City of Sydney local government area alone in 2007 and 2008 was approximately \$74 billion. This represents over eight per cent, nearly one-twelfth, of the total national Australian economy, over 30 per cent of the city metropolitan area and almost one-quarter of the New South Wales GDP. Most importantly, the majority of this economic activity is in those industries dominant in the global economy, including business and financial services and telecommunications.

The city is also Australia's face to the world. Over half of all international visitors and two-thirds of international business visitors come to Sydney. Consequently, the city is a prime driver of the Australian economy. In the past decade, the city's economy grew at a rate which averaged over one per cent more than the Australian average.

The other critical challenge we face at this point is addressing global warming. It is not a question of either/or but how we can address both global warming and the global financial crisis at the same time. We need to invest in city infrastructure, which will help us to prepare for a more sustainable future and enable a transition to a new, lower carbon economy. Investing in new transport infrastructure in Sydney is of national significance.

Last year the City of Sydney developed the Sustainable Sydney 2030 vision. It aims to secure Sydney's position as globally competitive, globally connected and environmentally sustainable. Extensive research and analysis undertaken provides a solid foundation for fast-tracking investment in Sydney's future, particularly now in the environment of the global economic crisis. Sustainable Sydney 2030 highlights the need for investment in transport as a priority for Sydney's future and as the engine room of the nation's economy and identifies a number of strategic projects.

The City of Sydney has already made submissions to the federal government making the case for funding inner city light rail loops and an extensive network of cycleways. This point in the economic cycle is a good time to invest but some of the major transport infrastructure projects will take years to build. Projects such as light rail and cycleways can be completed more quickly, with immediate benefits for the economy, the environment and public health.

The bureau of transport economics estimated that under a do-nothing scenario, the cost of Sydney's traffic congestion would rise from \$3.6 billion a year in 2005 to \$8 billion a year in 2020. In addition to the detrimental economic impact of this congestion, the associated health and environmental costs across Sydney are estimated at \$1.4 billion a year. Government policy and funding must give priority to development of healthy, low-emission transport modes, including public transport, cycling and walking.

Sydney needs a planned, sustainable and integrated transport system that provides for public transport as well as for the needs of pedestrians, cyclists and motorists. City believes that light rail and cycling infrastructure provides the opportunity for vital and quick gains, with three priority projects critical in the short term: the Green Square light rail loop connecting central Sydney and the Green Square urban renewal area, the largest urban renewal area in Australia; the city centre light rail loop, providing an efficient and reliable transport through central Sydney, aligned with the city's vision for a central city spine dedicated to public transport and pedestrians; and an inner Sydney cycle network, in partnership with 15 surrounding local councils, the New South Wales Department of Environment and Climate Change and the Roads and Traffic Authority.

Federal and state transport policies in recent decades have favoured cars and road transport over other forms of transport. This needs to change, to encourage a shift to a more sustainable and efficient transport system which meets Australia's needs for the 21st century and beyond, and which is happening in other global cities around the world. For example, tax incentives for car use need to be revised and, where relevant, extended to other forms of transport. Sydney employers who are preparing progressive sustainable travel plans for their workforce have identified tax issues as barriers when packaging up public or other transport alternatives to the use of company cars.

The City of Sydney is committed to environmental leadership and reducing greenhouse gas emissions to address global warming by promoting public transport, sustainable travel and greener vehicles. The city is pursuing the following areas of policy reform and incentives: public passenger transport; a green vehicle fleet; staff annual transport pass; and the green travel plan which we are developing. They encourage a greater use of public transport, walking and cycling. Policies and incentives to encourage sustainable transport options include car share, promoting motorcycle and scooter use and, of course, our bike network, which I referred to previously, and greener vehicles. The city's new parking permit fees are based on the Commonwealth government's Green Vehicle Guide and reward residents with greener vehicles.

In developing and implementing Sustainable Sydney 2030, the city has investigated best practice models, seeking to adapt international experience to ensure the right transport mode for the right location. International experience shows light rail is a gap in Sydney's transport infrastructure. In Europe there are 28 countries with light rail, with 170 light rail systems, 941 lines across 8,000 kilometres of track, with many more planned.

Light rail could provide much needed additional capacity on short-distance high-volume routes, while providing the opportunity for buses to be redeployed to outer metropolitan areas where flexible transport routes are needed. It would also reduce vehicle traffic congestion and significantly improve surface transport, creating more opportunities for cycleways and better pedestrian access. We believe light rail plays an important complementary role even with the construction of new underground metro and heavy rail services. With Commonwealth funding, an effective light rail could be quickly implemented, providing significant sustainable transport improvements within three to five years.

Finally, I would like to refer to a current example of a problem where lack of planned transport infrastructure is causing anger at the grassroots and is impeding investment. As you probably know, the Green Square area in the southern part of Sydney was identified back in 1995 as the major urban renewal area of Sydney and there was funding then from the federal better cities program. The development has proceeded apace. I am sure you see, when you come in from the airport to the city, all that development on the ACI site and south to the west of south Darling Street.

Of course, the people who are moving into those apartments—there are 5,000 on just one site, on the ACI site—are now all screaming because the public transport that was promised, the light rail connections that were committed to back in 1995, have never been realised and are not happening. So there is a really serious issue and it is a national issue because this area is located between the major airport and the major city of Australia. It is also the area located between the major port of Sydney and the major city of Australia. It has very serious problems, and developers are putting in development applications for that area as we speak. It will accommodate 30,000 residents and 22,000 workers. That is one of the proposals that is urgently needed that we have put to Infrastructure Australia for funding.

The other one needs little explanation: providing adequate surface transport round our city, the global city. I conduct regular business forums, and have been doing that for the last five years as lord mayor, and the major issue of concern to those businessmen that come to those business forums relates to the appalling congestion in our central business district and how this can deter those headquarters from setting up in Sydney.

The provision of transport in our city is probably way behind other cities of Australia, yet we are not competing with the other cities of Australia. As the global city, we are competing with the Singaporeans, the Shanghais and those international European and US cities, and we only need to look at the injection from their federal governments in recent years into public transport in those cities, particularly into light rail. We are hopeful that the new federal government will look positively at the needs of our cities and the economic future of our city.

CHAIR—Thank you, Lord Mayor Moore.

Senator LUDLAM—Just to start off where you have left off on the light rail, why have you chosen light rail for the city of Sydney over buses and busways?

Councillor Moore—For obvious reasons. One light rail carriage can carry three laden buses or 50 cars. They are quieter and more convenient and there are reduced emissions. We have done a lot of work—I note that Garry Glazebrook is addressing you later on; he is one of the people that we have employed to look at the needs of transport in Sydney, and that was his recommendation—and we did our Sustainable City 2030 plan.

That was the most comprehensive consultation ever undertaken by the City of Sydney in terms of 18 months worth of intense consultation with our business community, all our various communities from our Indigenous community through to our Chinese community, and we came out with strong recommendations for these two loops, one to Green Square, the area I have just been talking about, and one in the city. We have one million people coming into the city each day. It is the major tourism and cultural city of Australia and we need to be able to move people round efficiently and conveniently, and we want to be able to show off our city.

We had Jan Gehl, the Danish urbanist, come and work with us on Sustainable City 2030 and he said, ‘What’s special about Sydney?’ We know what is special about Sydney. It has this absolutely stunning harbour, the best in the world, and we want people to be able to relate to it.

CHAIR—I have to agree with you. You have got a wonderful harbour.

Councillor Moore—The light rail loop down George Street and then round: just envisage it as a tourist cultural addition to the city, round from the Art Gallery, Opera House, through the Rocks, round to Walsh Bay, Sydney Theatre Company. It would certainly help the Australian economy in terms of tourism and business.

Senator LUDLAM—You are obviously active in promoting public transport to this part of the world. To start with the obvious, do you support Commonwealth funding for major transport projects? If so, what institutional arrangements would you support, given your active role, with the state government and then the Commonwealth stepping in as well?

Councillor Moore—I am also chair of the Capital Cities Lord Mayors Forum this year and the capital city mayors met with the former Prime Minister and the then Leader of the Opposition before the last federal election to propose a cities policy, which had been seriously lacking in federal government policy in the last decade. We got a strong commitment from both sides, but particularly from the then Leader of the Opposition, the now Prime Minister, and that cities unit has been set up in Minister Albanese’s area in Sydney in Infrastructure Australia.

I have since had quite a long meeting with him on behalf of not only Sydney but the other capital cities, and I have to tell you: the thing that dominates our conversations, just as it dominates my business forums and all our resident meetings in Sydney, is transport and transport for Sydney—public transport for Sydney. It is about sustainability, equity, the economic future of the city; it is so important and it does dominate. Sydney is appallingly congested and we have to address it. That has always been at the top of our list of requests to the federal government: to start engaging with cities and to start investing in cities and in the economic future of the nation by investing in public transport.

In terms of how it would be achieved institutionally, who is the best to answer that? I am not. I think we would have to take that one on notice and come back to you. We do have a submission that we will be delivering to you today, too. So we will make a note of the questions you ask that I am unable to answer and perhaps come back to you.

Senator LUDLAM—If you are going to do that, we would be interested in your views, if there were substantial funding for major infrastructure projects coming from the Commonwealth, as to what kinds of conditions and criteria should be set and what role there would be for the state governments in particular, as you see it. That would be helpful.

Councillor Moore—The new Premier has made public commitments to work in partnership with the city and, again, we are identifying that transport is a key issue.

Senator LUDLAM—You mentioned cycle initiatives in your summary response. Can you tell you us a bit about that?

Councillor Moore—Yes, I can, and I will give you something too, which is a copy of our most recent newsletter the *Sydney City News*. Inside it you will see the map of our proposed network that we are going to build in the city of Sydney over the next four years. We are allocating \$67 million at the City over the next four years to this planned network and I have worked with the mayors of the 14 surrounding councils and the state department of environment and planning to put a proposal. If you open that newsletter up, at the bottom you will see the cycle plan. You will see me on a bike, you will see a map, and at the bottom you will see the proposal that we have put to Infrastructure Australia together with the state department of environment and planning and those other 14 councils to create an inner city cycling network.

This is a life-changing proposal because this is going to mean that people will be able to get out of their motor cars, get off crowded buses and get onto their bikes and it is going to reduce congestions and emissions and create a healthier community. To have those will mean you will literally be able to go on a bike from Willoughby to Rockdale. Our part in it we are committed to building over the next four years and we really want to be able to connect up with those other councils. The exciting thing about it is that it could all be happening in an electoral cycle. It takes so long for these other major projects—which are also important for the future and are sustainable and which we support—but this is something that people will see and people will be able to start cycling to work.

From time to time as lord mayor I go to those executive lunches and have people come up to me at the end and I think, ‘Here they are; they want to talk about development.’ No. Do you know what all those executives want to talk about? ‘When are your bike lanes going in? We want to cycle to the city,’ which is really interesting. There is tremendous support. The developments that we are now getting in do have cycling facilities in them. They have bike parking, they have shower facilities, and people want to use them.

Senator LUDLAM—You have that already?

Councillor Moore—That is happening already. Cycling has dramatically increased in popularity in recent years. In one area, Alexandria, it has increased by 75 per cent in the last couple of years, but it is dangerous. I joined a bike bus. I will only ride in a bike bus; otherwise, I feel too scared if I am going down Park Street, Druitt Street, College Street, streets like that currently. People really do take their lives into their hands, but they want to get out and they want to use their bikes and, for Sydney, it is an exciting opportunity. It is our most important project over the next four years and we are going to have that network into the city. We will be opening the first section of it in King Street in the CBD in May.

I am talking separated cycleways. I am not talking about cyclists on the road. I am talking about road set aside for a bidirectional cycle path where people can cycle safely. We want this cycling network to be so safe that parents can let their children use it to go to school. It will go past our schools; it will go to shopping centres; it will come into the city. It will be a sustainable form of transport and it could be a project where federal, state and local government are working together—how powerful is that?—in a commitment to reduce global warming and create a healthier community. It is a really exciting project.

Senator LUDLAM—If this were fully funded, how long would it take to roll out? Have you done any estimates of the employment consequences or how many jobs that creates?

Councillor Moore—We could get you that figure, but we have done a lot of work on this. We are rolling out what you can see on that map over the next four years. Those other councils have all done a lot of work, too, but the problem about it now is that none of it connects. Cyclists have to sort of levitate. I do not know what they do with their bike, but they levitate when they get to a boundary somewhere where the cycle lane stops.

This is about connecting up the existing work and I believe that, if the funding were available, those other councils could do the sort of work we are doing and we could see it, as I said, within an electoral cycle.

CHAIR—While we are on bicycles, Senator Ludlam, there might be a couple of others, so rather than swap and change, if there are senators who have some questions on bicycles, I would urge that we continue the flow. I will come back to you, Senator Ludlam.

Senator HUTCHINS—This goes to your original statement about Sydney being the global capital in this part of the world. We have a number of submissions which refer to the significant number of people that come into Sydney each day by train from the outer and northern suburbs of Sydney which, practically, this would mean nothing to, to relieve congestion. You are saying that you have seen evidence that people are moving from using, I imagine, private or bus transport to cycles. I understand you issue permits for people to park in your city area. Do you divide that up into residential and commercial?

Councillor Moore—Can I respond to the first part and then I might go to Victor. This work we did on Sustainable Sydney 2030 is not just about the next four years. As I said, we have done the most comprehensive consultation ever undertaken in the city. It is about the future and about the Sydney community committing to a sustainable future. Interestingly, 97 per cent of people we surveyed said that addressing global warming should be our most important commitment.

Senator HEFFERNAN—Wouldn't the first step in that be: what is the carrying capacity?

Councillor Moore—If I could just continue: the thing about the work we did—and we were working with the Property Council and all our communities—is that it is about the future and how we reduce our emissions to meet our targets and address global warming. Clearly, we are going to have people continuing to live at high densities in the city of Sydney, and we will have even more people living at those densities, because that is going to be sustainable. It is not going to be sustainable to continue to have people living in far-flung suburban areas. That is not our future.

Senator HUTCHINS—But you cannot live in Sydney. You cannot afford to buy in Sydney.

Councillor Moore—No.

Senator HUTCHINS—You already have incentives for people, like dishwashers and cleaners, to get in here.

Councillor Moore—You will read in the *Sydney Morning Herald* today, as part of Sustainable Sydney 2030, a big article about our affordable housing proposal, which again we are going to have to work through with Property Council and government to achieve. There is one per cent affordable housing in Sydney currently and our goal is to have 15 per cent by 2030. We have already embarked on a project that involves the state government in partnership in Glebe and are putting together a proposal.

We are talking long-term future sustainable options here, as well as providing for the people who are already living in the inner Sydney area that are living at the highest densities in Australia. We do not want them using cars. We want them using public transport, walking and bicycling. That is good for our environment, for the city and for the economy of our global city, which is important to the nation. As I said, it is worth 12 per cent of your GDP. If we have the people in the inner area not using cars, it is important.

Senator HUTCHINS—But they have access to buses and light rail now.

Councillor Moore—No, only one very small group has access to light rail now, and that is the people who live in Lilyfield.

Senator HUTCHINS—What about buses?

Councillor Moore—Yes, and our buses sit in our congested roads now. You only need to look down George Street now and you will probably see 40 buses sitting there. They are not the solution to Sydney long term. They are a short-term solution because not enough funding has been put into public transport—

Senator HEFFERNAN—What is the carrying capacity?

Councillor Moore—over the last decade, so the government keeps putting in buses. I do not want to criticise that. What I want to do is talk about what we can do for the future.

Senator HUTCHINS—How many residents do you have in the area of the City of Sydney?

Councillor Moore—We have 150,000 and we have a million people coming into our city each day.

Senator HUTCHINS—Yes, but that is 150,000. This is a plan for 150,000, isn't it?

Councillor Moore—Well, no, because what we plan to do—

Senator HUTCHINS—You are not, practically, going to get someone to cycle from Penrith to the city, to George Street, are you?

Councillor Moore—No, but if I could just complete the sentence: what cities like Paris and Lyon are doing now is putting in public bike hire systems, so that once you get to the city, once you catch your train or bus in, you can move round the city by a bike hire system.

CHAIR—And Brisbane.

Councillor Moore—And Brisbane is doing it too. That works very well. My long-term vision for the metropolitan area is that we do this first ring of councils, then we have the federal, state and local government working with the next ring and the next ring, and possibly down the track you could be cycling in from those outer areas. That would be terrific.

Senator HUTCHINS—You would have to be very fit!

Councillor Moore—A healthy community is a very good thing.

Mr Franco—In terms of the impact of rail and the thinking that this does not relate to a lot of the people who use heavy rail, the New South Wales government at the moment is encouraging the building of car parks at the outer rail stations. Meanwhile, CityRail is stifling the provision of adequate bicycle parking at rail stations. People could be riding to their rail station at outer suburban stations. They could either be taking their bicycle into town and then riding around on safe cycle paths here or interchanging and coming and taking—

Senator HUTCHINS—Where would they shower? At the station? Would you put a shower in the station for them? Say if you came from Glenmore Park, just to get to Penrith station it is probably a six- or seven-kilometre journey, if you wanted to get hot and sweaty in the middle of summer where there is 37-degree heat out there.

Mr Franco—On a day like that, that might be the case, but there is a myth that cycling is all about wearing lycra and riding at 50 kilometres an hour. That is for a small segment of society. By and large, you can ride a bicycle at low speed and you will sweat as much as if you were going for a walk, and we can all walk in our business suits and we can get by and be casual, and we can provide end-of-trip facilities.

In terms of end-of-trip facilities, we see that quite a few of the corporates out there are taking a lead. If you look at Fairfax, a major corporate in Australia, they have set up their new headquarters in Pyrmont. They have committed to a target of 10 to 12 per cent of their staff cycling to work. They have set up end-of-trip facilities, so they have showers.

Senator HUTCHINS—And I imagine they live somewhere around here.

Mr Franco—They have got staff coming from all over. They are encouraging their journalists to cycle. That is an example of a corporate taking the lead. They are out there lobbying us. There are others that we have had discussions with, such as Macquarie Bank and Lend Lease, who are keen on this. They are not just saying it, they are doing it. If you want to have a look at a corporate organisation that has taken a lead, look at Fairfax and what they are providing, and look at the direct incentives that they are targeting to their staff. We are doing the same as a corporate. They are out there and keen for us to do this.

CHAIR—I would like to get back to public transport, if we could. Senator Heffernan, you have some questions?

Senator HEFFERNAN—I am trying to work out where Australia is going to be in 50 or 80 years, let alone downtown Sydney. More people live in the western suburbs of Sydney than all of rural Australia. Do we need a CBD? With modern communications et cetera, why can't I live in the Blue Mountains and do my job there? Why come down here? Have you thought about that?

Councillor Moore—We have.

Senator HEFFERNAN—Added to the carrying capacity thing. I do not know what your high-density plan is. You say there are 150,000 people here now and a million daily visitors mixed with them, but with great respect the great danger of a long-term plan like that is that you eventually turn areas into high-density, dysfunctional slums. I just wonder what you think the carrying capacity of civilised high-density living might be. Kids have got to learn what it is to plant a seed in the ground and see a tree grow so that they grow up with some sort of human aspect. We do not want a society of robots.

Councillor Moore—No, we do not. We do want a society, though, and if we do not address global warming, we will not have one.

Senator HEFFERNAN—So do we need a CBD?

Councillor Moore—We certainly do.

Senator HEFFERNAN—Why?

Councillor Moore—Because, as you say, we are not robots and we need to meet and engage. That is really very important.

Senator HEFFERNAN—Yes, all of that.

Councillor Moore—In the financial headquarters that are based here, and the law firms and IT firms, people need to meet, to talk, to discuss. That is why they still travel and that is an important part of it.

Senator HEFFERNAN—But the CBD is obscene. I was in a building yesterday that I was in three years ago when News Ltd launched their environmental whatever it was. I will not name the building, but it was the middle of the day, in a room that was full glass, circular, full light. You nearly needed sunglasses. But, as in this room, every light in the room was on. When I said, ‘Why don’t you turn half the lights off?’—like this room; you do not need all these lights, you could probably do with a quarter of them—they said, ‘Because the building is engineered in such a way that we can’t.’

Councillor Moore—I might ask Alan to comment on that.

Mr Cadogan—The difference between a dense, inner city area that is a slum and one that is a high-quality working environment is its public transport connections. You see that in places like Kings Cross. Parts of Kings Cross and Potts Point have the density of Manhattan and they are vibrant places where it is safe to be on the street.

Senator HEFFERNAN—I understand that, but if you are going to raise a family in a high-density inner metropolitan area you then have to tell the kids either, ‘Get on your pushbike,’ or, ‘Get on a train and go out to Woop Woop somewhere where you can play.’

Councillor Moore—Can I invite you to come to Glebe foreshore? Can I invite you to come to Harmony Park? Can I invite you to come and see the new Redfern Park?

Senator HEFFERNAN—What, and have a smoke?

Councillor Moore—We are creating the most beautiful parks. This is what happens in other cities around the world.

Senator HEFFERNAN—Can I invite you to walk with me around the streets at night here and see what really goes on?

CHAIR—Can I invite senators to direct their questions to public transport? Your questions, Senator Heffernan, are very important. There is no doubt about that.

Senator HEFFERNAN—All right. Thanks very much. This is challenging the status quo, my lady mayoress, but—

Councillor Moore—I am happy to take you around to all our parks and facilities.

Senator HEFFERNAN—Perth started a plan for climate change in 1985. They have got 50 per cent of the run-off they had. Sydney’s water was planned for about 3½ million to four million people. It takes 335 megs to water the Domain here, which should be city run-off instead of city prime drinking water.

CHAIR—Senator Heffernan, we are running out of time.

Councillor Moore—I am very happy to meet with you and go through a lot of the things we are doing.

Senator HEFFERNAN—But Perth is planning to say, ‘We’ve got enough here. Let’s go up the coast and build another metropolitan area.’ At what stage of the game do you say, ‘It’s time we decamped’?

Councillor Moore—I can give you a lot of information. I am very happy to meet with you another time and give you that information.

CHAIR—Lord Mayor Moore, if I can suggest that you and Senator Heffernan may want to go for a walk later on tonight, that is fine, and the committee will get a report back from Senator Heffernan in Canberra next week. But, on public transport, Senator O’Brien has some questions and I know Senator Milne has some questions, and I did cut off Senator Ludlam. Senator O’Brien.

Senator O’BRIEN—What funding from Sydney city council is committed to public transport infrastructure?

Councillor Moore—As you know, you collect taxes to provide infrastructure and the state collects taxes to provide infrastructure and the city’s core responsibility is to provide pedestrian and cycling facilities, but we

have worked hard at promoting adequate public transport for the city. But as you would know, the city is not responsible for providing transport unlike, for example, Brisbane City Council or London council.

Senator O'BRIEN—Why are you different from Brisbane? Because of history?

Councillor Moore—Because we do not have the responsibility for the provision of transport. Brisbane council covers the whole metropolitan area and they have the responsibility to provide transport. I wish we did have the responsibility to provide transport for the city of Sydney but we do not, unfortunately.

Senator O'BRIEN—What is stopping you?

Councillor Moore—We do not collect rates to do that. That is not part of our responsibility. It is the state's responsibility.

Senator O'BRIEN—I am still struggling to understand why you are different from Brisbane or the Gold Coast, who both have told us this week that they are committing many millions of dollars to public transport infrastructure.

Councillor Moore—Because they collect the taxes to do that. That is their core responsibility. It is not the state's responsibility, it is their responsibility.

Senator O'BRIEN—But the state also provides infrastructure in Brisbane, particularly the rail infrastructure.

Councillor Moore—I am very happy to give you information on the difference between the make-up of local government in New South Wales and the make-up of local government in Queensland.

Senator O'BRIEN—I understand the difference. The question I want addressed is why there is not a capacity, other than the desire of local government not to be involved in it, or the desire not to set a rate base which allows it to?

Councillor Moore—It is not a desire. Rates are capped, for a start. In New South Wales, local government is a creature of the state. Rates are capped, council has core responsibilities, and transport is not one of them. It is in Brisbane. Victor?

Mr Franco—Adding to that the structure of local government in Sydney: we have got 42 local government authorities covering the Greater Sydney area. Brisbane has one council: Brisbane. On the Gold Coast you have the same situation. So the institutional arrangements as well as the charter of local government here are distinct.

Senator O'BRIEN—What is the council's view on a congestion tax?

Councillor Moore—Unlike London, we could not impose that; it would have to be the state. The position I have always taken on that is that you cannot consider it until you have adequate public transport.

Senator O'BRIEN—It is chicken and egg, because the congestion taxes in London go towards public transport.

Councillor Moore—And they have excellent public transport in London; not in Sydney.

Senator O'BRIEN—This is not a criticism, but you are a bit conflicted in this because you have to represent the ratepaying businesses who want more people in the city and therefore you want the infrastructure to get people into the city, but the public good might be served by the alternative, which is to have fewer people coming into the city.

Mr Cadogan—The difference in count between how many people are here and how many vehicles are here is a major distinction. A lot of the roads are prioritised towards the number of vehicles coming in but not necessarily the number of people coming in.

Senator O'BRIEN—I understand that, but if the public purse is going to pay for the people to come in, there may be a cheaper and better alternative if they do not come in, which would not be in the interests of the businesses that your authority is serving as rate collectors for.

Mr Cadogan—You asked a question about congestion tax and charging. What we have in Sydney is a good example of incentive based tolling which encourages cars onto the surface, and that is the Cross City Tunnel, which does not have sufficient cars in it. It has a substantial carrying capacity that it is not currently carrying, and the toll demonstrably encourages more cars onto the surface, to the detriment of all businesses in Sydney and the environment in Sydney. That is an example of charging that would work.

Senator O'BRIEN—We have limited time, so I want to cut you short because I want to ask another question. There are a lot of things that we could have an interchange about in that regard. We have a submission before us from Mr Hensher, who provides information that suggests that bus rapid transport systems have the capacity to carry as many as, or more people than, light rail and do, in some cities, carry many thousands of people per hour; more, in fact, than the heavy rail system coming into Sydney. What consideration has Sydney city council given to a bus rapid transport system, given the cheaper cost of such a system?

Mr Franco—We are of the view that in the long term a light rail solution would be superior because of the carrying capacity.

Senator O'BRIEN—But that is not necessarily true.

Mr Franco—That is the view of one academic, and we appreciate that, but there are others.

Senator O'BRIEN—He has given us empirical evidence of the number of people that travel on bus rapid transport systems in other cities now.

Councillor Moore—I think the key word there is 'rapid' mass system. Light rail is a rapid mass system and then you can have a rapid mass system like the bus system that they use in Brisbane. If you look at the central business district of Sydney, with its historic high buildings and narrow streets, you will find that it is an unpleasant environment for those half a million people that are walking the streets of Sydney each day. That is contributed to very much by noisy, congesting buses. So if you look at the needs of a city like Sydney—our global city, the economic driver of the nation—you will see that a better system for the inner area would be light rail.

What we support is an integrated transport system: the right mode for the right part of Sydney. Sure, you will have your buses bringing people into the city and your heavy rail bringing people into the city. How do you move them around in the best possible way for the city once they get here, and at the same time protect its tourism value, its business value in terms of those important financial headquarters that have set up here, and in terms of the people living, working and shopping here? By having a sophisticated system like other major cities around the world, where you have adequate interchange and the right mode for the right area. We have identified that for the inner area the right mode is light rail, complemented by heavy rail and in time, we hope, metro and currently buses. So it is a matter of having an integrated, appropriate system.

Senator O'BRIEN—So you have considered and rejected the bus rapid transport system?

Councillor Moore—Not in the heart of the city. Bringing people in? That is fine. But once you get to the city, you need something else. You only need to spend some time in our city. Walk down George Street and try and have a conversation and then walk round other cities and see how pleasant it is.

Mr Franco—If you look at where the bus rapid transit systems are looked at as an option, it is looking out to the north-west, where we need investment in rail. People from the north-west of Sydney are coming into town, relying on buses. The lord mayor has already emphasised the impact that buses have in the city centre. Sydney competes on a global basis. The urban environment that we have, that we create on the surface, with all the buses congested around the QVB and around Circular Quay is the end result of relying on buses to bring people in, especially if you apply that model going out into the far reaches, where investment in heavy rail is required. That is about looking at the right mode for the right location. If you look at bus rapid transit systems to service the outer reaches of Sydney, that is an impact.

Secondly, you can look at what impact it has on the development community. If we want to create greater residential densities around public transport nodes where there is transport, where it is available, will the development community invest around a bus rapid transit system the way they would around a heavy rail station or the like? It is unlikely, I would suggest to you, that the development industry will not come forward and see the bus rapid transit systems as a long-term solution or something they can provide.

Senator O'BRIEN—Have you got empirical evidence for that, judging from bus rapid transit systems in other cities?

Mr Franco—We can come back to you with some.

Senator O'BRIEN—I would appreciate that, given that there is plenty of evidence offered.

Mr Campbell—The bus rapid transit that is usually put forward is Curitiba in Brazil. I understand it achieves those really high capacities by using something like four lanes for the buses, rather than light rail, which travels usually in one or two.

Senator MILNE—I am interested in this question of equity. A couple of years ago when we did the inquiry into future oil supplies, we had the councils of Western Sydney—and they are coming back today to talk to us again—and it is a fact that the poorest people live furthest from the centre of the city and have the oldest cars and the least access to public transport. They are the people who are going to be most impacted by increased energy costs, so we are going to create poverty traps around the cities because of failure to plan previously.

The proposals you are putting forward here are to improve the amenity of the inner city and I am totally supportive of that. What I am trying to understand is how you intend to address, on the one hand, the competitiveness of Sydney as a business and tourist centre and the amenity for people living in it and, on the other, the equity issues, at the same time? Does what you are proposing free up enough buses, if this were to be done, to go and put a rapid bus transit out to Western Sydney while we wait to do something better in Western Sydney? I want to be sure you are not addressing one at the expense of the other, because the equity issue is very real and, I would suggest, in that global downturn likely to be a real imperative.

Councillor Moore—I think that, unless we look after the economic heart of the nation, the flow-on effects are going to be serious in outer and regional areas. The national economy of Sydney really affects those other parts of New South Wales, so we have to keep it healthy, and that is what we are proposing. But, clearly, by developing a light rail system within the inner area, those buses that have been bought and those that are in the pipeline could be relocated to those outer areas.

What we are trying to do with Sustainable Sydney 2030 is at least plan for the future, and plan for low-income people also to be able to live and work in the city, through our affordable housing proposal, for which we are already seeking federal and state funding, so that we do not keep repeating the mistakes of the past. I think it is appalling that people have been dumped in outer suburbs without transport and that it is continuing: areas are being opened up and they are not putting the transport in first. That is still happening and it is appalling. What we are trying to do is work on our area and do what good we can, and the good in our area then has flow-on benefits for the rest of Sydney and New South Wales, and that is really important. If we do not look after our city economies, particularly now the mining boom is over, it could have a deleterious impact on the rest of the states.

Mr Cadogan—The submission we made to Infrastructure Australia gave figures for this, but inner Sydney, the 10 or so kilometres around the city centre, is growing faster than metropolitan Sydney, so the population is growing at a much higher rate in that inner area. It is a mistake to think that there are separate transport systems. The heavy rail lines that service outer metropolitan Sydney come through those inner suburbs and many of the bus routes come through those inner suburbs. Every passenger we can get onto a bike or walking in that inner ring of suburbs frees up capacity for that outer ring, and that is a really important point to remember. The modal shift for people in Pymont is a 50 per cent walk to work.

You can only do that within proximity of the city centre; I understand that. But they are people who are not on the trains, who are not on the buses, and are freeing up capacity. If we can lift cycling rates in the inner 10 kilometres around Sydney from the current one or so per cent up to 10 per cent, they are people not driving their cars on the same roads that metropolitan Sydney drivers need to use, or occupying seats on the trains that metropolitan Sydney needs, so those people in outer-lying areas have increased capacity through that investment in inner Sydney.

CHAIR—It is not on that plan, is it?

Mr Cadogan—That is because that is the City of Sydney local government area.

Councillor Moore—I did not do it for you. I thought you would be interested in the map, to see what we are proposing.

Mr Cadogan—The submission to Infrastructure Australia includes, for instance, the plan for the 15 adjoining local government areas, because you will find that international and Australian research shows that those trips that are between about two and maybe up to 20 kilometres are often faster by bike than by other methods. It is a mindset that needs to change about that.

Councillor Moore—We will add those submissions to Infrastructure Australia to the submission that we are giving you and then you will see it all.

CHAIR—We are over time. Senator Hutchins.

Senator HUTCHINS—Lord mayor, could you take this on notice: in your submission you talk about public passenger transport and you say you have got a green vehicle fleet, a staff annual pass, and a green travel plan.

Councillor Moore—We are developing that.

Senator HUTCHINS—Can you advise us in writing what those schemes are so that we can have a look at them?

Councillor Moore—I would be very pleased to, yes.

Senator HUTCHINS—I have some others that we will write to you about as well.

Councillor Moore—All right.

CHAIR—Thank you very much, Lord Mayor, and to your staff. We will now take a break.

Councillor Moore—Thanks very much, everyone.

Proceedings suspended from 10.04 am to 10.14 am

MELLISH, Mr Darryl James, Executive Director, Bus and Coach Association (BusNSW)

ROWE, Mr Stephen Grant, President, Bus and Coach Association (BusNSW)

CHAIR—I welcome witnesses from BusNSW. Do either of you have anything to say regarding the capacity in which you appear?

Mr Rowe—I am also the Bus Proprietor of Busways.

CHAIR—Before we go to questions, Mr Mellish or Mr Rowe, do either of you or both of you wish to make a brief opening statement?

Mr Mellish—I would like to, please. We are service providers. We provide essential services to the community and feel that the Commonwealth government should take a strong policy and leadership role in public transport. When we go to Canberra and speak to the members of parliament, which we do on a regular basis, we say to them, ‘Is public transport in the national interest?’ and they say, ‘Yes,’ and we say to them, ‘Well, why aren’t you doing something about it?’

We believe that the focus has been on road and heavy vehicle regulations, largely ignoring the role that public transport plays in Australian society. We understood that the states have the primary service delivery role for public transport. However, we have set out in our submission what we think are the reasons why the federal government should get involved: congestion, petrol prices, climate change and pollution, safety, land use resources, health, our ageing population, the social exclusion issue in regional areas, and the states getting sidetracked on using funds effectively. So we believe that there is a need for the federal government to take a very active role and we are very encouraged by this Senate inquiry. We have outlined in our paper, which is a summary document, why we think it is important and the areas where the federal government could take a role.

We are very interested in the debate that went on this morning, and I think that some of the regional areas have not been touched and that we are being a bit CBD-centric. The bottom line is that public transport should be available to all our communities and we would like to see the federal government get involved. We have suggested, ‘Why not have a minister for transport, a federal minister, that gives it proper credibility and authority?’ Thank you.

CHAIR—Thank you, Mr Mellish. Mr Rowe, did you wish to make a very brief opening statement?

Mr Rowe—No. I think Darryl summed it up quite nicely.

CHAIR—Great. Certainly from the point of view of the members of this committee, we do see public transport as a very important issue throughout Australia, hence the full support of this inquiry.

Senator HUTCHINS—Thank you, gentlemen, for your submission. I go to your submission, point (1). You might just want to expand for the committee what you mean by ‘increased GVM of two-axle buses and coaches’, and can you explain to us the implications of that.

Mr Mellish—At the moment, the buses that are manufactured and used in Australia have a greater carrying capacity than they are allowed to carry. If we were able to get approval to use the vehicle to its manufactured vehicle mass, we would be able to get more passengers on that bus, so for the same footprint, for the same effort, for the same fuel, we would be able to increase the capacity of the bus. The reason that we cannot is that the various authorities have mass limits and the reason for the mass limits is that they consider that, particularly in council areas, heavy vehicles damage roads. They put a mass limit on so that they do not damage the road. Our view is that the benefit of having the extra people on the bus outweighs any damage to the road, and there is new technology of suspension and steering which more than benefits the council.

Senator HUTCHINS—So it is more a local government issue?

Mr Mellish—The roads funding is a local government issue, but the state government sets the mass limits, and in our case it is RTA.

Senator HUTCHINS—They are not set by the NTC?

Mr Mellish—There are NTC guidelines but it is the RTA legislation that governs the mass limits in New South Wales.

Senator HUTCHINS—So, practically, what does that mean? Does that mean you can only put 45 on a bus that could carry 55? Can you explain what it means practically?

Mr Rowe—A bus that carries maybe 72 could carry 80 or 85. Really, you are looking at peak capacity. This is where you look at your peak fleet capacity, where you have five extra people at a stop who want to catch the bus and they cannot get on because the bus is at capacity. If you went to the axle weights, the 18 tonnes, then you would be able to load those people on. It is only at that very peak that it is an issue, but it is a big issue. Increasing the capacity of the entire fleet has a big impact on government spending in terms of buses and so on.

CHAIR—Mr Rowe, you will be able to help me out here. I fully understand weight and axle capacities, so make no mistake. Senator Hutchins and I share a very common thread in our past lives. We still share a very common thread. Are you saying that you could squeeze more seats in? There are not empty seats there?

Mr Rowe—No, we are not saying seats. We are looking at total carrying capacity and extra standees.

CHAIR—Standing. Okay.

Mr Rowe—It really does become an issue at the peak.

CHAIR—That is fine. That has answered that for me. I am sorry, Senator Hutchins, I did interrupt you.

Senator HUTCHINS—Is it just in New South Wales or does it happen in other jurisdictions as well?

Mr Mellish—Other jurisdictions as well.

Senator HUTCHINS—It is a common difficulty, is it?

Mr Mellish—It is common across all the states.

Senator HUTCHINS—On the axles and all that, I was reading a *Bus and Coach* a while ago, and one of the submissions I think the national body had made was in relation to the weight sizes. I think it said that it is averaged out at 75 kilos per passenger, but it is not 75 kilos any more. How does that impact on your ability to provide public transport?

Mr Mellish—When the authorities calculate the capacity of a bus, they assume that a person weighs 65 kilograms. If we look around the room, there are not many of us at 65 kilograms. That is how they calculate the seating and standing capacity. That is obviously an old figure. In this environment—school students with their bags, and adults—obviously the average would be higher than that.

Senator HUTCHINS—What is the practical effect of that for the provision of public transport? Does that impede your services or put you over the limit on some of these roads?

Mr Mellish—It means technically you are over the limit when you have got a full bus for a small part of the trip.

Senator HUTCHINS—Have members of the association been fined?

Mr Mellish—Yes. If we have got heavy passengers, whenever we go past a weighbridge, we will get fined if we are over the vehicle mass limit, even though we are under the seating capacity. If we have got a bus of rugby union players and their luggage and we have got 40 seats and 30 people, we can still go over the weight.

Mr Rowe—One operator actually said he should get his passengers to get off the bus before they get to the weighbridge, go over the weighbridge and then get them to get back on, but it is probably not a practical solution.

Senator HUTCHINS—Also, practically, you have got bus drivers refusing entry onto buses of people who are trying to get trains to get to work in the morning, I imagine.

Mr Mellish—The train service is an issue. If we can increase our services, we will get more efficient in providing them.

Senator HUTCHINS—With the price of fuel going up, are you finding that now, and over the last 12 months, you have had increased patronage, particularly in the outer suburbs of Sydney?

Mr Rowe—Yes, we have had increases.

Senator HUTCHINS—Have there been difficulties associated with that?

Mr Rowe—Not at this stage.

Senator HUTCHINS—What about congestion around railway stations because of people also trying to drive their cars to the stations?

Mr Rowe—Interchanges are always an issue. The better and more seamless you can make an interchange the better the transport network.

Mr Mellish—Are there queues at some bus stops? Yes, there are, and it is an issue that we want to address.

Senator HUTCHINS—You make specific mention of the deregulation of the tourist and charter industry, which has had an impact on ageing fleet. If you heard Mr Harper here this morning, he was saying that not only public transport stock is ageing but that providers of public transport such as yourselves have ageing fleets. Would that accurately represent what is happening in your membership?

Mr Mellish—Route and school services contracted by government have a requirement for an average and maximum age and the funding allows them to replace the vehicle in accordance with that. The deregulated market—the long-distance, tourist and charter sector—have an accreditation standard, which means they have to maintain the vehicle, but there is no average or maximum age. Our proposition to you is that you should consider introducing a maximum or average age for the long-distance and tourist charter fleet because it will increase safety and efficiency.

Senator HUTCHINS—I know you talked about school buses, but between, say, 10 and two you might not have school buses out there. Do you have a problem with ageing fleets or not?

Mr Mellish—In many states we do. In New South Wales we have an average age of about 12 for our route and school contracts. The smaller buses, the minibuses, average about eight. In other states they have serious problems with ageing fleet.

Mr Rowe—It gives us somewhere to sell our buses, by the way—to other states.

Senator HUTCHINS—Is that because their regime for roadworthiness is not as strict as New South Wales?

Mr Rowe—My understanding is that they do not have the same average age and maximum age. I think that is changing, though, Darryl.

Mr Mellish—It is changing, yes. There are regulatory forms and we are seeing some improvements in the other states. In general, age is a proxy for safety. There are other examples, but it has been proven to be a useful proxy for improving safety.

Senator LUDLAM—I will change tack, if I may. Can you give us a bit of an idea as to the state of play of the bus building and manufacturing sector in Australia?

Mr Mellish—I can tell you about New South Wales better than I can Australia, but I think it is relevant. There is a high demand for the manufacture of new vehicles and my understanding from the key suppliers is that they are able to meet the demand. There have been an additional 300 growth buses for the private sectors in New South Wales and 150 artics for STA and that extra supply, in addition to the bus replacement program, is being met by the suppliers. Traditionally, you have a chassis—the engine and metal rails—and then a body built on it, so you usually get a combination of a chassis and a body for the bigger vehicles. The smaller vehicles, like a 22-seater, are usually already made up and imported. It is a healthy industry and we are seeing some new plants opening up because of the growth of bus transport in Australia.

Senator LUDLAM—So, in general, we would import the chassis and the body and the assembly is local?

Mr Mellish—You would import the chassis but you would build the body in Australia, in general.

Mr Rowe—There are body builders that do the whole unit in Australia, but they are the minority, not the majority.

Senator LUDLAM—But we would have the capacity here? We are hearing in Brisbane, we are hearing in Sydney—I presume we are going to hear everywhere we go—that we need more public transport and that is going to have a big impact on the bus industry. What are the prospects for the local bus industry? What are the prospects of developing a domestic industry that is building them from scratch?

Mr Mellish—I think it is very good. There is a new factory opening just north of Newcastle. Custom Coaches, Volgren, Bustech—there are three or four companies that have expansion plans to meet the needs. I have inspected them, and we believe that they are seeing the growth in this sector as a very important business opportunity, and an opportunity for increasing employment, and are able to meet the demand.

Senator LUDLAM—Have you provided estimates of the jobs in this sector in your submission?

Mr Mellish—We have not in our submission, no, but recently our federal body released a campaign indicating that they expect, Australia-wide, 10,000 additional jobs over the next five years, based on the need for growing public transport, and that bus and coach are best positioned to take up that need.

Senator LUDLAM—In your submission you talk about land use planning. Can you expand on that a little bit. What do you mean by ‘poor land use planning’ and what kind of land use planning supports public transport, or the bus industry specifically?

Mr Mellish—We have seen a number of developments that have had street calming or cul-de-sac design that is not really effective for bus networks. So, if you want to have an efficient network, have the bus service there before the first house goes in, or as the first house goes in, and construct your streets so that the service is convenient, nearby, without having to contend with speed humps and cul-de-sacs which are not suitable for a bus service.

Mr Rowe—I have seen circumstances where a bus-only road would reduce thousands of kilometres of travel on the road, would speed up the trip for the passengers and provide a better service.

Senator LUDLAM—I am from the other side of the country. What is going on in outer Sydney in particular at the moment? Are planners listening to what to me sound like fairly straightforward guidelines or are we still building suburbs that are inappropriate?

Mr Mellish—I think they are listening. There are jurisdictional issues between local government, state and federal in the planning aspects and how you coordinate them. You had a discussion before about CBDs: we should be looking at the total region, not just Sydney CBD. I think the planners are getting it right, but a lot of it has been done poorly for many years.

Senator LUDLAM—We have already brushed the edges or skirmished around roads versus rail and I gather this is a pretty live subject of debate in public transport circles. Can you give us your sense of what kinds of uses are more appropriate for bus and for light rail, for example, because that seems to be a key topic of debate.

Mr Mellish—It is a key topic of debate. Our view is that we are service providers and it is all about moving people, and there is a role for all modes. The opinion we have is that, if you are integrating a system, the advantage of the bus over light rail is that it can detour and go to the areas.

CHAIR—You have been reading my mail, Mr Mellish!

Mr Mellish—On the argument about the environment and the technology, I think you will agree that the new technology for new buses—whether it be diesel engines, hybrid, fuel cell—is at least equal to what you are seeing in some of the light rail examples, so I think you have to look at the technology. We are not opposed to light rail but we think that an integrated network of buses will be a better solution. There are people more expert than I on that and I notice a couple of them are here. We believe that the flexibility, the speed of introducing the bus, and certainly the cost, are significant factors. And there has to be adequate bus priority. There is no point developing a bus network if it is just going to be locked in traffic. You want to see it given bus priority at the lights, at interchanges, at underpasses, and then if it is frequent, convenient and reliable, people will use it.

Senator LUDLAM—How far away are hybrid buses or electric buses? How long before we see alternative systems that can compete with diesel and gas?

Mr Mellish—They are being trialled. Perth was good for the hydrogen bus. I know the battery hybrids are being trialled in Melbourne at the moment. There are some ethanol-diesel trials going on in a number of locations. I am not sure how to answer you. I think it is still some years away. We will see CNG buses being rolled out, but my understanding is that good-quality diesel buses are at least equal to CNG in emissions. In Europe the next generation of those technologies is already starting to be rolled out.

Senator LUDLAM—Are we doing any research in Australia at all?

Mr Mellish—I think there is some, but nowhere near as much, in my opinion, as there should be. One of our proposals is that the federal government should get involved in that area of research and funding such trials for hybrid and alternative technologies.

CHAIR—Mr Mellish, it is music to my ears that there is a role for every mode. It will liven up the conversation and I really want to home in on it.

Mr Mellish—Yes.

CHAIR—This is the second day of our inquiry. The first day was up in Brisbane. We had some wonderful submissions, and we are expecting the same today, but it is nice to hear people say there is a role for all modes, and integration, and everyone can play their role. Unfortunately, some can get locked into the bicycle

argument and some can get locked into light rail, so I would like to go a little bit further into buses. We talk about buses and new suburbs, and we just had a wonderful system, a railway line, put in from Perth down to Mandurah, where Senator Ludlam and I are from—\$1.6 billion; a wonderful initiative; six or seven years in the making I think it was—but, when all is said and done, when these suburbs spring up along the railway line, we have still got to get the people to the train.

Mr Mellish—Yes.

CHAIR—And that is where you guys—'you guys' being the bus industry—should be that integral link, but I do not think you are. If it were up to you—if you had the pot of money, the federal money and the state money, and you had the ears of everyone—how would you improve the system for New South Wales?

Mr Mellish—You would have to dedicate the corridors; so, whether it is a train corridor or a light rail corridor or a bus corridor, you need to give it priority. In the New South Wales sense, that is probably the hardest thing to do and the biggest cost, because if priority has not been provided or if corridors are not there, you have to do acquisitions to do it, and that is disruptive politically, or you do tunnelling and bridging, which is expensive. You can use a lot of the existing roads, but then you have to take the political judgement of giving affirmative action against the car, and that is always difficult politically, but we believe that, if you say to the average citizen, 'We've really got to fix this congestion problem, and public transport is the issue,' they will be happy to see the bus priority given on existing roads.

We would like to see hard political decisions taken to use essential corridors for rapid bus transit and later, if it proved to be more efficient for rail, those corridors could be upgraded to rail. We are not seeing that overseas. The Brisbane example is exactly what you are talking about. Buses can bring people in from where they live, go on the bus rapid transitway and go into where people work. A network of transitways and interchanges that is efficient, regardless of the mode, is very important. We are about moving people—the best way to move people—and we think that bus and coach is the way to go because of the economic, social and environmental benefits.

CHAIR—And, of course, the flexibility too: it is a phone call and all of a sudden the bus can detour.

Mr Mellish—Exactly, yes—on-demand services. It is very important. I think the difficulty is that, if the infrastructure is not there, you have to take some pretty tough decisions to create the corridor and the priority to do it.

CHAIR—What also has come out in Brisbane and has come out again this morning is the hot potato of integration. How efficiently do you think you integrate with rail?

Mr Mellish—In some areas, very well. In others, not so well. We try now to design our timetables and services in conjunction with the network, although in New South Wales CityRail tend to design their timetable not necessarily thinking about the integration with the buses, and we are trying to change that. I think at the interchanges themselves, where buses and trains come together, a number of the facilities are relatively poor. A prime example of that is the Sydney coach terminal. It is pretty much a disgrace. You have got people loading in gutters where the drunks sleep. Go to other cities and you will see quite reasonable interchanges; you can get off a light rail or a bus at a train and transfer in a reasonable way. We have done it in a couple of areas, but in the area I know, in New South Wales, I think we can do a lot more.

Mr Rowe—In terms of interchange, I think I read somewhere that ideally you have, say, 10 steps from one mode to the other, and also frequency plays a role; if you are running a half-hour train service with a 10-minute feeder bus service, it is not going to work. Those sorts of issues are important. I think frequency plays a major role in New South Wales. Increasing frequency in outer metro areas would be a good way to go, but it does not work so well when the train only runs every half-hour.

CHAIR—Yes. What you have put to us is quite alarming, Mr Mellish: that the bus and coach industry is playing catch-up to the train timetables. The train authority, whoever they may be, do not actually sit down with you guys and say, 'How can we do this better together'?

Mr Mellish—That is correct. There is some rollout of new bus networks that is trying to take the rail timetable into account, but it is after the event.

CHAIR—Just while I am shaking my head, I might flick to Senator O'Brien, because I know he will have some questions.

Senator O'BRIEN—I see you deal with the bus rapid transport concept in your submission. We took some evidence in Brisbane earlier in the week and one of the suggestions was that perhaps cities like Brisbane and

Sydney need a powerful transport authority which could determine routes and allocate routes, whether it be publicly provided buses or trains or privately provided buses—who knows about trains in the future?—with common livery, so even if it were private it would have the same livery. You would have a city-wide public transport system, coordinated by a powerful authority and running to serve and integrate the services, so that we would have timetables that work and services that work and get people moving in the way that they should. What does your organisation think about that?

Mr Mellish—We strongly support that principle. If you look at the way transport is planned, and the different authorities in New South Wales, it is like the wiring diagram of an old Bedford.

Senator O'BRIEN—I will take your word that that is complex, because I have not seen one!

Mr Mellish—Yes. We really need an authority that can coordinate the ticketing and the fares, the service integration, and the promotion and the information systems. Some states are doing it reasonably well. They have TransLink and Metlink, for example. But in Sydney we do not. We have an information line, which is a phone number, and we have the PTCC, which is working on a new ticketing system. We have transport, infrastructure and roads trying to coordinate, but there is not really authority or drive to make it an integrated outcome. So we would support that concept.

Senator O'BRIEN—Do you see a common ticketing system which encompassed the private sector working as well?

Mr Mellish—Definitely. We think that an efficient electronic smartcard based system is essential for Sydney and we are all for it—as soon as we can. It should be simple and convenient and we are concerned about the delays in providing such a system in Sydney.

Mr Rowe—Ticketing is interesting. We do timing on buses to see how long it takes to load using the manual ticketing system that we have now and it could take, for 50 passengers, five minutes, whereas if you have an integrated ticket, a smartcard, it could be a minute. You could save a lot of time in the network, speed up the network, save resources, and then get on with the actual task of carrying people.

Senator O'BRIEN—In terms of bus rapid transit, another submission we have suggests that it is more efficient to have pre-boarding scanning or paying a fare, or whatever the method is, for that system to work efficiently. That would require a lot of infrastructure. Could that work in Sydney?

Mr Mellish—I think cashless buses or a very simple swipe card—swipe on, swipe off—will speed up the efficiency, so I think any infrastructure in setting it up off-bus will be more than paid for by the efficiency of the timing and convenience of the service.

Mr Rowe—Obviously, at key large stops it could be a good idea to have off-bus ticket swipe, but in the outer suburbs, where you are out on some small road somewhere, you want to have the facilities on-bus as well.

Senator O'BRIEN—In terms of local government's role in public transport provision, regulation et cetera, can you give us, encapsulated, your view as to how they fit in the picture.

Mr Mellish—They are responsible for a lot of the infrastructure, like bus stops and roads, in their local area, but often they do not have the funding or the authority to look at the bus network, so there is a lack of integration between the council planners, the state planners and the networks. We are seeing some changes in that, in the community consultation process going on in Sydney, but generally there is a lack of coordination between those areas.

Senator O'BRIEN—And they would have to be subordinated to a transport authority, wouldn't they, if you had one?

Mr Mellish—I think they would, yes.

Senator O'BRIEN—It is interesting, isn't it?

Mr Mellish—Yes.

CHAIR—I will come back to Mr Mellish, just to clarify. In your submission to the inquiry you have stated that BusNSW represents all Sydney metropolitan and outer metropolitan private bus operators. So there is no bus operator that is not a member of your organisation?

Mr Mellish—In the metropolitan and outer metropolitan contract regime, that is correct.

CHAIR—That is wonderful, because when we asked about the smartcarding this morning—and in Brisbane too, for that matter—everyone liked to refer back to what happens in Perth, because there is the one single authority, but it appeared to me—and this is only to me—that one of the reasons that we cannot get smartcard technology in New South Wales is because a lot of the buses are privately operated.

Mr Mellish—It is not the case. It is a requirement of your contract in the metro and outer metro area to provide integrated ticketing in cooperation with the whole network. So it is certainly not the case.

CHAIR—I am very glad to hear that. I am very glad that that has cleared that up for the committee, because if you had not come in and said that today, we would be walking away thinking it is all your fault. Well, ‘we’ would not—‘I’ would have.

Mr Mellish—We want it more than anyone, and the system is available and the contracts are available to do it.

CHAIR—Very interesting.

Senator LUDLAM—Part (h) of your submission addresses emissions trading.

Mr Mellish—Yes.

Senator LUDLAM—I will just quote it back to you while you find it:

Public transport providers should receive trading credits for the environmental benefits they provide in taking cars off the road.

Could you outline for us how you think that would go?

Mr Mellish—There was this debate about the emissions-trading scheme and whether transport should be exempt or not and I think we are accepting the government’s position that it probably should not be exempt but, if it is not, we would like to see some mechanism that the money collected from the scheme be reinvested proportionately back into public transport. The more people we get out of the car and into public transport the more effective the policy will be, so we see emissions trading as a mechanism to grow public transport.

Senator LUDLAM—Presumably, emissions trading will make public transport relatively less expensive than private transport anyway, just through its underlying economic impact of a carbon price, but you are suggesting that you could take a portion of the revenues from an ETS and plough it back into public transport.

Mr Mellish—Yes—use the funds to grow public transport.

Senator LUDLAM—Do you, or does your industry, have a view about any other specific funding sources or kinks in the tax system that are either helping or hindering public transport?

Mr Mellish—We have certainly mentioned the fringe benefits tax and how it is more attractive for an employer to provide a company car than it is to provide a public transport ticket, so that is an area of taxation that we think should be corrected. Also, the investment allowance strategy: even though there is one that has been released recently with the rescue package, we think there is more scope for encouraging investment in buses and coaches and that there is an opportunity to extend that investment allowance beyond the levels currently projected. Can I ask the Senate something?

CHAIR—We are not programmed to answer! We will take that on notice. Yes, Mr Mellish?

Mr Mellish—It is just about the service levels in country towns, in regional areas. If you have a country town of 10,000 people here, and one of 10,000 people over there, why don’t they get the same level of public transport?

CHAIR—This is really easy! Yes, we will take that on notice.

Mr Mellish—We do in New South Wales, but we do not in other states, and I think that is an area that the federal government could look at: what is an appropriate level of service for regional areas? If you have a population of X, shouldn’t you have a level of service?

CHAIR—Without getting bogged down into an argument about it, who normally is responsible for it? Is it the shires?

Mr Mellish—In New South Wales’ case it is the state government. They say if you have a population of a certain size, you need to have X number of trips per day within X metres or hundreds of metres of the population, but you do not have that in all states.

Senator HUTCHINS—Is that particularly obvious in border areas?

Mr Mellish—It is, yes.

Senator HUTCHINS—Of Queensland, Victoria?

Mr Mellish—Yes.

Senator HUTCHINS—Mainly Queensland?

Mr Mellish—Yes.

Senator HUTCHINS—And what happens? Are you subsidised to provide that level of services each day in New South Wales?

Mr Mellish—Yes, we are. We cannot run them just out of the fare box because of the population size, but it is essential, we believe, that those communities have services. So, yes, they are subsidised.

Senator LUDLAM—Are you referring specifically to services within the community or between regional centres, or both?

Mr Mellish—I was going to say ‘both’ but I thought that I was stretching it just asking about the centres. There should be linkages between villages and towns, towns and towns, and regional centres and towns. That whole service level and network planning is very poor in different states. The federal government should have a policy framework saying that the villages should be able to link to the town, the town to the regional centre, the regional centre to a CBD. We do not see that across the board and I think that is a role the federal government could make a big difference in.

Senator LUDLAM—Are those decisions made entirely on a commercial basis? I was a bit surprised to find last year that there is no coach service between Perth and the east coast any more. Is that purely a commercial decision based on whether you can make it pay?

Mr Mellish—I am not sure I can answer that. In New South Wales there are CountryLink services where coaches replace trains. I think they are generally heavily subsidised and loss-making. I think it is a question of social equity versus the cost and it comes back to a political issue.

Mr Rowe—There are deregulated coach services run up the eastern seaboard that are not subsidised in any way by state governments.

Mr Mellish—But they will only be operating where there are enough passengers for it to be commercial.

Senator LUDLAM—I think that is why the coach service out to Perth got cancelled. There is a bit of a history, not just in Australia but around the world, of wealthier, inner city populations capturing most of the value in public infrastructure, and we have certainly seen that with public transport. If the Commonwealth were to get involved in public transport in Australia, which it has not done for a long time, are you concerned that that could happen again? What protections would we need to provide for people in outer metro or regional areas?

Mr Mellish—That is a great question. The equity issue is a significant one. You are a politician and I am a service provider. How do you get the balance right? I believe that there is an appropriate level of equity and access and that there is a risk that it will go to the larger centres. That is why I encourage you, as I said before, to have a social equity structure where there is an appropriate service level of access in remote locations. I think there is a real risk of what you said happening, but that is where the policy framework would have to take that tough decision.

Senator LUDLAM—In remote locations, or even in outer metro areas, and Western Sydney is a classic example.

Mr Mellish—Quite right, yes. I agree with you.

CHAIR—Mr Mellish or Mr Rowe, whoever wishes to answer, I want to go back to very early in the piece when we were talking about axle loading and axle weights. You would be aware that there is a conversation going on about harmonisation of the laws around Australia. For the purposes of the bus and coach industry, have you got some thoughts that you might want to relate to us?

Mr Mellish—We support harmonisation. Performance based standards are, I think, important to the industry. We would like to see consistency across the state. We would like to see the efficiency and capacity that is available in vehicles manufactured and available overseas introduced into Australia. Width and length can be issues in certain areas because of bridges and heights, but we believe that there is a need to accelerate the harmonisation of those standards, and what we support—as you will see, I think, when you go to

Canberra—is an effective road pricing structure. Buses and coaches are happy to pay their way, as long as there is adequate investment and acknowledgement that the more people you get out of cars the better off you are with the roads, the economy, the environment and the social structure. I am not sure if I have answered your question, but harmonisation is an area in the bus sector, like the trucks, that should probably be productivity based, and it would allow trucks and the bus sector to become more efficient.

CHAIR—That is fantastic. Thank you.

Senator HUTCHINS—When the state government deems that an area is going to be a growth area, is the association or are the local bus operators involved in talking about planning issues with the government or the local government at that stage—for example, the width of the roads and the current routes that are going through there? I am thinking particularly of the development that is starting to occur in the north-west and the south-west of Sydney.

Mr Rowe—Obviously there is discussion with bus operators. One of the issues is getting in there early enough to make sure the road network will support buses. Some operators will actively canvass local governments and state governments to make sure they get the right road networks, but it is a little bit ad hoc, I would suggest, at this stage. In other words, if a bus operator does not look after his own contract area in terms of getting the right road network, then maybe no-one will.

Mr Mellish—I think the answer is: it is patchy but we are going in the right direction.

CHAIR—Gentlemen, I do thank you very much. The committee thanks you for your assistance.

[10.55 am]

HENSHER, Professor David, Private capacity

CHAIR—Good morning, Professor Hensher. Do you have any comments to make on the capacity in which you appear?

Prof. Hensher—Yes. I am the Director of the Institute of Transport and Logistics Studies and a professor of management at the University of Sydney.

CHAIR—Thank you. Before we go to questions, Professor Hensher, do you wish to make a brief opening statement?

Prof. Hensher—I would like to make a number of points, thank you. I have come here today to really focus on the strategic emphasis of what this is all about and the connections between the federal government and the rest of Australia. I think sometimes there is too much focus on the operational issues without getting the broad strategic vision right. I think the issue that challenges us is the ability to make good decision making with finite resources and to try and break away from some of the more modal ideology that this field unfortunately has suffered from over the years.

What that means to me is that the crucial issue is recognising the nature of accessibility. Accessibility is what it is all about, not movement for its own sake; to get people to places. That means that we have to look at our networks much more seriously and, although corridors are not unimportant, our cities in particular are extremely low dense on a corridor basis, even though the CBD is dense, and it is the connectivity that is the challenge. My favourite words on this are that we have to focus on what I call ‘the system-wide test of connectivity frequency and visibility’; visibility especially in terms of buses, because one of the advantages of trains is that you know where they are going; often you have not got a clue with a bus.

Then, in order to make progress in terms of the federal connection, we have to look at the issues in terms of: what does it also mean for climate change? We cannot ignore the fact that, in order to make public transport more successful, we have to make the car less attractive. This also then suggests—as a final point—that one of the major failings in, I think, the lack of a strategic vision that is maintained is the breakdown of institutional relationships. There are too many organisations working in this field and not actually working well together. Sydney is the worst case in this country. I think it is a lot better in other places like Brisbane and Melbourne.

At the national level, we should seriously start rethinking what we are going to do about charging for the congestion on the roads, and I would like to think that, with the support of the federal government, we could link this to some sort of incentive of state governments to work their way through in saying, ‘If you want money from the federal government, you’ve got to put it to the system-wide test and show that it’s value for money.’ One of the real risks we have is that, if we focus heavily on projects which are easy to define and not on the system, we may end up spending most of our money on a few large projects and not getting the real return that we need. So the value for money test is what I am interested in.

On some marginal issues, I would like to see the federal government leading on standards. You have done it on toll roads with E-tag and interoperability. I would like to see the federal government doing this on smartcard technology as we roll it out with integrated ticketing, because my feeling is that we are going to get a spaghetti of differences across the country and we are not benefiting by the advanced nature of the expertise in some parts of the country, like Western Australia, and Sydney is trying to reinvent the wheel poorly.

I have to also say by way of conclusion that this is not just about cities, it is about regions and rural areas, and I think that we have thoroughly neglected the regional and rural areas in terms of the way governments in states go about their planning. Social exclusion is an absolutely crucial issue. May I have another request? 1976 was the last year that we ever did a national travel survey, so half the time we do not have a clue about what is happening outside the cities and it is about time we made decisions on better data.

CHAIR—Thank you very much, Professor. I am sure my good friend and colleague Senator O’Brien will have questions for you.

Senator O’BRIEN—I do have some questions. Given that your submission is, in the main, about rapid bus transit systems, how relevant is that to Sydney’s transport dilemma?

Prof. Hensher—Absolutely relevant. This is really my issue about what I have often coined as ‘choice versus blind commitment’, where there is a feeling that there is a particular mode that can solve all of

Sydney's problems. One says with great trepidation, 'It's a railway', because you immediately get criticised as being a modal biased person. But I am interested in the right technology for the problem at hand.

The advantage of bus rapid transit systems, if properly designated, is that they can, for given finite resources of money, provide much better coverage of the network in delivering the necessary services. One of the great risks of more expensive, especially heavy rail—and I would say, to some extent, light rail, although it has a lot of similarities to BRT—is that we must not focus on just trying to solve the CBD problem, because the rest of the network, which is about 60 per cent of all trips in Sydney, is not going to have any money to be treated.

BRT, as we have seen in Brisbane and in many parts of the world, has the opportunity to provide the level of service that I think we need, given the capacity requirements of all the key corridors throughout the metropolitan area, not just in the CBD; to actually deliver much higher value for money. Generally speaking, although you could argue about the numbers, you can roughly get 100 kilometres of BRT for the price of a kilometre of rail, making assumptions about equivalent infrastructure like tunnelling and so on.

That is why I also would say that, if you want to know how to do it, Brisbane has done it extremely well, and yet in New South Wales there is some reticence to even want to know what the Brisbane system is. It is almost heritage stuff these days. You travel around the world and there are five BRT systems and, if you are serious about looking at value for money public transport solutions, you would spend a few weeks in Brisbane. I have to also say that a lot of this is working because of the institutional environment, where you do not have many organisations planning the outcome.

Senator O'BRIEN—That is, Brisbane City Council versus a variety of them. Is that what you mean?

Prof. Hensher—Yes.

Senator O'BRIEN—In terms of Sydney city council's transport wish list, is it possible for bus rapid transit to deal with some of their issues?

Prof. Hensher—Yes, but I do not think it is an issue that should be the purview of local government. This is a system-wide issue and I think that all the while we are using local government as a way to solve this problem, we will not solve it. I am happy for local government to be sensible in supporting the fact that people that go to or from there do not actually begin and end in a local government area. To me, it is absolutely the wrong spatial jurisdiction to even discuss or make decisions on this. I do not mind the local operational issues about which streets they go down and whether you should close streets, but in terms of the more strategic decision on where we should be spending money on moving people throughout the whole metropolitan area, including the CBD, that is not the focus. It should not be a focus, because there will be a bias which will not necessarily solve the network problem.

Senator O'BRIEN—So should there be a transport authority that overrides all other decision-making processes in the interests of a coordinated and efficient transport system for a city?

Prof. Hensher—There should be. If we can build trusting partnerships at all levels by being absolutely transparent, I would not need to use the word 'override', because I think, yes, we need that more strategic organisation that is serious about not only developing the plan but implementing it. To give Sydney credit, we have had some wonderful strategic plans but they have really not happened—in other words, there is the commitment to planning—

Senator O'BRIEN—That is not much credit that you are giving them.

Prof. Hensher—Well, I was going to say I will give credit on planning; I will give no credit on action.

Senator O'BRIEN—In terms of the value for money scenario—I suppose this has to be 'back of the envelope'—have you any idea what it would cost to develop for Sydney the sort of integrated transport network that Sydney needs, using perhaps bus rapid transport in conjunction with heavy rail?

Prof. Hensher—In conjunction with heavy rail? That is an interesting proposition because of the cost of the heavy rail.

Senator O'BRIEN—Well, you have got heavy rail there now. You are not going to take it up, are you?

Prof. Hensher—No, not going to take that up. But there have been costings done on the new proposals, which we know, unfortunately, are going to be twice that price by the time they are built. If we were to put an appropriate bus rapid transit system throughout the network—and I am talking about mainly focusing on corridors that serve the network and having the conventional access of buses to key nodes, and those nodes

will not be necessarily railways; they could be major public transport interchanges—then we would be talking, in my view, to do that properly over the next 10 years, about \$10 billion.

Senator O'BRIEN—Ten billion dollars?

Prof. Hensher—Ten billion dollars, yes. That means, of course, that we will get greater coverage of the metropolitan area than we would get with an extension of a heavy rail network. But at the end of the day, I must say that I am pleased that something is happening in Sydney. As to whether it is the right investment, of course, is a separate issue.

Senator O'BRIEN—The right investment is the one that gets the best outcome for the money spent.

Prof. Hensher—Yes.

Senator O'BRIEN—So what you are suggesting is that current decision-making processes are taking us down the wrong path, if I understand you.

Prof. Hensher—Yes. From a federal perspective in response to that, at the end of the day where will this money come from? I would like to think that we would have a closer look at infrastructure bonds—I might even say expressly public transport infrastructure network and network bonds—and I was pleased to hear Lindsay Fox supporting this yesterday at a luncheon in Brisbane. I would also like to suggest that we have to rethink the whole issue of hypothecation, because we have underpriced this sector and we need to get it right, but we need to demonstrate what we are going to do with the revenue so that those who use the system can see some return for the impost.

I think one of the failings is that those who use the system at the moment and who complain bitterly about the congestion and lack of time are willing to pay but they want to see the benefit. It has to be made much more explicit, and I think the London congestion charging scheme with hypothecation is an excellent example of how you sell pricing to the community: you do not sell pricing, you sell revenue return.

Senator O'BRIEN—Thanks.

Senator LUDLAM—Thanks for coming in. I enjoyed your submission. You said at the outset—and using language where you are happy to be quoted, because we are on the record—that Sydney is the worst of all. Can you sketch for us why that is. You are not the first person to have said that. What has gone wrong here?

Prof. Hensher—I think it is the lack of strategic leadership and the way in which we understand that transportation has to be connected with land use and environment. At the moment, because of the failing of the institutional framework, where we have too many agents having a say, we fail to focus on real cost-efficient solutions. When we look at other cities like Melbourne, Brisbane, and Perth in particular—which I know more about than the others—we can see that there is a lot more coordination of the portfolios that are responsible for the three components that are clearly interconnected. The focus should not be strictly on assuming that public transport is the solution, but focusing on what is the best transport solution given the task; if public transport meets it, then do it. I think it is the breakdown of the institutional fabric in Sydney that has caused most of the problems. The expertise is there but it is rather jaundiced in its ability to implement.

Senator LUDLAM—That goes back to some of your comments before. I think you contend that local government is not the place for that strategic thinking, but I was quite pleased to see how forward looking some of the city of Sydney's proposal were. There seems to have been just a complete policy vacuum at a state government level for a long period of time. To what degree has planning and transport policy in Sydney been dominated by roads and tunnels for the last 15 years or so?

Prof. Hensher—That is certainly where the budgets have gone in the main. But I would also like to say that the great thing about roads is that they carry public transport vehicles called buses.

Senator LUDLAM—But they do not seem to be moving very quickly.

Prof. Hensher—No. There are improvements. The RTA is now starting to take public transport on roads more seriously, because we do know that we carry more people on buses on roads than we carry them on trains. So there is this recognition. But where we have failed is on the infrastructure, in terms of finding solutions to give buses priority. The reason why I think we have failed in part is because of the great concern we have about not upsetting the car commuters, so we are looking for solutions which will add capacity but not take capacity away. As a result of that, because of the way in which the RTA does their planning, they have been rather limited in their ability to do that. This then comes back to support from the land use jurisdiction as well—to take that more seriously.

I would say, in terms of the defence of roads, that had we not had the substantive toll road network in Sydney, we would be in an even bigger mess, despite some concerns about that issue. It is fair to say that we have got to put more effort in, especially if we are interested in bus rapid transit, building in the future road networks that are going to be focused on providing bus support. I have said on other occasions that if only, when we signed all these PPP contracts with the toll road authorities, we had had a clause in there—which we now do—to insist that there were dedicated lanes for buses the whole way, we could have ended up having the most fantastic bus rapid transit multimodal network, which would have taken the pressure off the budgets and having to spend money on rail. We have missed that opportunity. But some parts of the toll road network are where the growth in public transport use is, and I do not think it would take much for the New South Wales government to try and solve this problem where we suddenly find that buses are roaring along on a motorway or a toll road and then they have to merge into traffic. There are a number of solutions that are possible, and that would make a huge difference to the performance of public transport in terms of the network test.

CHAIR—Could I just come in there, Senator Ludlam, on the same topic?

Senator LUDLAM—Yes.

CHAIR—Would you like to tell us, in your view, what those solutions would be, Professor?

Prof. Hensher—Yes. They would be a mix of some tunnelling and some land resumption to preserve the continuity of the corridor.

CHAIR—How much is ‘some’, for someone who is not from New South Wales?

Prof. Hensher—In some cases we are talking about only two or three kilometres; in some we are talking about half a kilometre. It is sporadic around the network. You suddenly find there are two great pieces of road and there is this bottleneck that denies public transport priority. Of course we try to do it through traffic lights with priority signalisation, but that is just not adequate.

CHAIR—Just for my knowledge—and I appreciate Senator Ludlam letting me have a run during his time on this same topic—are we talking about housing on this land, when you say ‘land resumption’?

Prof. Hensher—Yes.

CHAIR—Or businesses?

Prof. Hensher—It is a bit of both, yes. It depends where it is. But in terms of some of the key toll roads, it could be warehousing or it could be housing.

CHAIR—Sorry, Senator Ludlam.

Senator LUDLAM—That is all right. You have said in your submission that the focus should be on the outcome and not on the mode. A lot of your submission is about the kind of network effects that you talk about right at the beginning, but you do come down very strongly on the side of buses over rail, so you have picked a winner as far as you are concerned with the mode. The counter argument really is that roads are pretty destructive of the urban fabric. It is not shock-proofing us against peak oil because your transport is still based on liquid fuels, and there is an investment question: that developers will not invest against a bus network whereas they will against fixed rail infrastructure. Do you have a view that there is a place for light rail, specifically, in a city like Sydney, or can buses do the lot?

Prof. Hensher—No, I think it is horses for courses. But let me say that I think the argument that if you build a light rail system you will attract property investment around key nodes and you will not do that for bus systems is actually false. There are plenty of examples around the world, including Brisbane, where you start to see that effect. It is all to do with the quality of the services and the guarantee of its permanence, and I have to say that light rail is no more permanent than bus rapid transit, if managed properly. We had trams in Sydney many years ago.

Senator LUDLAM—That is right.

Prof. Hensher—And I would hardly call that permanent. On the issue of the environment—because you have mentioned the peak oil issue, although it is not a good time to say this in terms of the crisis—I believe that the market, in terms of the manufacturers of vehicles, will respond to deliver more environmentally friendly vehicles when they see that there is actually an opportunity in the market. Many of these railways around the world, including Sydney, are powered by electricity which comes from coal-fired power stations, so if you look at the full life cycle and the environmental impact, in fact it is not as rosy as we might initially think.

The issue comes down to carrying capacity as well, because we are talking about the number of people that can we get on a bus network. It is the service capacity that matters, not the vehicle capacity, and the great advantage of buses is that you can get the service capacity and create the flexibility on a door-to-door basis up to levels that are higher than the current rail network in Sydney. In most of the corridors in Sydney, if you get 20,000 passengers per hour, you are doing okay. Some of the new double-articulated bus systems, like Brisbane and other places—Brisbane has up to 20 on certain corridors but not all, I must admit—we are now finding that some of the bus solutions can deliver the service capacity per hour that railways can deliver, so the capacity issue in my view is no longer an issue of concern.

The environmental issue is real, but I think the differences are not as great if you are working it out in terms of emissions per passenger, if you look at these higher service capacity bus solutions and the railways. When it comes to light rail, it looks great, we know where it goes to and from, but what does it add that you do not get from a bus system? I think that is the question that needs to be answered, and the answer comes down to the notion of a dedicated corridor. If you have a dedicated corridor—and that is the priority—you can put whatever is appropriate on it. Also, if you need tunnelling, you can do tunnelling. You do not have to build a railway, if it is a tunnel, as some people say. There are bus systems around the world where you have tunnels.

Senator LUDLAM—I think we could probably spend a whole hour on that, so I want to move away from modes. A bit of a focus of our work has already come down to: what do we do with sprawl suburbs, completely car-dependent suburbs, that are put down and are still being put down with no thought for public transport? The network effects that you were talking about before, what do we do with places like we are still building in our outer metropolitan areas?

Prof. Hensher—I have to say that markets are very powerful, and that is our challenge.

Senator LUDLAM—Markets have stuffed things up pretty badly.

Prof. Hensher—They have, to some extent. But I think cities should be seen as a city of cities, which a number of organisations have highlighted. If we start thinking about accessibility and connectivity between key nodes, rather than just the CBD—because I do not think that high density is necessarily the solution but accessibility is—then I think we are coming a long way to recognise that we do have an opportunity to build some very strong corridors; Parramatta being a classic example, where many people in the north-west do not work in the CBD, they work in Parramatta. Because of the way that we are making our investments, we are almost forcing people towards the centre to get connectivity. More direct services and, hence, the new strategic bus corridor plans in Sydney are an excellent way of doing that. We are a bit behind in achieving that, but it is a recognition that we identify the major origins and destinations which are not spread simply around the CBD and we provide high-quality, high-frequency connecting services to them.

Senator LUDLAM—Are you familiar with the submission and the work of 10,000 Friends of Greater Sydney, who talk about rapid rail between those nodes that you mention in Parramatta—

Prof. Hensher—Yes, I am aware of the Warren centre work. I have contributed to that in the past.

Senator LUDLAM—You would have done? Okay. We are meeting with them later this afternoon. So rapid rail between the key nodes and then feeders serving those—have you got any thoughts on the proposals, some of them fairly concrete, that they are advancing?

Prof. Hensher—I think the question is: is rapid public transport the line haul of a corridor? A further question is: what form of public transport can deliver the necessary service capacity per dollar? Rather than say ‘rapid rail’, let’s say ‘rapid solution’ in terms of public transport and not assume it is necessarily rail. But as long as it has a dedicated corridor and it has the high-quality capacity, think about other modal options as well. If it turns out that heavy rail is indeed the best value for money, it will get my support.

Senator LUDLAM—That was quite equivocal support.

Prof. Hensher—I am putting in some tests to determine whether it satisfies the financial criteria and the system-wide benefits. I do not want to necessarily say that putting a fast train along a corridor is necessarily superior than putting a very fast bus rapid transit system along that corridor.

CHAIR—Professor, there have been quite a few issues that have come out of our inquiry in the last day and a half, but I have to ask you for your views. It does not matter how good the public transport is that we have, how do we get the punters to want to use it?

Prof. Hensher—We have got to make the car less attractive. We have got to do something serious about pricing. All passenger transport, by the way, is underpriced. It does not fully internalise what we call ‘the

externalities'—the pollution, the congestion and so on. The crucial issue is to try and get some level playing field on pricing. Of course, we claim we do this now by having horrendously low public transport fares which struggle then for suboptimal subsidies. But I would argue very strongly that we have to start thinking more seriously about the way we price the use of our roads in terms of car use and, more seriously, how we use some of that money to feed back to improve the system.

I am a bit of a fan of a rather arbitrary rule, that seems to have taken credence around some other places, called 'the rule of three'. You want to make the revenue transparent: you put a third back to the sector where you took it from; you put a third back to the environment; and you put a third wherever government sees fit. This is purely marketing. I think the issue these days is marketing of politics—selling what you do with the revenue you raise—and, at the moment, I think the sector gets quite frustrated when the money goes into some general consolidated revenue base and they do not actually see the transparency of it back to the sector where they are now paying tolls, for example. But having said, all the while we keep the pricing low, people are just paying with the loss of time, hence the loss of productivity.

CHAIR—All right, let's explore that a little bit further, because I was saying earlier on to some witnesses that I had walked past a Wilson car park today that was proudly advertising parking for \$27. My response was, 'Crikey! Who the heck would pay nearly 150 bucks a week to park their car?' and then I was subsequently told that that is cheap because sometimes it is \$45.50. So when you talk about pricing and making the car less attractive, what other thoughts would you have there?

Prof. Hensher—Certainly I think we need to do a lot more about parking pricing and parking availability, because we recognise that 80 per cent of all peak-hour commuters into the CBD of Sydney of course are by way of public transport. So it is a wonderful number. It is sad that it is only 12 per cent through the whole of the metropolitan area. There are a range of mechanisms, but I think it has got to be much more closely linked to usage, and I think what the Dutch are about to do is worth sharing with you. You may know about the Dutch scheme.

In 2010, they are going to remove the registration charges on cars, they are removing the stamp duty on purchases et cetera—all those surcharges—and they are going to move to a variable user charging scheme with GPS built into cars, and you will be charged per kilometre, based on the location and the time of day and the nature of the vehicle. So if you drive a gas-guzzling car in the heavy peak conditions, you will pay far more per kilometre than if you drive a very fuel efficient car in the offpeak. This is not just in the cities; this is the whole of the country.

CHAIR—Through the Netherlands?

Prof. Hensher—Through the Netherlands. It is the one to watch.

CHAIR—Are there any indicative prices or costings that they are talking about?

Prof. Hensher—Unfortunately, no. But every time I go there—and I have been there recently—I am pleased to see that, over the last two years, the government has not backed off from the commitment. But in terms of the detail, actual pricing, that is still to be sorted out. At the moment they have been working with providers to track the vehicles, to build them. The actual numbers at the moment are not known. But the philosophy and the approach is what economists have been arguing for years, the technology is there to do it, and I think the biggest challenge that we are going to face is the equity one. The current system is highly inequitable.

CHAIR—The whole idea of this committee is to explore how we are going and how can we make it better or to give suggestions on how we can make it better. I have a problem with the one size fits all, whacking them between the eyes financially to discourage anyone driving, because there are issues around that—a mother might have two young babies going to a specialist or something like that. So we have to be mindful of that. But, okay, you have talked about making parking not only far more expensive—these are not your words but it is the way I take it—but having less parking.

Prof. Hensher—Yes.

CHAIR—Are there any other stick and carrot approaches?

Prof. Hensher—Yes. I have not mentioned freight. Our freight could be delivered 24/7, and it is noticeable how many more freight vehicles are in the peak, competing with the cars. Of course, there is a downside: if you get the trucks off the roads at that time, more people will use cars because public transport is so poor. What we are noticing is that, clearly, as the traffic gets worse, we are getting peak-spreading, so studying the

peaks is really a waste of time now because a lot of the issues are outside of the normal two-hour am-peak. So I think we have to look at how we manage the capacity for all modes. I would like to see the trucks not on the roads in the peaks and I think that we have got to encourage the warehouses and the receivers of goods to open at times that enable us to benefit by reducing the demand on the road network when in fact we need the capacity for moving people not freight.

Having said that, the downside risk is that then you will solve part of the congestion problem but you will not necessarily get many people out of their cars. So if the objective is to try and move people away from cars to public transport, we have then got to start changing the pricing regime for cars in terms of use of the car. We have seen what happens with petrol prices: if they go up substantially, there will be an effect. If petrol prices had got as high as \$2, which some of the pundits thought they might have by the end of this year, then we would have had on average up to a six to 10 per cent reduction in car use. We do know that in fact if you knock six per cent of the traffic off the road at any one time, most of the congestion will disappear.

CHAIR—I cannot let the freight comment slip, because I think my colleagues would be disappointed if I did not take the bait. I really must get this out: with the transport operators and the warehouses, price will determine when they will deliver. There is no argument about that. They have proved that they are a very flexible industry. The sting in the tail is that most of the freight that is delivered in the morning has come overnight from somewhere else. So I want to flag that, if we said, ‘Look, let’s not have the trucks in the city in the morning’—mainly in the mornings; would that be a fair assumption?

Prof. Hensher—Late afternoon as well.

CHAIR—Sure—because to supply the shops with their goods—you might see the trucks now but there has been a whole chain of movements, whether it be the farm gate to the factory or interstate, that it has to be on time in the shops for most of the public coming in to shop or whatever. I just wanted to clarify that. We probably will disagree all day on that one.

Prof. Hensher—No. I have a lot of sympathy with your point. I think also that there is a land use planning failure here about when people build buildings; they very rarely take into account access for the vehicle, so it is on the road.

CHAIR—Yes, exactly.

Prof. Hensher—But I also think that there may be some compensation packages that are required to support out-of-hours delivery, if it benefits the system as a whole. If we provide subsidies to people who travel on trains and buses, then we maybe should be doing it for the trucks as well, where they actually support certain incentives to deliver out of hours.

CHAIR—I can feel an inquiry coming on!

Senator MILNE—Thank you. I want to come back to the issue of price, and we saw it last year with the spike in petrol prices, where there was a big shift for quite a substantial period. In fact, some of that has stuck, according to the latest figures, in terms of people shifting across to public transport. I want to come back to your example of the Netherlands and, indeed, the congestion charge in London. The advantage both of those places have is that they already have substantial public transport in place. The Netherlands is a small, relatively flat country with a long tradition of public transport, so you can drive people because there is an option for them to go.

The problem we have here is that, if we drive people without the public transport being in place, then we have chaos and breakdown. So whilst I accept what you are saying about a mechanism such as that, the equity issue that comes home to me—and you may have heard me mention it earlier on Western Sydney—is that, if we were to bring in a system like that, which I would love to see if there was a public transport system for people to use, we would be putting people out of work, effectively, because they would not be able to afford to take their car and they have no other mechanism. The issue for me is that we have to get the public transport in place at the same time or ahead of the shifts that you might make on the car. Is that not the case?

Prof. Hensher—I accept that up to some point, and I would like to respond to it accordingly.

Senator MILNE—Yes.

Prof. Hensher—First of all, I think this actually does open up a huge opportunity for government to encourage the growth of bus use, because buses can be very quickly delivered to support this initiative that you are talking about. So I do agree that we need to grow public transport capacity substantially. But there is also the other question: how much of the actual impact of the pricing scheme will involve switching to public

transport as distinct from changing the time of day at which you travel, and even for some people changing the location in which they live? Admittedly that is long term.

I guess there is an assumption out there that the great bulk of this is going to switch to public transport. I think we will be surprised that it will not. So what you could do is still support these people using their cars, but provide some equity compensation package where they are not able to afford the higher cost, if in fact they continue to travel at times of the day where the congestion is high. In terms of the incentives to purchase a more fuel-efficient vehicle, I think that is a separate issue and we want to encourage that.

Senator MILNE—You can change the times of day in order to avoid congestion, but you have the same peak oil and climate outcomes, which is the issue that we are trying to address at the same time. But I want to come to the government's Carbon Pollution Reduction Scheme, which is a price signal on a fossil fuel, and the government has introduced a softener or a dampener on the price signal by compensating it. Would you agree that, in terms of rational transport policy, it is not a good idea to introduce a price signal and then neutralise it with compensation, if you are interested in shifting the effort to public transport and getting a better environmental outcome?

Prof. Hensher—From an efficiency point of view and an environmental point of view, I totally agree with you, but there will be some parts of the community where you might want to consider some equity issues along the way. But in principle, I absolutely agree with what you are saying. The lesson I have learnt over the years is that you do not put something up and then drop it down; it is counterproductive.

Senator MILNE—Further to that, in terms of the compensation issues, there are some places in the world where governments have proactively bought old inefficient vehicles as an exchange, as a mechanism for giving people the cash to be able to go and purchase more efficient transport options, whether that is public transport or a more efficient vehicle. Might it not be better to introduce that kind of scheme, which gives you permanent behaviour change and permanent environmental outcomes, rather than just cash compensation?

Prof. Hensher—I agree with you on that, especially given that many of our cities in Australia are quite low dense and heavily spread out and, until we can change the nature of those corridors to create more identity activity—not into the CBD, mind you—that is an excellent suggestion.

Senator MILNE—Professor Hensher, you obviously have come down very heavily in terms of rapid bus transit. I am open minded to all modes, I have to say, so I just wanted to make sure that you do not have a conflict of interest in relation to rapid bus transit.

Prof. Hensher—I do not have a conflict of interest. I am a mainstream economist at the university that is looking for the best solution, rather than supporting a modal outcome because of an ideology or a commitment.

Senator MILNE—Thank you.

CHAIR—That is fair enough, too. Senator Ludlam, do you have any more questions?

Senator LUDLAM—I could probably go on for some time. Can we bring you right back to where you started at the beginning. You had three criteria whereby the network effect is served in public transport. Do you want to tease out why you landed on those three? I am just trying to find them.

Prof. Hensher—This is connectivity, frequency and visibility. Connectivity is absolutely essential where you are connecting from, essentially, where someone begins a trip and where they finish it, even if it involves an interchange. Connectivity has been the major factor working against access to public transport, where you might have a good railway but getting to it or getting from it is a problem, or you might not even have any public transport to get to your destination. So you need to think about the connectivity: it is door to door. Recently, when someone from the railways said to me that they think their problem begins at the railway and finishes at the railway, I said, 'No, not really, because your passengers have to get there and they have to get to where they are going,' and that is an institutional barrier, by the way, I think.

On frequency, it has been shown time and time again—and I would even give credit to Brisbane—that frequency makes a huge difference, but it is carefully planned frequency so that people actually know. If you can avoid a timetable and know a bus is coming or a train is coming every five minutes, 10 minutes, on a regular cycle, that is great because people in Australia, I have discovered, are not very good at reading timetables.

Senator MILNE—That is right.

Prof. Hensher—Maybe it is because our timetables are not very good to be read. The other one is visibility. Visibility is really knowing where the vehicle is; where you get it and where you get off it. Railways do a much better job than buses. At most bus stops you would not have a clue where that bus is going to, unless you are a regular patron and you have put up with it for so many years. I do understand that you can make it more information friendly, but then the vandals do something with it. That is what I mean by those three things.

Senator LUDLAM—So in the very low density car-dependent suburbs that we are still building at a great pace across the landscape, most people will not live within an easy walk of the high-frequency feeder service, and we have got these very finely reticulated buses that wander all over the place. How do you make the outer suburbs work for public transport, or can't that be done?

Prof. Hensher—There are two things. As a very simple exercise, you sit down with the origins and destinations at the moment off the Sydney travel survey—and Sydney is privileged to have the best data of any city in Australia—and look where people are coming from and going to and then overlay the network and say, 'Is it working for them?' The other one is—and it comes down to what I think we have neglected here—it is much more important to get the destination connection right, in a sense, that public transport connection, so that when you get off the train or the bus you can walk to your final destination. I am quite happy to support a park-and-ride situation—or a kiss and ride—where you drive your car to some outer suburban interchange, be it a bus interchange or a rail interchange, because then you are less worried about how you serve an extremely low outer suburban context. So you are not driving your car all the way: you are parking it somewhere, and then you catch the train or the fast bus. Then when you get off, you are almost at your destination. So building destination density to support that mechanism—that is the city of cities idea—is really, in my view, the way in which we can make public transport viable.

Senator LUDLAM—That feels like half the problem: it is still not going to work when petrol is five bucks a litre. It was put to us in Brisbane that a focus on a park and ride means that your bus system is not working.

Prof. Hensher—I do not think petrol is going to get to \$5 a litre for many years, and I think by then alternative fuels will be in. I think the manufacturers would respond to that. I am a bit of a cynic about these views that petrol prices could become so high that suddenly we cannot afford to drive our cars, because I do not think that will happen for at least the next 20 years and, in the meantime, I think we will have sustainable solutions to accommodate that.

Senator LUDLAM—We might differ in our views on that. What kind of institutional framework is needed to provide the kind of connectivity that you are talking about? We apparently or seemingly do not have rail companies talking to the bus industry, talking to anybody else, and the system is a mess.

Prof. Hensher—We need some leadership at the state level in having responsibility for the overall planning of accessibility. One of the things we should seriously think about is not having authorities that are modal, that are also planning. Let them run the trains, let them run the buses, but do not let them plan and make strategic decisions.

Senator MILNE—Can I just have a follow-up question on that planning. What would you do? How would you bring in a stick to local councils to stop them giving planning permission for more and more outer suburban areas not serviced by public transport? Would you tie any kind of state or federal funding to a requirement that any new areas opened up have public transport? One of our issues is that we are constantly, as you would have heard and we are always faced with, trying to fix up the problems that exist while they are going out into new greenfield sites, creating more of them.

Prof. Hensher—I would impose some sort of financial sanction, subject to developing some—what I might call—network tests which look at the environmental impacts or the spatial issues; the economic, equity and financial implications. Local governments do not have that expertise, that is the problem, because in fact a lot of the things that we are talking about are system-wide impacts through the metropolitan area. I would have state government working through the proposals and imposing some financial constraint on local governments or their ability to make these sorts of decisions, which are not decisions that impact just within their local jurisdiction; they impact on the whole fabric of the metropolitan area.

So you might argue, if I want to be really critical, that local governments should not have as much planning power in this field as they currently have. They are there to respond to but not to determine the outcome, because it is the system-wide test that ultimately matters. If you can get a trusting partnership—which is language that I use a lot in other contexts, like between the regulator and the operator—then you will get

greater trust and understanding and all the parties will row in the same direction. But we do not have that at the moment.

Senator LUDLAM—You can take this on notice, if you wish. You talk about ‘the network test’, and some people have talked about ‘criteria’ or some thresholds for whether the Commonwealth provides funding. Can you point us to some examples of the sorts of network tests that you are talking about, as to whether we should or should not fund a given initiative?

Prof. Hensher—I look back to many years ago in the Whitlam era when we actually did have, through the department—DURD, I think it was called—and the Cities Commission. There were a number of evaluation criteria established for the federal government to provide funding for the states. Part of that was a formal cost-benefit framework that would look at the network impacts of any particular investment.

In terms of a specific application around the world, once again dare I say many European countries where they only have a central government and a number of regional governments with a lot less ambiguous mandate, I think, than we have here with state and local, a lot of that evaluation work is done federally in order to determine the allocation of funds down to the region. There is no great sophistication in terms of the methodology: it is the principle, in terms of responsibilities. I am more than happy to take it on notice as well and think about some specific applications.

Senator MILNE—And perhaps in the context of Infrastructure Australia’s guidelines, because that is particularly where it is going to apply.

Prof. Hensher—I do very much appreciate that, because I do have some concern, despite the fact that there is so little money coming out of that source anyway, that we may end up having a project focus rather than a system focus.

Senator MILNE—We have got a project focus. That is why I would like you to comment on that.

Prof. Hensher—Yes. Thank you.

CHAIR—In terms of the last question, in your own words, Professor, would you agree that the Commonwealth should be involved in major funding of projects and services?

Prof. Hensher—Yes, very much so.

CHAIR—Thank you very much.

Senator MILNE—Systems rather than projects.

Prof. Hensher—Systems—funding of systems, yes.

CHAIR—I said ‘projects and services’. That was my question. I am very clear what my question was. Thank you very much, Professor. Thank you for your time.

[11.41 am]

DENT, Mr Desmond, Chief Executive Officer and Secretary, 10,000 Friends of Greater Sydney

DOBINSON, Mr Kenneth Wesley, Director, 10,000 Friends of Greater Sydney

GLAZEBOOK, Dr Garry, Private capacity

CHAIR—I now call 10,000 Friends of Greater Sydney, two of the 10,000 Friends of Greater Sydney, and Dr Glazebrook. Welcome, gentlemen. Do you have any comments to make on the capacity in which you appear?

Dr Glazebrook—I am a senior lecturer at the University of Technology, Sydney.

CHAIR—Before we go to questions, would any or all of you wish to make a brief opening statement?

Mr Dobinson—I have a summary statement.

CHAIR—By all means, Mr Dobinson.

Mr Dobinson—This is really a summary of the submission we made, but it picks out a few key points. I will open up in this review, because I have been to many of these before. If the inquiry is truly serious about doing something worthwhile for public transport in Australia, it must adopt key strategies to focus on what we want to achieve, not only in the long term but, significantly, in the short term, to create jobs and grow the economy at this point in time.

There are three points I would like to make in support of that. The first one is a strategy, and I heard David Hensher refer to this too. The government must provide leadership at the national level to develop an all-embracing national transport plan by expanding the AusLink program to embrace transport in our cities, where the people are and where the problems are, and it should be drawing on the concepts that were developed for the better cities program many years ago to achieve that. It is only in this way that we will get proper, integrated transport planning not skewed to federal or state responsibilities nor biased to individual states' political imperatives or particular modes. David referred to that too. Only in this way will we get the best value for the transport dollar—and they are in pretty short supply—and only in this way will we draw together the ideas that come from all the states.

The second point is that one of the key elements that must come out of this inquiry is that you must insist on the states undertaking comprehensive transport demand analysis of the transport needs of the cities now and for the next 25 years related to land use planning for those cities and then work out—and only then work out—the right solution to meet that demand—in other words, stop shooting from the hip. Are trains the solution? Now what is your problem? Go back to basics. We have too many examples of this, and I will mention a few.

The other thing that comes out of this is that governments need to stop wasting transport dollars. We need to stop governments, all of them—federal and state—wasting transport dollars. The classic one in Sydney, of course, is the cross-city tunnel—a big waste of money. It is now notorious, in a sense, and this state and this country will not live it down for at least the next decade, and neither it should because it should learn, but it is not learning. That is the trouble. We have just opened a new section of heavy rail between Epping and Chatswood at \$1 billion that we wasted to provide a second-best solution, purely for political reasons. We cannot afford this any longer. And we are about to do a couple more.

People look from a helicopter and see a traffic problem on a road and they say, 'We can solve that by duplicating the capacity.' You achieve nothing. You just make things worse. We are looking at duplicating the M5 East in this state. What will that do? Nothing. A decade after it is built the traffic in Sydney will be worse. Why don't they look at alternative solutions? You could solve that problem tomorrow, if you wanted to—but you would not do it politically—by putting a toll on that road and using the toll money to develop a public transport system along that corridor and a rail freight line. That would be a far better use of the money and you could fix the problem tomorrow. We know the reasons why they would not do that.

They are doing the same over here on Victoria Road. Because they look down and see traffic queuing across Iron Cove Bridge on Victoria Road, people say, 'Oh, we'll duplicate that and we'll fix it.' You won't! There is no problem on Iron Cove Bridge. It has stacks of traffic capacity. The problems are further down the track, and yet that is the solution. Again, we can solve that problem fairly quickly by putting in passing lanes for buses, more buses and in future turn it into a light rail route. We do not look at those things because we are all head up in silos.

By 'transport demand analysis' I mean assessing where people want to go related to the land use and then forecasting that demand into the future. In this respect, we know that most trips—70 to 80 per cent—are relatively short, usually within a region, and yet we tend to concentrate on dragging people long distances into the CBDs of our cities, and that seems to be the focus. That is the problem. Remember, a transport system incorporates walkways, cycleways, roads—dare I say it—and a proper public transport system. A 'proper public transport system' includes all things like buses, light rail, heavy rail metros and heavy rail trains, but most importantly it means a public transport system that offers a viable alternative to the car, and that is one that operates over the whole area all day at about a 10-minute frequency or better. I think David mentioned this same point also.

If you cannot afford to operate the public transport system all day at a 10-minute frequency, you have the wrong answer. Look for another system of public transport to provide that answer. If you want to put icing on the cake and get the long distance, I suggest you have a look at our proposal for a very fast rail system, which we put in the submission to you.

The third and last point I want to make is that, not only do we need this long-term plan, for which we need federal leadership to develop—and it should be based on a vision of what we want in our cities and across this whole nation—but we also need to see what we can achieve now, and that becomes very important not the least because it is compounded by the present financial crisis. With the best intention in the world, we will not have a big rail or a big road project up within a decade.

We need to look at things we can achieve in the short term that will give us, first of all, jobs and a lift to the economy, and we can do this. In this respect, in Sydney—and David mentioned the bus network—we could have an effective bus network, which we do not have in Sydney and in many of the other cities, up and operating within this term of government. Does that shock you? Yes, it is possible. It is not a big cost and it is feasible to do it if we connect the activity centres.

One of our colleagues has helped us to develop a bus network right across central Sydney, connecting all those centres. You could not do a better job than to start with the Chris Stapleton plan. It is not correct, it is not perfect, but it is a good starting point. If you get an independent group to look at it, who know what they are talking about—and that includes the David Henshers of the world and Garry up the end and these people; not the government silos that focus on either a road or a rail or this sort of thing—you will start to get there. If you want a slightly longer term, I suggest you also start with the Garry Glazebrook rail plan for Sydney. Okay, get that independent group to look at it, refine it and come up with solutions. Then you will be spending the transport dollar a damn sight better than this nation is spending it at the present time.

CHAIR—Thank you, Mr Dobinson. Can I use the word 'passion' in your delivery. I can see that, after all your years of experience and frustration, you have passion.

Mr Dobinson—I hope it helps to get the point across.

CHAIR—You got the message across—you certainly did with me—thank you. Dr Glazebrook, would you like to make a brief opening statement?

Dr Glazebrook—Yes, very briefly. I think we are at a very historic point in time, in 2009. We saw the impact last year of a major oil shock around the world, and I think it is under-appreciated how that has fed through into exacerbating the financial crisis we now face. We probably only have 30 years to seriously address both the greenhouse issues that we are facing and the oil shocks coming over the next three decades. That also happens to be about the time it would take to rebuild our cities to be much more resilient in the face of these threats and to provide much greater accessibility and a whole series of health and other benefits.

For the last 60 years we have pretty much built our cities around the motor car, and I think around the world, in terms of patronage on public transport and also in terms of vehicle miles or kilometres travelled on the road network, we are beginning to see a turning point in urban transport trends. It is now imperative that the federal government becomes involved in this issue, certainly through the Building Australia Fund but also through a series of policies and other kinds of initiatives. We have really had an absence for the last 10 to 15 years of federal government involvement in our cities, particularly in public transport. So this is a real opportunity, I think, to turn this around, because in other comparable countries, such as Canada, the United States, Germany and other federal systems, the federal government does get involved in funding these major projects but it does so in such a way that requires the cities concerned to actually produce long-term agreed plans.

In Sydney we face a particular difficulty in that we have had a whole series of plans that have been chopped and changed around over the last few years. We have new projects announced but we do not really have an agreed long-term plan. You cannot install major transport infrastructure in a city unless you really understand where you are going in land use terms, what sorts of targets you want in terms of mode splits, where the demand is coming from and going to and so forth. So we need that agreed plan, and I think we really have a role here for the federal government to force the state governments, in conjunction with the councils—and that is the other tier of government that has not been involved fully in Australia, because we do not involve our local authorities much in transport planning and public transport planning in particular—to produce a plan which is robust and which will stand the test of time. In this city we are still living off the legacy of Bradfield something like 80 years ago.

CHAIR—Off the what, sorry?

Dr Glazebrook—The legacy of Bradfield, who designed not only the Harbour Bridge but the city underground and a series of other projects about the city. We have lived off that legacy in Sydney, and we have been very lucky. That is why Sydney is the public transport capital of Australia. But we are now falling behind all the other capital cities in Australia and falling well behind comparable cities around the world, and that is because we do not have an agreed long-term plan.

I believe that there is a role here for the federal government to change the way our state governments address these issues around the country and really take a look at what is coming up over the horizon not very far from now when the world economy starts to recover. Maybe it is 18 months away, maybe it is two years away, maybe it is three years away, but we are going to hit the next oil crisis and all the prices will skyrocket again, only this time our dollar might not be worth US\$1, it might only be worth US65c. If that happens, we could be looking at a \$3 per litre petrol price at the pump before too long.

If you look at the reports by the International Energy Agency, they have been getting increasingly bearish about the future of oil. Our cities are very car dependent and very oil dependent. In addition to that, I think the evidence on climate change indicates that we now have very little time to address carbon emissions, which means that, for both of those reasons, we are going to have to get off fossil fuel consumption and get into things like green and electric power, both for our trains and for our vehicles.

We really have to rebuild the transport infrastructure in our cities and rebuild our energy infrastructure in this country. Both of these things are major challenges. Both of them could be major job creators. We just need the courage to actually go out there and address these issues. Public transport is a key part of that puzzle. In a city like Sydney, I believe there are ways forward which involve using the best mode for the best particular task, but as part of an integrated strategy. I will leave it there. That is a general introduction.

CHAIR—Thank you, Dr Glazebrook. Before we go to committee members, Mr Dent or Mr Dobinson, I do not expect names, postal addresses and email addresses, but could you tell us more about the 10,000 Friends of Greater Sydney?

Senator HUTCHINS—Because he's in need of some friends!

CHAIR—If you have a few spare friends, I could use them, yes!

Mr Dent—We are a not-for-profit company and we were originally spawned from the Warren Centre at Sydney University, which developed a transport plan called City of Cities, strangely enough. It developed a master plan for Sydney about five years ago, and we were spawned from that so that we would then implement the projects and the concepts of that plan.

We have been following that along, and we have sponsors. We have about 35 companies, Unions Australia and all sorts of groups that support us right across the spectrum. We are non-political. We are slightly confrontational with government but we do not antagonise government. We normally go and visit all the ministers in the New South Wales government and pass information on to them. We run public forums at which we hear what is going on. We have run about nine so far in all the regions, so we hear what the citizenry have to say. We have local councillors and members who come along. Then we go and feed that into the relevant ministers or CEOs in the different government departments. So we are a bit of a government watchdog but we are not a flag-waving sort of organisation that confronts government. That is basically us.

CHAIR—Do you have a seat at the table of planning authorities?

Mr Dent—No.

CHAIR—Are there any committees that you are on?

Mr Dent—No.

Mr Dobinson—Some of our members do.

Mr Dent—Yes, some of our members do, but we do not have a place.

Mr Dobinson—We are a professional organisation and we will not comment on things that we have not assessed and analysed. We will not give an off-the-cuff comment; we will give you a statement on a proposal and we will research it, if necessary, and get proper advice from various people before we make a comment.

CHAIR—Wouldn't life be easier if every organisation thought the same as you?

Mr Dobinson—There's got to be one!

Mr Dent—We are the only one.

CHAIR—Mr Dobinson, I have raised a point with just about all the witnesses that have come to us today and certainly it has been raised in Brisbane—this is the second day of our hearings—and I would like to raise it with you. You mentioned 10-minute frequencies and integration—if people knew that a bus was coming that would link in with a train—and all that. I can only use an example from where I live down in Perth, where integration is working perfectly. Hats off to the previous government, and this government is continuing that work. You can get on a bus, go to a train station and you are not going to miss a train. It is perfect. But we could have the best public transport system in the world, with buses and environmental issues covered and people not getting wet or sunburnt walking from the bus to the train, but how do we encourage commuters to use the public transport system?

I am sorry, it is a long-winded question. While we have a very good public transport system in Perth, we have a shocking record of single car usage on our major freeway from the north and the south into the city.

Mr Dobinson—I think you have done pretty well in Perth, actually. The problem you have raised applies in every city—that is correct—but the solution is far simpler in Sydney because we have a greater population and we have greater densities in our various centres than they have in most other cities. In my brief opening I said that, if you are going to provide a public transport system anywhere, it has to be a proper system, not a makeshift system like we have in Sydney at the present time, and it has to be an alternative to the motor car.

That means that it is no good being less frequent, it is no good being less available, it is no good running in the peak hours at a 10-minute frequency and running at a three-quarters of an hour frequency in the off-peak hours. People will not use it. It has to be very accessible and it has to be as good a ride, or better, and quicker than the car. All of these things are achievable, but you have to put effort into them to get them.

We have a bus system that has grown up since 1788, and it looks to me as if no-one has ever looked at it to see where people are coming from and, particularly, going to. We need a system that connects all of our activity centres, running at 10 minutes all day—and this is not a big cost. This is the thing. People think we are talking about a lot of money. We are not talking about a lot of money; we are talking about a modest amount of money.

If we work out where those people really want to go—that is, the masses of people, not the individuals; they have to be left in the cars—we will start to tackle this problem. In a city like Sydney, we are not talking about shifting everybody from cars into public transport. That will not happen. All we are looking for is reducing the car opportunities by, say, five per cent, or maybe a little bit more in certain areas, and we will have Utopia operating. Do you realise that is all we have to do? But we do not even attempt to do that, because our systems do not suit the community.

I heard you mention the railways to David Hensher. The railway people in this state—and I do not know about the other states—think everybody lives and works on railway stations. Come on! If you go to Zurich, it is a totally different story. They think about where the person lives and where they are going to and service that whole demand. We do not do that.

Make the system work, make it as good as, or better than, the car. We have built transitways in this city already for buses. We can get from Parramatta to Liverpool a damn sight quicker now by bus than by car. We have just built the M7, but we have bugged that up, haven't we? Sorry.

CHAIR—You can say 'bugger'. That is quite all right. We have Senator Heffernan on this committee. That's light!

Mr Dobinson—Other than that, it was a better link. Again, of course, in this state, because we have these silos which David mentioned—a rail silo and a road silo and a bus silo—people do not get together. The

interchanges are terrible in this state. Fix them and you will start to change the whole perspective. We have built a transitway out to Rouse Hill. Okay, it is not so great a density area, but it is a great system. It is better than a car trip, but we have not put any buses on it.

CHAIR—Mr Dobinson, let me play devil's advocate, and my question went to Professor Hensher as well. I will only use my home state where, if I go into the city, I will use the bus and the train, because it is quicker, it is far more reliable, I do not have to look for parking and I can get very close to where I want to go. But I am still not convinced about what you are saying, with the greatest of respect—if you provide it quicker and more comfortable and air conditioned with beautiful upholstery and not graffitied up. But how do you get the people to use it? I do not believe that is the only carrot.

Mr Dobinson—I do not have the numbers for Perth—Garry might have them—but I think, from the figures that I have read, you have increased your use of public transport.

CHAIR—We certainly have.

Mr Dobinson—All we are talking about is an increase. We are not talking about taking it over. As I said, if we can get five per cent more people in Sydney to use public transport than we have now, we have a wonderful result. We will get that five per cent if we provide the things that you have provided in Perth. If we do that in Sydney, in Melbourne and in other places, we will get that five per cent increase, and that is all we are looking for.

Mr Dent—A few cities around the world have tried making it more costly to travel by car, and it has not been successful. But where they have put in a very good public transport system and then put the screws on travelling by car—dare I use the words 'congestion pricing' or something—that has been very effective—in other words, it is carrot and stick. So you have to use the stick eventually to get more people onto public transport, but they still will not go if the public transport is not effective. I think that may be part of the answer to your question. If it costs you a lot to travel by car in Perth, then you would think a lot more about using public transport.

CHAIR—Yes, I think that really does clear it up for me because, without boring myself and my colleagues at the front here, I walked past this Wilson's car park today—you are all going to get it again, just in case you were not in the room—that clearly said \$27.

Mr Dent—We know the words 'congestion pricing' or 'toll'. Mention that to any government and they say, 'Oh, we'll lose the election.' It is a very difficult subject for any government, to be honest.

CHAIR—Sure. I have not finished yet—because someone said that was cheap because it is normally \$45 or \$50.

Senator HUTCHINS—I have a quick question on congestion taxes and all that, just to carry on from Senator Sterle's questioning about car-parking charges in Sydney. The City of Sydney levies, I think, buildings for car-parking spots, don't they?

Dr Glazebrook—It is actually the state government.

Senator HUTCHINS—Are there different zones? I cannot recall. The City of Sydney has a zone?

Dr Glazebrook—They have the City of Sydney, Chatswood, Parramatta and Bondi Junction, and the state government charges a parking levy on parking operators for every space.

Senator HUTCHINS—What about parking stations? Who determines that? There are a number of City of Sydney Council parking stations, or there used to be.

Dr Glazebrook—Yes. They charge, I guess, whatever the market bears, but they also have to pay this amount to the state government.

Senator HUTCHINS—The City of Sydney as well?

Dr Glazebrook—Yes.

Senator HUTCHINS—Are you familiar with what their rates might be?

Dr Glazebrook—They vary, depending on the time of day. There are early bird specials and all sorts of things. It is quite complicated, and it can be very expensive.

Senator HUTCHINS—Even with the ones run by the City of Sydney? We are going to ask them to respond to that anyway, but it seems to me, if I recall, that their parking rates are not as high—

Dr Glazebrook—As the full commercial rate.

Senator HUTCHINS—as Wilson's car parks, which has intrigued my colleague from Western Australia.

Dr Glazebrook—Perhaps I could comment on that issue of congestion charging and the pricing of different modes. One of the problems we face is that in Australia the public are really only aware of the out-of-pocket costs when they drive their car, which is the petrol, maybe a bit of parking and maybe a toll, but that is only about a sixth of the total cost to society of providing that transport. Part of the rest of the cost is borne by the individual when they pay their registration fees, their annual fees, their maintenance on their car and their depreciation of their car, and part of the rest of it is externalities in the form of air pollution and congestion charges and all the rest of it.

So the difficulty is that, when you drive your car, you are really only aware of a small part of the total cost to society, and that is a fundamental reason why we overuse the car. Even though public transport is subsidised, it is still cheaper on a total per passenger to kilometre basis, and the details of that are in my submission. People are simply not aware of what the real cost is. In Sydney we spend \$22.9 billion per annum driving our cars around the city and we only spend about \$3 billion on public transport, including fares and subsidies.

So we are not really aware of the massive cost to society of our car based cities. When you compare us with other cities around the world that are less car based, they have less of a requirement to spend money on urban transport so they have more money for other sorts of things. That is with current oil and petrol prices. In the future we have to ask the question: how sustainable financially will the outer suburbs be if petrol prices really do rise, and we have to start addressing that at a government level? There are only limited things which individuals can do. Not everybody can afford to go out and buy a hybrid car. Unless governments get in there and provide the alternatives, as Des was saying, it is one thing to charge people for the real cost of using cars, but you do have to provide the alternatives.

What we need to do is make a nexus there. Instead of putting just a generalised tax on people for using their cars, which people then resent, we need to establish funds where those taxes then get spent on alternatives to the car, so people know that the money is going in but it is coming out again and it is being used to provide some alternatives. Only then will people accept increased charges, whether they be congestion charges or parking charges or other means to actually shift the balance between cars and public transport.

Senator HUTCHINS—I will go back to the M7. If you are, say, getting on the M7 around Cowpasture Road and then going to Blacktown, you could not find a better mode of transport, because you are basically zipping down there. If you stay at 100 kilometres an hour, you might not be pushing out as much fumes as you would be if you were stuck on Wallgrove Road, where you are going 15 or 20 kilometres an hour during the morning.

Dr Glazebrook—That is a good example. There was a claim that the government would only put money into freight transport or interstate transport, yet the federal government forked out a lot of money to support the M7. If that money had not been spent on the M7 and if people had to pay the full toll, and add to that the tolls on the M2, the M4, the M5 because some people in Sydney are now paying four or five tolls a day—that is really one of the reasons why we are now running out of the capacity to do more toll roads; people simply cannot afford to pay that huge weekly cost of toll roads.

The M7 at least could be built where it was fairly easy territory, but the difficulty is that with future toll roads—in Brisbane, for example, we have these enormously expensive tunnel projects, and some of these projects are now going bankrupt—people will not pay the full cost of these projects, and governments will either have to support them or, alternatively, put money into public transport alternatives.

Senator HUTCHINS—Thank you.

Senator MILNE—Dr Glazebrook, I am one of the people who agree that oil is likely to go to \$150 or \$200 a barrel once the economy recovers. Also we have climate change to deal with, and rapid electrification of the whole transport fleet is essential. That is why I wanted to ask you about the very fast train proposal. I notice in the submission that has been put in that we are talking about, in this case, Newcastle, Sydney, Wollongong and in between, but I am also talking about Sydney, Melbourne and Canberra in that context.

Has anyone dusted off that proposal and actually started to look at costings in terms of looking at routes that would maximise the numbers of people who could be moved and the costs in terms of considering a carbon price and an oil price at various levels and at what point it becomes viable? My experience in Europe, particularly with the Barcelona-Madrid run—and I have also done Geneva to Paris—is that it is faster to go by train than it is to fly and go through security and hang around airports and all that sort of thing. So it is

convenient and it is also moving lots of people and it is assisting in getting us off aviation fuel. Is anyone starting to seriously look at the very fast train proposals in the light of all of that, going obviously with renewables for electrification rather than coal?

Dr Glazebrook—I think the last big study was done a couple of years ago, and it looked through all the various routes down the east coast from Melbourne, through Sydney and up to Brisbane and the Sunshine Coast. I think that study was very comprehensive, but probably does need to be updated in the light of what has happened since with oil prices and in terms of future potential fuel prices, and carbon prices for that matter.

I think what that study found was that the most viable links to start with were in fact from Sydney to Newcastle and Sydney to Canberra, and also from Brisbane to the Sunshine and Gold Coasts, and that it would take some time to develop a full-blown high-speed network all the way between the capitals, because of the large costs involved. Given what has happened in Spain, in particular, and France, which have spread-out populations in a sense—a bit like Australia—they have made high-speed trains very viable. The latest generation have a speed of 360 kilometres an hour. They are probably getting to the speed where in fact you could compete on a time basis with air travel between the capitals. They are getting close to that point.

Whether or not the ultimate answer is maglev, I think at the moment the technology for maglev is still too expensive. If in the future they can get superconductors that can reduce the cost of providing the levitation principle, then maybe maglev will be the ultimate answer for Australia, because the distances are such that it would be about three and a half hours from Sydney to Melbourne, for example, by high-speed train under current wheel-on-rail technology. The issue is, what will happen with airline prices in the future?

Senator MILNE—I was going to ask that.

Dr Glazebrook—We are now seeing a lot of airlines around the world going bust, and that is with the current oil prices. This is a bit of an issue, and I agree with you that we need to examine the whole thing again. We need to look at that, taking into account what is going to happen in the future.

Senator MILNE—To follow up on that, one of the problems we have currently with the processes is that somebody has to do the work and put it up to Infrastructure Australia or put it up to the federal government. There is no mechanism for the states to get any enlightenment and work together on anything like this. There is very little mechanism for local governments or citizens groups, and of course you are not going to have that kind of proposal from the private sector currently, because they have other fish they want to fry. Part of this issue is: how does the community advance these projects that are in the national interest but are way beyond the capacity of any local or state government, even in combination, to do?

Dr Glazebrook—One of the recommendations I made in my little submission here was that the federal government really does not have much in the way of resources that look at these kinds of advanced technologies or transport. We have a number of transport economics agencies that tend to do these studies, but we do not really have much expertise available in the Commonwealth in any of these areas of high technology or rail technology. Also we tend to look, unfortunately, in this country to the US and the UK, which are not the places that lead the world in rail technology or in public transport technology.

We need to change that whole headset and see what is going on in Europe, see what is going on in Japan, and see what is going on in these other countries. I think that is a cultural problem that we face in this country; that we are stuck in that kind of English-speaking world. Therefore, I suspect the federal government is hardly aware at all of the fast rail revolution that has happened around the world.

Senator MILNE—Obama is going to invest in very fast trains, so we might have a slightly different shift on things now.

Dr Glazebrook—Yes.

Mr Dobinson—With the FROGS organisation, that is one of the things that we did a bit of extra work on in studying to see what the credibility aspects of it were. In fact, one of my colleagues—Garry is one of our colleagues too—Noel Child, is aware of all of the technologies right around the world and continues to be that way. So we produced reports when we were part of the Warren Centre and we have produced an update on the costings for fast rail for Sydney. But what Garry is saying is correct: the studies have shown that at this point in time you cannot justify economically—and you certainly cannot do it financially—links between Brisbane and Sydney and Sydney and Melbourne, but what you can do is start that off in the city ends, because the projects are economically sound and financially viable from Sydney to Newcastle and Sydney to Wollongong.

As I say, these reports, which we did not put in our submission, show that these are viable proposals and, if the same thing was done in Melbourne and Brisbane and looked to where you could provide them there as propositions, you would then only have to get the links, and it becomes a marginal costing exercise to link them up in due course. That is all feasible. In fact, in our submission we have put to the federal government these reports and we have suggested that the projects, on first glance, appear totally financially viable. In other words, we do not quite believe that, because it is a bit ambitious, we believe, but in the analysis we did—the basic analysis we did—we showed that the cost of providing these things for those links, like Sydney to Newcastle and Sydney to Wollongong, could be financed out of the fare box, which is a very promising proposition.

So we were suggesting that the federal government, out of this infrastructure fund, provide the start of that in each of the cities, with an initial grant so that each of the cities could do the investigation work and then build the first stages of this for an ultimate link that would occur. As Garry has also said, we should be looking at this. That has gone to federal governments, both the previous one and the current one, and we just get the stock answer, 'Oh, this was looked at by Ove Arup, who said it wasn't viable. There wasn't enough patronage between the centres to do it,' but what they did not look at was Sydney-Newcastle. For example, we are widening the F3 to Newcastle at the present time. On the figures that we have been given, in just over a decade we will have to provide another two lanes and then another two lanes and then another two lanes. You put a fast train in that link, you can forget about building any more roads between Sydney and Newcastle. It will take so much of that traffic that you can write your road program off in there forever.

That is what is not being looked at. And you have to tackle this air problem, because you realise that once we get some of the things done with cars, the next major problem we have in air pollution is air travel. But those reports are available, if you want us to send them to you.

Senator MILNE—My point, Mr Dobinson, was that they need to be upgraded and projections made in terms of the oil price and the carbon price, which will make the viability even greater—

Mr Dobinson—That is correct.

Senator MILNE—than they currently show on the figures that you already have.

Mr Dobinson—Yes.

Senator MILNE—The other problem I have with three cities doing three separate feasibilities on three extensions is that it means we are likely to have three different technologies.

Mr Dobinson—Absolutely.

Senator MILNE—I would want to have an overall plan first and then do a bit of that.

Mr Dobinson—That point is exactly what is in our report.

Dr Glazebrook—These figures come from the federal government.

Mr Dobinson—That is right.

Dr Glazebrook—Related to that, high-speed passenger rail links will also relate to freight rail, because we have freight rail constraints on both Sydney-Newcastle and Sydney-south towards Canberra. So that has to be an integrated solution as to what is the best. By building high-speed passenger links, you will be able to free up the existing lines for freight.

Senator MILNE—Yes.

Dr Glazebrook—Long distance freight is another very important issue to deal with.

Senator MILNE—Thank you.

CHAIR—If I can quiz you a bit more about the F3, that is Sydney to Newcastle, isn't it?

Mr Dobinson—Yes.

CHAIR—Out of curiosity, are you able to tell the committee how much a fast train would cost?

Mr Dobinson—In the update we did in 2008 we produced a network for Sydney that provided a loop around Sydney, picking up the airport, the CBD, Parramatta, going up to Newcastle and going via Campbelltown down to Wollongong. The cost last year was \$11 billion for that part of it. We did not do the costing for—

CHAIR—Sydney to Newcastle?

Mr Dobinson—That would give you to Newcastle and to Wollongong.

CHAIR—What I am trying to get in my mind—

Mr Dobinson—Yes, you are trying to put it in perspective.

CHAIR—is the costing compared to two lanes.

Mr Dobinson—Compared to two lanes?

CHAIR—Yes. Your \$11 billion talks about a big loop around from the airport and Parramatta and that.

Mr Dobinson—Yes.

CHAIR—I am trying to get a handle on—

Mr Dobinson—A costing has been done of a new route between Sydney and Newcastle—a new freeway out west—and, from memory, that was \$7 billion.

CHAIR—Seven billion dollars?

Mr Dobinson—Billion, yes. They are Bs, not Ms.

CHAIR—Okay. There is no direct costing between Sydney and Newcastle?

Mr Dobinson—No, I cannot give you a comparison, but if you take Sydney to Newcastle out of the \$11 billion, you are talking \$4 billion or \$5 billion.

Mr Dent—You are probably aware that the state government was looking at a proposal from the private sector to build a high-speed train to Parramatta, and we were not all in favour of that, because that is the section that will be really financially viable. So our plan was to use that section to help fund the rest of it. Fortunately, the state government did not go ahead, because the private sector will pick the eyes out of the revenue and then leave the rest. We are saying, ‘Let’s make sure that you have the whole lot in place and then get the revenue,’ because there is heaps of revenue on the Parramatta run.

CHAIR—Okay, thank you.

Senator O’BRIEN—We have had some evidence from some witnesses about the desirability of cities having a powerful transport authority to manage the network of transport, override the silos, work with the private and public sectors, use common livery to identify public transport et cetera. What is your view about that? I do not mind who answers.

Mr Dobinson—I think you have to do this at a state level, although I would rather it be done at the federal level. You have to get your planning right first, and it is no good having an authority that is going to just plan roads, which we have at the minute, or just plan rail. You have to have a planning authority that not only plans your transport system but plans that transport system in accordance with the land use, because the land use influences the transport.

This is what we did in 2000 and 2003. We delivered to the state government a transport strategic plan for Sydney to do this, which was called the City of Cities, which the government has embraced and, in land use terms, has moved forward on, but not on transport. They are still disconnected. You have to get this planning authority and have a planning authority planning the land use, which we have at the minute, and a transport planning authority, and hopefully they would work together. Maybe that would work. But do not have that authority responsible for building it and also for running it. The slice is wrong. We need someone to plan the thing properly and get it correct—get the best answer and work out the options between light rail and heavy rail and roads and all of those things—and get the best answer for the city in a comprehensive form.

It is not going to be a road solution, it is not going to be a rail solution, it is going to be a mixture of all of them. But get the right solution and then have a different body that constructs things and different bodies that run them, because most of our authorities are, I think, fairly good at running the show; they are just bloody awful at planning and building things. Separate them.

If you want to take it over at the federal level, I think it would even be better. If the state has a planning body to do this and starts by saying, ‘Okay, the first thing we’re going to do is to plan the transport system for Newcastle,’ or Wollongong or Sydney, for goodness’ sake set up a body of people that are expert in that field, as we did when we planned Sydney. We had 220 of the leading experts across Australia helping us to plan this system. Some of them were in government, but not all of them. That is the way to do it. It has been done for Sydney—you have a great start—but it is not being implemented very well on the transport side; it is being implemented very well on the land use side.

Senator O'BRIEN—So the authority that people have talked about is one that would actually dictate routes, potential timetables, livery, a common payment system—

Mr Dobinson—I would add regulation into that as well.

Dr Glazebrook—I think Ken is right about integrated land use transport planning, and that is more at the strategic level, working out what routes we need to build and so forth—what modes to go in those routes. When you come down to the more tactical level about timetables and integration at a very small-scale level, that is where perhaps a single transport agency would be possible, as you say, with single livery. As far as people are concerned, it really does not matter whether it is a bus, a train, a tram—whatever it is—so long as it is an integrated ticketing system, an integrated information system and a single source of information about the total system.

You do not really care whether in fact company X is operating this part of the system and the state government is operating this part of the system and so on. As far as you are concerned, it is just a public transport system. So there needs to be that body, as they have just recently done in Queensland. They have integrated their public transport between Brisbane City Council and the state government and all the private providers.

Yes, we need a body as far as running an integrated public transport system is concerned. When I say 'running' it, I mean providing that overall information and integration. There can be separate operators doing particular things. You may have a private ferry operator over here, you may have a private bus operator over here, you may have a state government operator over here.

CHAIR—It is 12.30. Senator Ludlam, you have a quick question?

Senator LUDLAM—If we are running short on time, I will just ask the one. I will put it to both of you, if I may. We heard from some researchers in Brisbane about the social equity implications of public transport; that traditionally inner cities have captured a lot of that value for land use, from origins before car dependency was much more conducive. What is your sustainable strategy? What did that propose for outer metropolitan areas? What are you proposing for new greenfields areas? Perhaps most urgently from my point of view is: what on earth do we do with the suburbs that we have already built out?

Mr Dobinson—The City of Cities plan, which FROGS developed and the state government has embraced, answers a major social issue, which is that it is all based on having major centres in these areas which become the focal point for jobs. In fact, our little symbol is: live, work and play in your own region—in other words, place the jobs closer to people, particularly in Western Sydney and the slightly less advantaged areas. Give them jobs there so they do not have to spend two or three hours travelling every day. That is part of it. Within that structure, build in the walkways for the close-in and the bikeways for the next close-in, to get that movement at that level. Then at the next level, of course, you go to public transport.

In the western areas, of course, you are going to have to start with buses, but you have to start with a bus network. That is what we said with the Chris Stapleton plan, which joined up all of these places. He had an operating bus within 400 metres' walking distance of 85 per cent of the community, operating on a 10-minute frequency 16 hours a day. That is not a big cost; it is a small cost. People say, 'You've got to buy a lot more buses.' You don't! Most of the buses are there. They just work in the peak hours and then stop. But you do have to buy more buses and you do have to put in priority lanes and you do have to change the routes from the traditional ones that have been operating for the last 50 years. You have to start going from centre to centre and activity centre to activity centre.

CHAIR—I would like to thank you very much for your information and your assistance to the committee.

Proceedings suspended from 12.30 pm to 1.13 pm

LENNON, Mr Scott Doyle, Partner and Government Transport Leader, PricewaterhouseCoopers
WARRELL, Mr Kevin, Chief Executive Officer, Metro Transport Sydney Pty Ltd

CHAIR—Welcome back everyone. Gentlemen, I will invite you to make a brief opening statement before we go to questions. Who would like to kick off?

Mr Warrell—My background is in the management and planning of public transport services, both in the public sector in the UK around London, and in the private sector both here and in the UK. I have experience of trying to make public transport work efficiently and effectively and that is my role as CEO of Metro Transport Sydney, which owns the light rail system and the monorail system in Sydney. I will be happy to answer any questions you have about various modes, because I have a fairly wide operational background, but I would like to highlight a particular issue that we face here in Sydney that gives some flavour to the types of difficulties that an operator like us faces. That issue is the use of light rail in Sydney's CBD and the inner city.

As I said, my company owns the concession for the Sydney light rail. That was a 30-year BOOT scheme, which was an early form of PPP before the acronym was invented, which started in 1997. Construction was funded jointly by my shareholders and, interestingly, by the federal government under the better cities program. By any reasonable measure it has been a successful development, despite the numerous hurdles put in the way. We operate 24 hours a day, and carry four million passengers on seven kilometres of line. We do not have any operating subsidy at all—the only mass transit system in New South Wales that can say that. Our passengers are very happy—80 per cent rate us as excellent or very good—and we are widely supported by the community, including councils, green groups, local businesses and residents, and yet, despite this apparent success, the state government has refused to consider extending it through either the CBD or the inner city. This is despite numerous proposals from us and other groups to do so.

I would contend that there is a crystal clear transport case for putting a high-capacity mode such as light rail through the city streets, yet the state government maintains an anti light rail policy without any particular logic and suggests that buses can adequately service mass transit needs within the CBD. One only needs to go outside and have a look at the streets to see that they are manifestly wrong on that point. The city is now a congested and polluted bus terminal, with more and more restrictions placed on city users to accommodate too many buses.

The government has no particular solution to this problem. The much publicised CBD metro, costing upwards of \$5 billion if it is built, will not alleviate the surface transport problem. It will not displace bus use in the inner city. Building a light rail loop in Sydney would cost \$0.2 billion in contrast. Experience overseas in Europe and the States shows what fabulous things can be done to city centres by installing light rail. It can transform cities, as over 400 cities around the world have found out. The benefits are not just related to efficient transport: light rail gives cleaner environments, attracts investments, creates activity and jobs. Only light rail has a proven ability to get commuters to switch out of their cars. Buses, for all of their strengths—and they are many—cannot do any of the above.

The catalogue of reasons why the state government and its bureaucracy will not countenance light rail is long and revolving. Most are just plain wrong or, we believe, disingenuous. Our critics will say that we are pushing our own boat, which we are, but we are not alone in pushing this boat. Study after independent study has suggested that light rail in the CBD would improve matters. We need go no further than Melbourne to see a working system, and now Adelaide has extended its own line through the CBD, to much success.

The previous New South Wales transport minister, John Watkins, in the midst of a startlingly incorrect piece of criticism, once called light rail 'a romance that will end in tears'. At best, I can say that Minister Watkins was poorly briefed. The current new transport minister is at least listening to our arguments and forming his own view. We wait and see what will happen. The federal government, Commonwealth, should be interested in such state government failures. Urban transport is important to the country, given how many Australians rely upon it. In this case the hub of the main economic engine in Australia is being driven into the ground. If this can happen with a project like light rail, which appears quite straightforward, we would question what is happening with the bigger issues surrounding transport. Thank you for listening and I will be pleased to take questions later.

Mr Lennon—Thanks, Senators, for the opportunity to appear before you today. PWC has belatedly provided a brief submission to the committee. I think you might have a copy in front of you.

Senator HEFFERNAN—No, not yet.

Mr Lennon—Sorry for the delay in providing that. Briefly, by way of background, PWC has a range of divisions which help our clients solve their most complex problems and improve their business performances. We have also got over 5,000 staff who primarily work in the CBDs of the capital cities, so we are very frequent and heavy users of public transport, bringing a further perspective to this debate. I lead an economics group within PWC focused on transport, and we have been undertaking cost-benefit analysis of a range of these major transport projects that are currently on the agendas of different governments. I have had a team of staff at Infrastructure Australia recently, on secondment, helping form the national priority list. Additionally, PWC has a project finance group that has been the lead financial adviser on a range of toll road projects and projects funding new railcars for passenger train operators.

PWC's submission focuses on the six terms of reference that the committee has been set. I thought I would walk you through briefly some comments on each of the six terms of reference. Term of reference (a) seeks 'an audit of the state of public passenger transport in Australia'. Our opening suggestion is that you have a close think about the type of audit that you want to perform there. There are many different types. We would suggest you take a forward-looking, performance-focused audit, rather than a compliance focus. We would suggest that the focus be a robust assessment of the asset condition, the service quality and the capacity adequacy of public transport infrastructure. That is a style similar to that used by Infrastructure Australia.

The recent IA audit represents the first assessment of national capacity and condition of infrastructure and we very much welcome this new approach. It is important that there is a robust assessment of the needs and the problems of a public transport system before we start developing solutions because, unless you know the problems, your solutions will be poorly targeted. The Infrastructure Australia 2008 December interim report to government noted that the states and the territories had some deficiencies in the way that they had identified the problems and they had sizeable scope for improvement. IA pointed to an overfocus on developing solutions; jumping straight into solutions without first having integrated multimodal strategies.

The public transport systems have been under significant pressure due to rising patronage, creating crowding within many of the systems and also creating problems with on-time running, particularly as some of these systems age. The proportion of trips undertaken on public transport in Australia is relatively low by European and Asian standards; more equivalent to levels that we see in the US. Overall, we see sizeable potential to increase the share of public transport journeys, and that can be done through some targeted investments and improvements to basic quality items such as reliability, transit time, frequency, cleanliness and the passengers' feeling of safety and security.

A key challenge for some of our existing urban passenger train networks is their age and the design of their assets. This age and design issue makes achieving step change improvements in frequency and reliability quite difficult and moving it towards metro style quality will be a big challenge. There has been some generalised underspending in large parts of the passenger train fleets and also the bus fleets. The older, non-air-conditioned carriages and buses have relatively poor comfort and ambience levels and that is partly moderating patronage growth. Whilst there are plans afoot in most jurisdictions to replace this fleet, there are long lead times for that purpose and passengers will be suffering for a few summers yet before there is an effective new fleet in place.

Moving to term of reference (b), which looks at the current and historical levels of public investment in transport, there are a couple of comments on this term. Road infrastructure has attracted the vast majority of Commonwealth government funding support in the past decade, but within major cities there has been growing road congestion. The state and territory governments have explored use of toll roads as an option and that has provided some additional capacity. However, the next generation of toll road projects is experiencing some delays at the moment as the private sector grapples with the higher cost that this second wave of toll roads has due to increased reliance on tunnelling. There are also some issues around patronage risk and its allocation, as well as the debt funding availability in the current global financial crisis that is holding back that second wave.

Investment in public passenger transport infrastructure has been, by contrast, somewhat intermittent and, arguably, relatively low, despite increased demands from the community. An issue that needs some thought is that rail services, and the continuity of those, needs to be maintained as often as possible. This service continuity issue constrains the ability of the network owners to undertake the necessary renewals maintenance. They are confined often to a couple of weekends a year, and that can create a risk of maintenance backlogs and needs fairly smart management.

Moving to term of reference (c), the committee was after views on the 'assessment of the benefits of public passenger transport, including integration with bicycle and pedestrian initiatives'. We have some comments on

this term of reference. When PWC undertakes economic cost-benefit analysis work in this area, we always endeavour to be modally agnostic. What does that mean? We treat all modes—heavy rail, metro, light, bus, ferry, taxi, private car, walking and cycling—with an even hand and in a very equitable manner. All forms of transport, public and private, have benefits and those benefits can be monetised and quantified as part of cost-benefit analysis.

In being modally agnostic, it is also important to consider that journeys have an end-to-end nature and they are often multimodal. We need to better understand the impact of mode choice on economic productivity. The broader economic benefits of public transport compared to private transport within urban areas, particularly in peak hours, can be substantial. These include reduced congestion, lower emissions and CO₂, reduced noise, reduced road accident levels, and improved social inclusion and social amenity. However, for certain types of journeys, particularly multimodal journeys which are not CBD focused, the private car has considerable competitive strengths and flexibility and accessibility, and these are likely to see the private car remain the dominant mode for those types of journeys.

Significant benefits from public transport can accrue where the services are well designed and targeted to higher population density areas. United Kingdom evidence suggests that, where this is done, significant economic and business benefits can be obtained. There is also merit in improving the linkages in infrastructure to encourage greater bicycle and pedestrian activity. A large proportion of our journeys are relatively short, of two to 10 kilometres, and therefore they can be substituted by walking or cycling. Most longer journeys as well have a short leg at the front or the end of them as people connect to their homes or offices where walking and cycling is an important part of that journey.

Consequently, we see sizeable scope in increasing the proportional use of so-called ‘active’ transport—‘active’ being bicycle or pedestrian—within Sydney. The Sydney market share in active transport is very low compared to Asian and European cities. Cycling as a mode would benefit with the provision of extra facilities, such as secure storage at railway stations and the better ability to carry your cycling equipment on public transport, probably more in off-peak periods if there is space available. The provision of better changeroom and bike storage facilities at workplaces is also an important aspect of encouraging more use of active transport. There is possibly some scope for improving building planning to aid that change. In encouraging more cycling transport, planners do have a number of challenges. There are areas of conflict between buses, private cars and bicycles, particularly where they are trying to share the same lanes. Some more transport planning could add value and resolve that conflict.

Moving to term of reference (d), the committee was interested in how the Commonwealth government could facilitate improvements in transport services. We commend the Commonwealth government for its recent stronger interest and willingness to become involved in public transport issues within urban areas. It is important that we alleviate capital city traffic congestion. The Commonwealth government’s involvement in that space is important for improving the liveability, sustainability and productivity of our major cities.

The Commonwealth should also continue its encouragement of detailed cost-benefit analysis to help make those decisions; make sure they are based on evidence and make sure that they look at the problem and quantify it before jumping straight into solutions. The right solution may be a mode—it could be light rail, heavy rail, buses, or even private cars—or it may also be a style of regulatory or pricing reform that can achieve the same solution. For example, increasing peak period prices, increasing off-peak discounts, or limiting certain types of travel within peaks, particularly for freight, can free up capacity in our networks and alleviate urban congestion.

Commonwealth funding could also be conditional on passenger transport services meeting clear performance standards. The Commonwealth government could also look at becoming more involved in some of the freight issues inside capital cities. The funding that the Commonwealth has provided to establish dedicated rail freight lines within the urban cities is very important and needs to continue. By improving the ability of rail freight to compete with road will see a reduction in truck numbers on some of our streets and motorways, and that yields significant environmental benefits and reduces the incidence of conflict between passenger trains and freight trains.

We also suggest that the government ensure environmental and congestion externalities are more properly priced so that inefficient private car usage is not encouraged. Whilst motor vehicle usage and motor vehicle pricing is largely a state issue, the Commonwealth could get more involved in encouraging the states to reform the way that private vehicle charging is undertaken. At the moment we have a large fixed annual registration fee that is often weight based. There is probably scope to change the basis of that to look at car usage, when

those cars are used and whether they are used in congested areas, and to adjust the pricing of that registration accordingly. With GPS technology and E-tag technology, there is scope to do this now. In Germany and the Netherlands, that type of practice is already under way, yielding significant benefits, both environmentally and for public transport usage.

The Commonwealth government could also play a role in reforming some of the operational settings of our major cities to improve the demand-side drivers and encourage more public transport use. An area that we think has some merit is attempts to spread the peaks on public transport at the moment. We have two high peaks at about 7.30 am to 8.30 am and 4 pm to 6 pm in the afternoon. Some simple things could be done to spread those peaks, such as staggering work times in the Commonwealth government, the private sector, schools, universities and offices. People could also be encouraged perhaps to work slightly longer shifts but fewer days per week to reduce the number of commuting journeys to CBDs. There is also probably more scope to increase the price differential between off-peak and peak public transport prices.

Term of reference (e) looks at the role of the Commonwealth government legislation, taxation and subsidies to encourage or discourage public transport usage. We would take the view that there is some merit in the Commonwealth government taking a role in ensuring effective investment in public transport, particularly in our major cities. The Commonwealth government's current policy settings for motor vehicle taxation and fringe benefits tax also could benefit from review. There would possibly be some merit in considering commensurate tax incentives for more public transport users.

Finally, term of reference (f), where you are after some views on better practice internationally for public transport services. We point to four cities in our submission, notably New York, London, Hong Kong and Singapore. Across those four jurisdictions you have got some common features. They all have good metro rail systems with very high patronage. They also have integrated planning, with a single authority running all aspects of transport in those jurisdictions. In Hong Kong and Singapore, you have two more relatively modern metro services where they have been expanding and very high frequency. London and New York are relatively older services, similar to the services in Sydney and Melbourne, but they do provide a better frequency and a better service quality and reliability, and I think that there are some lessons to be learned there from those jurisdictions.

In conclusion, PWC strongly supports the provision of an efficient public passenger transport system. We see that as vital to improving the sustainability, liveability and economic growth of a modern city. The next wave of investments will be crucial to ensuring that those investments support this goal. Public transport may not always be the answer, particularly if the areas involved have low-population density or very diverse travel patterns. So I hope our theme around being modally agnostic adds something to this debate.

Overall, if Australian cities continue to meet population growth by adding new outer suburbs rather than increasing population density, public transport will face a series of challenges and difficulties in reducing our dependency on the private car. Thank you for your time this afternoon.

CHAIR—Thank you, Mr Lennon, and thank you, Mr Warrell. Before I go to questions, I want to quiz you a bit more on your talk of pushbikes on the rail if there is room. If I can go one step further. What has been coming out is that a lot of people think Perth has got a pretty good system, but in talking to someone the other day, I found out that even in Perth we have got this nonsense—I say nonsense—that you can put your bike on the train, as long as it is not during peak hours. I do not think we are sending the right message—'You can have your bike on there, as long as it's not at the wrong time.' I think there is a massive gap there, if we are trying to encourage linking all modes of transport that reduce the carbon footprint and provide a better service. Would you like to go a little bit further on that?

Mr Lennon—Yes. What we are seeing in the train operators having a blanket ban during peaks is the development of a simple policy that can be easily understood and implemented at the frontline. I would agree. I think there is merit in a more flexible policy. There are a number of train services and train lines in the peak that perhaps do have room to accommodate bikes. In the submission we give the example of Portland, where there are some bike storage areas within trains that make that a bit easier.

CHAIR—Portland, America?

Mr Lennon—Portland, USA, yes.

CHAIR—Portland, Oregon?

Mr Lennon—I believe so, yes. So there is possibly some scope for flexibility, but I can understand how the transport operators got to the blanket peak ban.

CHAIR—Sure. I do not want to spend all our time talking about bikes, that is another part of maybe a better system, but I thought that, when the lord mayor tabled this morning all these plans for riding bikes, if we are not going to provide the link between all the rest of the modes of public transport, it will fall on its backside. I wanted to raise that with you because I think, if you are going to do that, you have got to give people the option to put the bike on the train or on the bus or something like that, otherwise we have got a wonderful beginning, a wonderful end, and in the middle we have got a big hole.

Mr Lennon—Yes. Public transport statistics show fairly clearly that, if you live within a kilometre and a half of a station or a bus stop, you are much more likely to use public transport. By better accommodating bikes, you can expand that catchment to perhaps three, five kilometres. So it is a very important tool to consider to increase patronage.

Senator LUDLAM—Mr Lennon, in particular, you have done quite a bit of detailed work, I understand, evaluating light rail proposals—or perhaps you both have. Can you advise us, in a Sydney context, what that work is telling you?

Mr Lennon—Kevin, I am sure, will add significantly to this question. There have been a number of proposals to expand the Sydney light rail network and PWC was involved in looking at the proposed extension from Central Station to Circular Quay. There was a lot of debate about the capacity of some of the Sydney streets—notably Castlereagh—to accommodate cars and light rail and pedestrians. I guess we deferred to the engineers and the traffic planners on that particular issue. Kevin will add to that issue, but it seemed to be the deciding factor in the merit of the extension. The financial cost of that extension in a relative sense was fairly modest. It offered what I saw as good value for money in terms of the cost per journey that was being incurred over the longer period.

Mr Warrell—There have been lots of studies on light rail within Sydney. We have funded some, the state government has funded some, and people such as the City of Sydney have funded some. All of them have said that it would be a good idea for the transport efficiency of the network. The cost of a scheme from Circular Quay to Central Station, which is the most common one promoted, is \$200 million total, including project costs. The issues that are put in the way of that proposal largely relate to what happens to buses, because the streets are congested now with buses. So the idea that you plonk a light rail in the midst of all those buses and suddenly it will all work is clearly nonsense. That is what critics use against it. But that is not the proposal.

The proposal is to remove a lot of the buses from the city streets, replace them with much fewer light rail vehicles, because they are much higher capacity, and then have interchanges at the edge of the city boundary. It is done overseas many times. Indeed, now the state government is embracing interchanges with the metro project, having vehemently criticised them up until last year. If that helps.

Senator LUDLAM—That certainly helps. If there have been a number of different kinds of studies, some of which you have been involved in, for light rail—we heard a little bit more from the City of Sydney this morning—why hasn't this happened yet? I don't know if I would call the benefits obvious, but they have certainly been illustrated in some depth.

Mr Warrell—I can only speculate, because from a transport planning perspective—and I have done a lot of transport planning in a very practical sense in heavy rail, bus and light rail—there is no objection. The transport benefits are manifest. The objections that were raised by Minister Watkins in particular were things such as the streets are too narrow; it will paralyse the city; it does not have enough capacity; people do not like interchange, and so on. All of them are wrong. There is a definite grounding to the resistance within the state government and the bureaucracy. We have not been able to find the logic to it.

Senator LUDLAM—You are no doubt aware and are probably well and truly mixed up in this occasionally rancorous debate as to whether light rail or bus rapid transit is the way to go. The studies you are working on focused on light rail. We heard evidence this morning that kind of swept light rail out of the way and said buses would do just about everything.

Senator MILNE—That is wrong.

Senator LUDLAM—Do you want to dip a toe into that debate?

Mr Warrell—I think I know who that was.

Senator MILNE—Professor David Hensher.

Senator LUDLAM—Thank you, Senator Milne.

Mr Warrell—Without saying anything disparaging about Professor Hensher, his USP as an academic is to promote buses over light rail. He is a paid lobbyist for the Bus and Coach Association and he has been paid to write papers which disparage light rail. So I really do not think that his view is a particularly balanced view. You could say the same of me, of course, in that I work for a light rail company. But his promotion of BRT is based on a really evangelical presentation of what happens in some Third World countries.

Senator O'BRIEN—Sounds like a train supporter.

Senator LUDLAM—The cost argument was put fairly strongly. The case was made that you could buy 100 kilometres of bus rapid transit or one kilometre of rail. Are you saying that might be a bit off beam?

Mr Warrell—It is manifestly misleading. I urge you to look at what has happened on the Gold Coast recently, where a very extensive comparison of the two modes was made. TransLink, which is the transit authority there, have come down in favour of light rail. If you give BRT the characteristics of rail, which makes it attractive public transport, you just increase the costs somewhere near to rail. If it is just a bus on a road, then clearly it is cheaper, but then you do not have the benefits of a rail system. That is the trade-off.

Senator LUDLAM—The Gold Coast study you refer to, is that in the public domain?

Mr Warrell—They have done a lot of internal work, which I think is for the Queensland cabinet. Certainly the results are in the public domain.

Senator LUDLAM—If it is possible to spell out, from the perspective of the different kinds of tasks that we attempt in cities or in different environments, is there a rule of thumb where you would say, 'That's a suitable application for rail and that's suitable for buses,' or is it not that simple?

Mr Lennon—If you have got a lot of people to move in very high peaks, heavy rail or metro rail becomes more suitable, because it can shift 50,000, 60,000, 70,000 plus an hour. When you are below that threshold—and a lot of situations in our cities, in particular suburbs, are well below that threshold—then you are free to consider other options. Bus rapid transit, light rail, normal route buses can all effectively service that market. You then move into debates about the relative operating costs, capital costs, passenger comfort and the like.

Senator LUDLAM—And presumably also sensitive to energy prices, which we tend to assume will stay low.

Mr Lennon—Yes. Energy as a cost item is often fairly modest in public transport, because the highest cost tends to be labour and capital. The energy differential between light rail and buses, I think Kevin would be better to comment on, but it is not a large differential.

Mr Warrell—Railway, because it has steel wheels on steel rail, tends to be more energy efficient than a bus, and it does not have a mobile internal combustion engine going around. You have a choice of ultimate energy supply, whether it be green power from hydro or wind or coal-fired power, but you have an insurance against future supplies, essentially, with an electric powered train. Diesel buses are reliant upon diesel, albeit the bus industry is working on alternative prime movers, such as hydrogen cells and so on. They are some way off and, indeed, are very ungreen, but they are working on it. It is not here now.

Senator MILNE—On this very issue about the evidence that we have had from Dr Hensher about rapid bus transit compared with light rail, and also something the lord mayor said this morning, in response to whether buses or light rail would be a better option, the lord mayor said that the problem is that, given the size of the city streets and things in Sydney, you are only talking about one lane, whereas some of the examples that have been given from overseas rely on three or four lanes of buses in order to get the volumes and speed and so on that is talked about. Can you comment on whether the examples that Professor Hensher gave, which were essentially Bogota, Colombia and Brazil, are multiple lanes? Is it a comparable scenario, given the width of Sydney streets compared with what they have done?

Mr Warrell—Short answer, no. To elaborate, the two examples that are often quoted are Curitiba, which is a city in Brazil—

Senator MILNE—That is right.

Mr Warrell—Sao Paulo and Bogota. They all have bus systems. They all would have preferred to put in rail systems, but they did not have the capital funding. They all use multiple lanes. They use very long multiarticulated buses. I have never been on them, I have to say, but I have heard reports from people who have and the quality is somewhat below Sydney Buses' quality at this moment in time. They are manifestly unsuitable for Sydney streets, there is no question. People such as Professor Hensher would have them running up and down Castlereagh and so on, which is ridiculous. From an operational perspective, it is ridiculous.

The other thing about width that is perhaps not always known is that the swept volume of a bus, in a planning sense, is bigger than a light rail, because the bus does not travel on tracks. With the light rail, we know where it is going to go, within 10 millimetres. A bus does not, because it has a driver with a steering wheel, so the planning volume required for a standard bus is bigger than a light rail vehicle.

Senator MILNE—Thank you.

CHAIR—Help me out here if you can. When you are talking light rail, what exactly are we talking in terms of carrying capacity?

Mr Warrell—A typical 30-metre light rail vehicle, such as the ones we operate in Sydney, has a crush capacity of 200. A standard bus crush capacity is 60. An articulated bus would go up to about 90. LRVs can be bought in 10-metre increments, so a 40-metre vehicle would have about 260. You can couple two LRVs together to get a 400 capacity. What is critical, though, is the route capacity. The effective route capacity of a bus network that operates with any degree of predictability is really only a bus a minute. That is very difficult to run as a bus operator. That gives you a capacity of 3,600 passengers per hour max. Applying the same thing to a light rail vehicle with a capacity of 200 gets you to 12,000.

CHAIR—As you say, you are agnostic. Would it be your view that, to deliver the best public transport system for the people of New South Wales—you would not argue that you all have a role to play—typically, the city should be free of buses, but buses feed the light rail or heavy rail out in the suburbs?

Mr Warrell—My view is that it would not be completely free. Buses do have a role. Buses can serve low-volume demands much more effectively than anything else. That is what their role should be in the transport network. Where you have a trunk route, it is best served by a high-capacity mode such as light rail. So I would have north-south, one, two or three light rail services, with most of the interconnecting services from the south terminating near Central Station. I would leave a bus terminal at Wynyard, with a connection to a CBD distributor there. The buses coming in from the eastern suburbs, again, there would be some form of interchange with some going on to Circular Quay.

CHAIR—Do you liaise with the bus industry or the bus companies when you are setting your timetables for your light rail?

Mr Warrell—We only cross with Sydney Buses. The short answer is no, because we are seen as the enemy by Sydney Buses, I think it is fair to say.

CHAIR—I find that really difficult. I am not saying it is not the case, but I find it extremely difficult in today's day and age, where the train and the bus companies cannot sit down like grown-ups to say, 'This is our timetable. How can we work together?'

Mr Warrell—It is even worse, in that the agencies controlled by the state government are in the same position. I used to run a private bus company in southern Sydney and, basically, we were given a rail timetable when it changed and told, 'There it is from March,' or whenever, 'Do what you want.'

CHAIR—So now that you are running the train one, you are getting back, are you? Is that what is happening?

Mr Warrell—We do not have many interchange passengers with the buses because the routes do not really encourage that, to be honest.

CHAIR—How do you mean?

Mr Warrell—A bus route classically would feed a rail route. That is the way it normally works in an efficient system. The bus routes do not feed our rail network, because it is very modest. It is only seven kilometres.

CHAIR—Seven kilometres?

Mr Warrell—Seven kilometres, yes. It does not feed our rail network. Where we have an interchange at, say, Central Station, where a lot of buses do come in, they all run through into the city and clog up the city. So in our particular case there is really not a need for specific coordination. I can give you my experience, though, from when I ran the private bus company: it was zero.

CHAIR—Isn't this half the problem? I know I have got to unscramble my head now to work out that—these are my words—you are all as bad as each other.

Mr Lennon—The four cities we pointed to as international better practice all had an overarching transport authority that controlled buses, trains, trams, taxis. That is important for an effective system.

CHAIR—The market! Okay. I am more confused. I will leave it, because there are other senators, but I have got to leave this thought with you: this is ridiculous in today's day and age. It is easy to pinpoint and blame governments, but when you cannot get together and start working out what is best for the commuters—anyway, I will not lecture.

Senator O'BRIEN—Thanks, Mr Warrell. Your light rail solution is for the central business district concept, is it, or is it beyond that?

Mr Warrell—It is beyond that, but the prime case that we promote is the central business district.

Senator O'BRIEN—It would run on existing road area?

Mr Warrell—Yes.

Senator O'BRIEN—You would be taking up the middle or a lane or something like that?

Mr Warrell—Yes, the existing bus lanes would become light rail lanes, essentially.

Senator O'BRIEN—Would it be like the Melbourne system, or would you have more a station system like I have seen in Adelaide?

Mr Warrell—I think it would be a combination of the two. Melbourne is a very old design system. and that is a limitation in Melbourne, in that it was built before there was extensive car traffic. Routes have been designed down to interchanges and station stops by designers and engineers to facilitate the traffic flows through the city. Car traffic essentially would not be affected. It would replace some of the bus traffic.

Senator O'BRIEN—The routes that the light rail is on, the buses would not travel on?

Mr Warrell—No.

Senator O'BRIEN—Would it just go around the city, or would it go through the city?

Mr Warrell—The proposal we have put to government would be a loop—

Senator O'BRIEN—The costing.

Mr Warrell—Yes, a loop through the city. A loop is better for operational reasons and also for passenger visibility. You could just do a two-way shuttle, but a loop is a superior solution.

Senator O'BRIEN—Your discussion of buses and their flexibility did not seem to completely gel. I understand if you are talking about triple or quadruple articulated buses being challenged by city streets, but given the normal articulated buses that run through Manhattan in the streets and not the avenues, I do not think that they find passing through there impossible. Why would they be impossible to deal with the task in the city?

Mr Warrell—I do not know the Manhattan streets that well. I can speak about the Sydney streets. Within the Sydney street network there are restrictions on even long buses. The buses that are 14.5 metres have a double axle at the back, as opposed to a standard bus, which is approximately 11 metres. There are restrictions on those buses through the streets because they are too long. Really, it is not going straight, it is turning that is the problem.

Senator O'BRIEN—Yes, sure. Brisbane City Council seem to think that new bus technology will make non-articulated double-axle buses able to carry an articulated bus load in a rigid bus structure around its network. Do you take that technology into account?

Mr Warrell—I am aware of various technology which attempts to steer buses more accurately. I am also aware that there is not one proven case in the world where it works. Clearly, technology can be developed, but it is rather speculative. I am also aware of Brisbane city's studies on light rail versus buses, which I would contend is fairly flawed.

Senator O'BRIEN—They dismissed light rail and have gone for buses in a big way. To give Dr Hensher credit, he did use that as his example, rather than the South American examples that you referred to, although he has referred to them in other studies, I acknowledge.

Mr Warrell—Yes, I am aware of that Brisbane city study. Various people have reviewed it and, not only in my view but in other people's view, it started with the answer—that buses was the answer, now prove it. Some of the throw-away lines about light rail were just silly. So it came to a conclusion that it was briefed to come to at the very beginning. Brisbane is not my city so I did not really get involved, but I do not think it is a very sound study.

Senator O'BRIEN—Brisbane has some of the challenges that Sydney has, perhaps more in some senses, with the way the river runs through it and the topography of the city, which is one reason the return to light rail was suggested not to be economically viable. Is topography and bridges and the like more of a challenge to light rail than perhaps to RBT?

Mr Warrell—I do remember various parts of that study; not that well. For example, one of the reasons light rail was not favoured was because a new bridge would have had to have been built, I think, over the river. Yet, for a bus of equal capacity, a new bridge was not required, which does not make sense.

Senator MILNE—The Commonwealth is about to have a major infrastructure spend and, of course, there are a lot of bids in for various aspects of transport systems, from freeways to just about anything. From what you have been saying, in a policy sense, would it be better for the Commonwealth to make any funding contingent on cities establishing a metropolitan transport authority with an integrated plan and then come back with a system proposal, rather than continue as we are doing, where cities and states put in project funding?

Mr Warrell—Yes. Subject to it not delaying the investment too much. But I think that would be a very positive step.

Mr Lennon—I would agree with that.

CHAIR—Mr Warrell and Mr Lennon, thank you very much for your assistance to the committee.

[2 pm]

CHANTHIVONG, Mr Anoulack, President, Macarthur Regional Organisation of Councils

FINGLAND, Mrs Sharon Ruth, Assistant Director, Western Sydney Regional Organisation of Councils

REILLY, Mr Pat, President, Northern Sydney Regional Organisation of Councils, and Mayor, Willoughby City Council

TOBIN, Mr Nick, General Manager, Willoughby City Council

WEBB, Ms Leta, Executive Director, Shore Regional Organisation of Councils

CHAIR—I now call representatives from Western Sydney Regional Organisation of Councils, North Sydney Regional Organisation of Councils, Macarthur Regional Organisation of Councils and Shore Regional Organisation of Councils. Welcome. Would you all like to make a brief opening statement? I will start with you, Mrs Fingland.

Mrs Fingland—Thank you. WSROC has prepared its response from the perspective of greater Western Sydney, which contains 14 local government areas, and houses approximately 1.8 million people or 42 per cent of the Sydney population. I mention that because a lot of our statistics cover a wider area than just the WSROC region, which is actually 11 council areas, but a lot of our research for the region talks about greater Western Sydney, so some of the information that I have provided covers the broader area.

The region actually produces more than \$80 billion in economic output annually, which makes it the third-largest economy in Australia after Sydney CBD and Melbourne. It is therefore an important urban region in a national sense. It is proposed that the region will accommodate over half the population of New South Wales over the next 25 years, approximately 600,000 people. Much of this growth is to be accommodated in the north-west and the south-west growth centres. The planning for these growth centres has been undertaken on the basis that there will be very significant investment in rail infrastructure, and other infrastructure, to support the sustainability of this very significant population increase.

But now many families are questioning the true economics of cheap housing at the urban fringe in light of the increasing transport costs and the length of the daily commute and, without adequate and significantly enhanced public transport infrastructure and services, it will be increasingly difficult to persuade families to move to the urban fringe. Western Sydney is not a homogenous area and, in some of the larger local government areas, the census data reveals pockets of severe socioeconomic disadvantage. Recent research has actually demonstrated that no progress has been made during the economic boom times that extended from the mid-nineties to 2007, and that the Western Sydney region is now most at risk of further decline as a result of the economic downturn.

Previous submissions prepared by WSROC over the past five years have demonstrated exceptional levels of car dependency, location disadvantage due to the inadequate provision of physical and social infrastructure—and I call public transport ‘social infrastructure’—increased levels of mortgage stress and default, and problems associated with the ageing of the population. All these factors have contributed to an increasing level of social exclusion within the region.

An environmental issue that WSROC has highlighted over the years is the poor air quality in the Sydney Basin which is contributing to an unacceptable increase in the incidence of many illnesses and threatening the region’s sustainability and the health and wellbeing of its population. This air quality issue is partly the result of the geography of the Sydney Basin, and it is also very largely due to the inadequacy of public transport and the associated very high levels of private car dependence that jointly apply throughout the region.

We would argue that for too long planning in New South Wales has been a fragmented, ad hoc process, undertaken by a range of government and non-government agencies, often operating in complete isolation from each other. As a result, many transport plans have lacked a strategic or long-term focus, have incorporated conflicting priorities and are often ambivalent in terms of the specific commitments and undertakings. Plan making has become largely marginalised from the government’s budget setting process and has been captured by the state Treasury and some large agencies such as the RTA. This has been at a time when successive state and federal governments over the years have become increasingly reluctant to invest in urban infrastructure and there have been few deliverable results in either infrastructure investment or sustainability, particularly in our region.

The region's disadvantage has now been further exacerbated by the New South Wales November 2008 mini-budget, which involved the withdrawal of a number of very important commitments to the provision of critical transport infrastructure, the infrastructure that provided the fundamental underpinning of the metropolitan and subregional plans, the New South Wales State Plan and the urban transport statements and objectives for New South Wales.

WSROC has consistently called upon the state government to prioritise its commitments to Western Sydney and to protect them, particularly its repeated commitments to public transport infrastructure in the region. In the run-up to the 2007 election, the government made almost 150 specific commitments to the GWS region and, in particular, there was an explicit commitment made prior to the election to provide rail infrastructure in Western Sydney and specifically to the construction of the south-west and north-west rail links. The government further raised community expectations in March 2008 by reiterating its commitment to the south-west rail link and replacement of the north-west rail link with a north-west metro.

Decades of underinvestment, particularly in respect of public transport provision, has left the region struggling to adequately cater for the needs of its residents. Two major studies that WSROC has been involved with as a joint partner—one called Socially Sustainable Urban Renewal, which was produced in 2008, and much more recently a north-western/west central Sydney employment strategy report—have demonstrated with stark clarity that the region has not developed its economic base sufficiently over the past decade and will struggle to generate new jobs and dwellings to meet government targets and community needs.

For these reasons, WSROC has been calling for a greater strategic and integrated focus on issues of urban sustainability and function, and for a greater degree of federal interest and involvement in these critically important areas of national concern.

CHAIR—Mrs Finland, I am sorry to interrupt. Have you got much longer to go?

Mrs Finland—No.

CHAIR—Because there are other councils and we are mindful of time.

Mrs Finland—My last point was going to be: it is our view that, at this critical time in our region's history and development, there is no other area of public investment that has the same potential to benefit so many different aspects of urban living than public transport.

CHAIR—Thank you. I am sorry to do that to you. Forty minutes does seem a long time but it flies past when we start asking questions.

Ms Webb—I represent SHOROC, which is the four councils that are north-east of the harbour and up to the northern beaches peninsula. That area comprises about 250,000 people. It has three major ways in and out, one being a north-south route that goes through Military Road, Mosman and into the city; another being the east-west routes that go along Warringah Road and Roseville Bridge into Chatswood; the other going Mona Vale Road out to the Ryde and Macquarie Park area.

The potential to increase the road space on any of those roads is particularly limited because of topographical and geographical features, and also because the north-south route goes through a highly developed urban area which has no scope for expansion of the road space. At present, we have a very high car usage rate for people to journey to work, that being about 77.5 per cent. Public transport is 8.4 per cent and other transport is 14 per cent. The main form of public transport is buses, and the buses focus on intraregional traffic—that is, getting people in and out—mainly on the north-south route, so there are opportunities for expanding public transport on the east-west routes. But transport in and out of the area is going to increase substantially.

One of the unique features of our area is that we have a very high level of employment containment, with something like 77 per cent of jobs in the area being filled by people in the area, so the transport load has been comparatively small. However, with the ageing population increase and decreasing housing affordability, we are going to increasingly need to look for a workforce coming from outside our area. We have currently relied, to manage transport in and out of the area, on tidal flow arrangements. Because there will be people now coming into the area, as well as an increasing number of people going out of the area, the current roads and private transport usage means that the transport task cannot continue to be met in the way it is currently.

We are a low-priority area for budget funding for transport improvements, because all the emphasis is on the growth areas of Western Sydney rather than what is considered to be the privileged north-eastern corner that I represent. However, that does not mean we are not an area of need. SHOROC has an existing transport

policy dating back to 2002, which we are going to review as part of a regional strategy development process. That transport policy relates to trying to promote the existing public transport through park-and-ride facilities, through better advertising, through greater promotion of existing public transport, through better bus stops et cetera, and also to lobby for additional bus services. But those strategies will not deal with the increasing transport task that the area is going to face into the near future. So there is a need to look at what alternatives may in fact be available.

In relation to the terms of reference of this particular group, I have got some information here that I did a summary on, which is funding of transport authorities in the USA, because in the USA local authorities set up transit authorities. They are able to do so through a majority vote of the electors to commit one per cent of sales tax to the funding of a transport system for a period of 30 years. That allows the transport system to be established and to build up patronage over that period of time.

Senator O'BRIEN—But they have sales tax.

Ms Webb—They have sales tax, but we have GST. One per cent of GST would go a long way. Those local transport authorities are run by the local councils and they also receive funding from the US Department of Transport, provided the activities that they have comply with the guidelines from the Department of Transport. I raise that as an alternate funding mechanism that may be worth exploring by your committee.

Mr Chanthivong—Thank you for your time. Our equation is relatively simple from MACROC's point of view. The particular area which is part of the south-west is a designated growth area and will essentially be increasing in population from currently 233,000 to 409,000 within about 25 years. So the need for public transport is the top priority for our area, in particular for the people who are currently there and, of course, for those who are going to be moving there in the near future. At this stage we have 92,000 local residents who leave the area to go to work every day. Without further investment in public transport, in particular, our main thoroughfares of train, and indeed connections to highways, would leave a lot of our residents stuck in traffic continually as they go about their everyday lives earning a decent dollar.

From MACROC's point of view, the investment in public infrastructure, in particular rail, to support those who will be moving into the south-west area, is a priority. We are doubling our population. Without a reliable, efficient and very good public transport system, it would leave more cars on the road, which of course then has social and environmental impacts for our area and, indeed, for the whole community. So we are looking for some indication from the Senate to see how public infrastructure is going to be maintained to support the high number of residents that happen to be moving in. Our equation is relatively simple: we are going to be doubling in population and we need the public infrastructure to support that growth.

CHAIR—Thank you, Mr Chanthivong. Mayor Reilly, would you like to make a brief opening statement?

Councillor Reilly—Thank you very much. It is great to be here and see you all taking this interest. It is most important. I talk on behalf of NSROC, the Northern Sydney Regional Organisation of Councils. Let me say at the outset: the public transport needs to align to the land use strategy set by the state government is one of our major problems. Unless that can be done we are, I believe, honestly fooling ourselves. The draft subregional strategies for the inner north and the northern region of Sydney have planned for additional dwellings and employment that cannot be accommodated with the existing transport infrastructure. The NSROC targets that have been put out to us work on something like another 51,000 new dwellings and 62,000 new job opportunities.

I will say at this stage that, despite things that are said, the state government at the moment is to be commended with what has happened with the Epping-Chatswood rail link. The proof is in the pudding, if we are going to take these sorts of gatherings seriously. On the opening day, when myself and my colleague, the general manager of Willoughby council, travelled from Chatswood to Macquarie over in North Ryde, it took us 50 minutes to get there by car, but it took us 17 minutes to get back when we came back in the train, including all stops. Those aspects, as far as I am concerned, are where you really have a good look at the benefit of it.

That is where I come to the position of NSROC generally. Our position is very much that the north-west planning for a rail line link needs to be continued—and I use what I have just given as an example—with preliminary work funded, including geotechnical work, corridor acquisitions and design work. This will allow the project to proceed when full funding is available. There needs to be substantial bus infrastructure, including the development of bus-only lanes, taking into consideration our colleagues from over in SHOROC,

from Brookvale to Chatswood, and a bus interchange at Macquarie Park, where 800 bus movements a day occur. There needs to be substantial dust improvements for the region as well.

Let me revisit the Chatswood to Epping rail link. It needs to be extended to Parramatta to provide a cross-city link. Whether that will be totally popular at the end of the day is another story, but we are in the business of enabling people to quickly get to different areas where there are job opportunities. Two of the biggest central business districts in New South Wales are Chatswood and Parramatta. This will provide opportunities to fill jobs in North Sydney where travel times at present become a disincentive and private vehicle trips contribute to traffic congestion.

We in the local government area, I know in the City of Willoughby, already are trying to establish and are working on local funded bus services for people to go from rail link to work. That is something that has to be taken into consideration, as far as we are concerned—this would probably apply to the greater part of the north side as well. The Chatswood to Parramatta heavy rail link then must be extended to the north-west sector to meet the increased demand for transport from the new growth area to employment in the northern Sydney area and beyond. Other rail infrastructure projects that should be considered, we firmly believe, are a high-speed rail link to Central Coast and Newcastle to support employees commuting to Chatswood and the CBD.

I have been, in my private life, in another world, involved in the shopping centre industry. There is more advertising done by Chatswood orientated businesses in Newcastle than is necessarily done on TV around our own local Sydney area. So that is very strong.

Senator O'BRIEN—Probably cheaper as well.

Councillor Reilly—That has to have a hell of a lot to do with it. You do not spend money, unless you have to spend money and, when it comes down to advertising, that might be the luck of the draw. But the fact of the matter is that a lot of people are interested in coming to Chatswood, and a lot of it has to do with employment.

Another one is the duplication of the North Shore rail line from Chatswood to the city, including a new harbour crossing to cater for long-term project demand. Financial support needs to be provided for personal public transport, which will bring commuters from the suburbs to the transport nodes.

I stress again what I said in my opening comments: public transport needs, if we are going to take this seriously—particularly in the Sydney metropolitan area—have to take into consideration the land use strategies set by the state government. People are moving into this area. They want to come into the Sydney Basin, as we well know, and nobody has come up with a very good incentive in any way, shape or form yet to be able to attract people to move out of the Sydney Basin.

A classic example is Chatswood, where we have worked cooperatively with the state government. We will also work cooperatively with the federal government, if we get a full understanding of what we are trying to provide. We are a great believer in partnerships, but these things have to be taken on board very seriously when it comes to long-overdue infrastructure. That is why I go back and say that, despite all the criticisms that go on in the media, at least the state government today has got something started in regard to the Chatswood-Epping rail link.

Whether people carry on about the noise of trains or whatever the case may be—which I find is a bit of a furphy, from travelling on it—I think a model is there. If that model can be extended, in line with the aspects that have been put forward from the comments that I have made from NSROC, I feel we are very much on the right way to be able to give people what they require and be able to move them quickly, give them jobs and also give them housing opportunities. The northern Sydney region, particularly those areas within the global arc stretching from Macquarie through to Chatswood, St Leonards, North Sydney, to the CBD, make a very significant—and I do not want this forgotten—contribution to the state of New South Wales GDP. The ability of these areas to continue to make this contribution is very much dependent on maintaining and improving transport infrastructure. Thank you very much for hearing our views and we hope that they can be taken on board with the sincerity that they have been put forward to you.

CHAIR—Thank you, Mayor Reilly. We will go to questions. It will be a little bit like *It's Academic*. If the question is not put to you directly, please feel free to jump in to provide an answer. Bear in mind that our time slot expires at 2.45 for our next witness.

Senator HUTCHINS—Mrs Fingland and Councillor Chanthivong, you talk about people leaving your areas to work. The WSROC submission on page 8 talks about people, particularly in banking, finance, insurance, property, moving from those geographic areas, except one, and moving elsewhere. Where are they going to work?

Mrs Finland—A lot of them are trying to access the global arc that my colleague referred to earlier, which in our region basically stretches from the Norwest Business Park, through the huge Macquarie Park, Ryde area, North Sydney, and a number go to the CBD. One of the problems that we find for west and south-west Sydney is that, because there is no decent public transport links to those areas, in conjunction with the fact that for people growing up in these areas there is very poor participation in tertiary education, there is poor participation in these higher order jobs. We see that as very much a transport issue as much as anything else.

We think that one of the reasons for the socioeconomic divide that is getting greater in Western Sydney, basically between the north and the south of the M4—if you took a line through Sydney, but with the exception of Penrith out in the west—is because of the number of people who do not have access to tertiary education opportunities. We know that the economy of Western Sydney, and particularly the poorer areas of Western Sydney, is not going to get better unless we get people better educated, unless we bring in these higher order jobs because, at the end of the day, higher order jobs follow an educated population.

We see that very much as a transport issue because, if you cannot drive in many parts of Western Sydney, you cannot access the University of Western Sydney's multiple campuses. They are very poorly located in relation to public transport. There are large industrial areas, like the Smithfield Wetherill Park employment area in Western Sydney. There are quite a lot of jobs going there, but employers are saying, 'If somebody turns up by taxi we won't give them a job because we know they cannot access this area.' It is a huge issue for our region.

Mr Chanthivong—MACROC commissioned a study by Hill PDA to look at the employment prospects in our area. The study did find that about 92,600 people do travel outside of our area to go to work. I count myself as one of those who travel on a daily basis to get to work. For me, the issue is obviously the need for greater public transport so that people can get to their workplace destination. But, more importantly, it is about creating the employment centres in our local area, so then people do not have to travel as far to get to work. I do not have the exact details with me, but I would suspect that the export of labour from the Macarthur area every day would be in the higher end of the professional scale. What I would like to see going forward is more professional and higher end jobs in our local area, more business centres, so that people do not have to go as far and they can live locally, work locally and enjoy their time locally as well.

Senator HUTCHINS—What is WSROC's view of the state government's decision about the M4 East? Has it expressed a view?

Mrs Finland—It has not expressed a view because it is outside our region.

Senator HUTCHINS—Except that a lot of people from Western Sydney might use it.

Mrs Finland—There is that issue. In terms of the M4 East, we would be very concerned if there was not adequate public transport provision built at the same time, because without that we are afraid that the whole of the M4 could become one big car park and that would affect our residents very badly.

Senator HUTCHINS—For my colleagues from interstate, some of the areas you represent would have access to government buses, would they not?

Mrs Finland—Not the majority.

Senator HUTCHINS—Parramatta would, but the majority would not, would they?

Mrs Finland—The majority of Western Sydney does not have government buses.

Senator HUTCHINS—So the inner city, eastern suburbs, North Shore areas would have access to government subsidised buses.

Mrs Finland—They do, yes. But there are very few in our region.

Senator HUTCHINS—In your submission, the WSROC response to 4.1A, you talk about:

Many urban areas in Western Sydney are hampered by inadequate arterial road systems which result in traffic intrusion ...

The Bus and Coach Association were here this morning. I do not know if you were here, Mrs Finland, when they spoke.

Mrs Finland—No, I was not.

Senator HUTCHINS—We asked them about planning and new estates and all that. They said that, unless the local bus operator gets involved in the process, in the end road structures are built that cannot sometimes take the buses that are needed in there.

Mrs Fingland—Yes.

Senator HUTCHINS—In fact, privately they referred to some huge car park that has been built by the state government somewhere in that sector where the buses cannot get into the car park. Are you aware of this at all? I would like you to comment on whether or not it is a case that the bus companies have to be proactive to get involved with the councils when these new estates are under construction, or in the planning phase.

Mrs Fingland—There are two things that WSROC has been highlighting over a number of years. One is that, as subdivision after subdivision has been built in Western Sydney, what tends to happen is that you have a bus route that is extended and extended and extended. So the journey times are coming to the point where people do not catch the bus because they are going over dead mileage, they have been there before, and it is difficult for the bus companies to operate. We have an urban form that, until recently when people have started considering it from the point of view of redesigning areas for public transport use, has not been conducive to public transport use in terms of the way our suburban areas particularly have been developed up to now. That has been a huge issue. It is certainly an issue for the bus companies, but it is also an issue for the people travelling on the bus because of the longer time that it takes.

I often quote the example of students from Castle Hill. If they are going to Macquarie University on a Macquarie University bus, it takes them an hour and a half in each direction, because the bus goes around the Anglican retirement home village, around West Pennant Hills Valley, back up to Pennant Hills station, then to Epping, then after an hour and a half gets to Macquarie and does the same on the way back. But it also leaves the university on the hour and the lectures finish on the hour, so the students have an hour to wait between buses. That is how badly organised this place is.

Senator MILNE—Why is it that council keeps approving these subdivisions then if they are so badly serviced? Why do you approve subdivisions if they do not have public transport? Why don't you exert some pressure, as the council, on land use planning to stop this happening?

Mrs Fingland—Speaking personally, I spent 10 years as a strategic planner at Baulkham Hills Council, where I was in charge of trying to sort out the mess that was the north-west sector at that time. We certainly planned all the roads and got about 90 per cent of people living within that area within walking distance of what was planned to be a bus route. Unfortunately, provision has not been made in that area and in this area, which was originally planned to have a railway line going to the regional centre, none of that has eventuated. In the early 1990s when we were saying, 'We've got to have the infrastructure,' the state government said to us, 'You've got to accommodate these people or we'll take away your planning powers.' They put the councils in a very difficult position.

Senator MILNE—This is the point that I think, Councillor Reilly, you were making as well, this disconnect between state government land use planning and public transport planning and, until we sort that out, this is going to continue to be a mess.

Councillor Reilly—The left hand does not seem to be working with the right hand, and I do not believe anybody around the place is ambidextrous. But at the same time, I do believe that this is an opportunity for us to be able to get that into concert.

Senator HUTCHINS—In WSROC's submission, again on 4.1A, the final sentence:

The need for a second car ... is now firmly entrenched ...

And it goes on:

To bring about any change will require a massive alteration to a lifestyle that has developed out of necessity.

What have you got in mind in terms of this lifestyle change?

Mrs Fingland—There are a number of things. One thing that people should realise is that quite often people do not change their travel habits unless they either change where they live or they change jobs. In my view, it is a complete mistake to continue developing, like the north-west sector was developed, on the basis of, 'You'll get an increased population in there and at some point in the future when they've been forced to buy the second or third car we may get around to putting in some public transport.' That is totally unsustainable. Cities have never been developed like that in the past and I do not think they should now. So that is the first thing: I would make sure that the infrastructure goes in at the appropriate time so that, even if people have to buy one car to live in these areas, they are not forced into having the second or third, because once you have got them you will use them.

The second thing I think is that we have to get a much wider range of facilities and services into our outer areas so that people do not have to travel to access everything. That is particularly a problem for our ageing population, because now in Western Sydney, whilst we have health policies that talk about ageing in place, we have an ageing population and, whilst we hear a lot about superannuation issues, we do not hear about the social isolation issues that will occur when people can no longer drive. That is a huge problem that is emerging in our area. So I would try to get more facilities and services. I certainly think that public transport could address a whole lot of these issues and, at the end of the day, if we do not address these issues then we are going to end up with health issues, particularly mental health issues, and social isolation issues.

Senator HUTCHINS—Mrs Fingland, it may be that you might want to take that on notice and reply to us a bit more concisely to expand on that last sentence, if you would like to think about that.

Mrs Fingland—I would be happy to.

Senator LUDLAM—Thanks very much for coming in and for your submissions. We heard from the lord mayor this morning: a very flashy presentation; a lot of light rail proposed and cycleways and a lot of initiatives. We have also heard from urban theorists and researchers in Brisbane who demonstrate quite starkly with maps the disconnect between inner metropolitan areas, where public services and public transport is provided, and outer metro areas where it is not. First of all, I will get your comments on that, because it seems to be a pretty central part of what you have presented already. If the Commonwealth is going to take a role again, which it has not for quite some period of time, in funding, or to take some coordination role, for public transport and services in Australia, how do we make sure that we do not simply entrench these zones of poverty that are starting to form around the inner cities?

Ms Webb—One of the problems that we have got is that our system has developed as a radial system, which was getting people in and out. We have very poor cross-regional links. I previously worked for the Southern Sydney Regional Organisation of Councils and the St George council and the Sutherland council did a subregional transport strategy which looked very much at doing those sorts of connections, so that it actually looked at a railway line from Hurstville to Strathfield and other connections acrossways. Leaving aside the capacity of the rail system and that trains in Sydney are full, one thing is that people often do not have the option of changing from car to rail because the rail does not go to where they need to go. Effective cross-regional links would be a massive improvement and it would also be something that could be done comparatively quickly, because often there are existing rails that need to be connected. But it would open up a whole lot of different areas, take a lot of pressure off a lot of road systems, and would help quite a lot of people.

Senator LUDLAM—Who is doing that system-wide planning though? Who is doing the high-level strategic work across the whole town?

Ms Webb—No-one.

Mrs Fingland—That is why we are calling for one integrated authority who will be looking at transport planning in its entirety and land use planning. WSROC recently put in a submission to the aviation policy green paper and it was quite disappointing for us. For years we have been advocating that transport in its entirety needs to be planned in its entirety, and yet we have an aviation green paper that talks about airports and does not even talk about the access to those airports and how the freight that is carried to airports is moved around. What we want is an authority that can look at all of these things, set priorities, have a longer term view so that any sort of planning commitment is actually supported with the infrastructure that the plans need.

Senator LUDLAM—Would you support large tranches of Commonwealth funding, if they were made available, being conditional on those plans being in place and those authorities being in place?

Mrs Fingland—That would be very wise.

Ms Webb—Can I make a further comment? There was in fact a researcher once at the Institute for Sustainable Futures. He was a Swiss person called Felix Laube. One of the observations he made about Sydney was that Sydney has transport services, but it does not have a transport system. In fact, on a world scale, we have a huge number of railway stations compared to similar metropolitan areas. What we do not have is coordination of services so that they come together in key places and leave together in key places, so that the connection between modes and the connection between services becomes quite effective. So a useful thing that the Commonwealth could do is fund some research into that area to look at how we better coordinate what we already have, because one of the issues is that you have to go into places, you inevitably arrive two minutes after the connecting service has gone, and comparatively short trips become comparatively

long trips in terms of time, not because of the absence of infrastructure or the absence of services but because of the absence of coordination of those services. One of the key things that needs to be looked at is: how do we better coordinate those services so that they meet people's transport needs?

Mr Chanthivong—Can I pick up on your point about reducing the level of isolation within these particular areas. From MACROC's point of view, if you are going to have 200,000 extra people moving in, the importance of linking our new areas and our new residents to our major areas of Parramatta to the city, to North Sydney and so forth, becomes even more imperative in terms of making sure that our communities and our cities are connected. The issue of the south-west rail link, of course, is high on our agenda because we need to be able to support our 200,000 new residents moving into the area and, more importantly, moving within the area of the growth centres of the south-west region, so we need investment and funding for an improved infrastructure—in particular public infrastructure. Indeed, what Leta said also, in terms of greater coordination with the buses and with the trains, would really help our residents to not feel isolated, being fairly distant from our major centres.

Councillor Reilly—I certainly do not knock the comment on research, but there has been so much research done over so many years, that there should be enough information. The general public and the people we have to deal with just want you to put money into getting the thing done. The reason I highlighted the Chatswood-Epping thing is that at least something has been done.

Senator LUDLAM—What is your response to that comment that we have services in Sydney but not a system; that we do not have system-wide planning and it is a bit a dysfunctional in that sense.

Councillor Reilly—I would say that is absolutely right, but it does not need research to pick it up. You just get out and start fixing it up. I am not talking just a flippant thing off the head. The amount of research and information that has been forwarded by local government bodies, by the ROCs has been going on for ages. One of the things that has to be remembered is that the general public is getting very sick and tired of the bleeding sore thing, and issues of transport are a bleeding sore—and if you want me to throw one little line in there—particularly when it comes down to politics. Not necessarily those people sitting at the table, but some people do not necessarily want to see these things solved because it is good to keep it going on.

Let me give you the greatest example of all time, the eastern suburbs railway. A lot of people were not even born around the place who know about the eastern suburbs railway, and also the Chatswood-Parramatta link. But at least something has happened. That is the feedback I get from that region. I know the relevance it has with our ROC. There will be that important aspect. But I think you have got a mound of research. If you want to turn around and crystal ball gaze till 2020, nothing will be done till 2030, and then we will be crystal ball gazing till 2040. No matter who the government is, if the government wants to be fair dinkum about this, put money into it, get it going, and you will get the support of the people at the end of the day, because they are getting very sick and tired of this.

Their main interest is get to work, get home. You say, 'Go out and get a job.' They want to go for a job. They cannot get a job if they have got to sit on a bus, the way things are, let's say from somewhere over the west to work in North Sydney. It is almost tantamount to the days, in many ways, where people used to have to walk, long before transport came into being, from over at Granville to get a job over in Chatswood.

Senator HEFFERNAN—So should we take the work to them?

Councillor Reilly—Should we take work to them?

Senator HEFFERNAN—It is like bringing water to the well.

Councillor Reilly—Yes. Whether you take the work to them, people over here are going to have to work over there and people over there are going to have to work over here. You try and find a gig where you can get a gig. That is the way it is heading. If you have got dollars to put forward, put the dollars into just getting the damn thing started. The plans, the programs, all those sorts of things, have been laid on the table—and everyone who sits across here, and I have known a few of the faces here for a long time—and I know the amount of work and the effort which has come from local government money, out of ratepayers' money, to turn around and get the best deal for people just to be able to move along. It is not a core responsibility of local government. If you want to get to the bottom line of it, I lay my point on that regard—and I am not being flippant about it; I am being quite serious. There is a lot of research there.

CHAIR—I have a question to all on the front table. This is only the second day of the inquiry. The first day was up in Brisbane and, of course, today is day 2. There have been conflicting evidence or conflicting answers. Some are of the view that we could we have the world's best public transport system, but we will not

get the punters to use it. Others have said, 'You put the best transport system in and the punters will use it.' So if I could get five answers: if we have got the best system, will the people use it?

Councillor Reilly—I believe demand is going to be the thing. Let's take a look at China. I reckon Hong Kong has got one of the best public systems you could ever find.

CHAIR—Mayor, I need a kick in the pants, because I was going to say, 'In the last minute, a yes or a no.' But, no, please carry on. You tell me.

Councillor Reilly—No, I do not believe we do. But we have also got to understand the cultural factors. People here are built up on having a car. Every red-blooded 17-year-old wants what? Their licence. So what do you top up each year and what don't you bring it down with?

CHAIR—I knew what you meant. I was going to say, 'Their licence'.

Councillor Reilly—Yes, exactly.

CHAIR—I was going to say a Monaro, actually.

Councillor Reilly—Once upon a time I bet you had to drive your old man's car for a few years. These days they have got the car before they even damn well get the licence. These things have to be brought into it. You are seeing now the trickle of it. I am sorry that I am going on with it—

CHAIR—No. It is quite all right.

Councillor Reilly—but you asked the question. I believe that people, if they experience public transport and it is quick, gets them there, and it is comfortable—when I say 'comfortable', I do not mean you have got hostess service or anything like that there—if it can do the job, that is fine.

CHAIR—Great. Thank you.

Mr Tobin—Yes, they will. We have got to make sure that we can integrate it at the other end into the suburbs, because at the moment we would put in a personal public transport system to get you to the transport nodes, but we cannot charge for it. The state government will not let you charge unless it is an approved route. It makes it very difficult for us to provide that other end of the service. So if we can do that, we will get in there. We are ready to go with a personal public transport system, but we cannot fund that operational cost.

Mrs Fingland—I would like to add that we must design public transport from the point of view of the users and not from the point of view of the people who provide the infrastructure. Public transport is not like building a road. You build a road and the cars will come. Building public transport has to take into account where people want to go, whether they feel safe using it, all of those sorts of issues. I spent two months last year travelling around western and eastern Europe entirely on public transport. I had a fantastic experience, like the senator over here who talked about Spain. The rail system in Spain now is phenomenal. I travelled from Madrid to Barcelona in two hours 20 minutes.

CHAIR—But you would have been a convert to public transport before you got on that train, would you not?

Mrs Fingland—But I was with hundreds of other people, many of whom had given up flying in Spain. In fact, there has been a 25 per cent reduction in air travel for journeys up to three hours in length in Spain.

CHAIR—But on that, Mrs Fingland, you would be a convert to public transport anyway. Would that be a fair assumption?

Mrs Fingland—Yes, it would.

CHAIR—I am asking: how do we get people out of cars and onto public transport?

Mrs Fingland—But because I come from the UK I am used to a system that I actually call public transport. I do not call public transport 'public transport' in Western Sydney, particularly in terms of the private bus system.

Ms Webb—Yes, I think they would. I think that has been borne out by the fact that there has been quite a big move from people into public transport, but it gets down to the issues about how well the system works and whether it gets you from where you want to go reliably and predictably and safely, and also that there are appropriate connections so that it does not take you an hour and a half to get to somewhere that is 10 kilometres away because of the nature of how the transport links.

A lot of American cities are dying. There is American research that shows that mass transit systems are a major attractor to both businesses and people living there, and that the cities that are going ahead are those

cities that are putting in mass transit systems, and people are making choices as to where they live based upon the availability of mass transit systems. There is also research that shows the middle class will not get out of their cars unless they have either light rail or metro rail. They will not get out of their cars for bus services.

Mr Chanthivong—I thoroughly believe that if the transport system is good enough people will use it. I use it every morning to come to work and I know that sometimes you have to walk a kilometre to get to the station, to get on the platform. You only have to get on at any one of our city rail stations at 5.00 till 6.30 and it is standing room only on some of those trains. So public transport is vitally important, particularly for our area, with the great growth that we will be experiencing. If a product is good enough, I think everybody will want to come to use it. We need something that is safe, reliable, efficient and obviously gets people where they want to go.

Senator HEFFERNAN—In your view, what proportion of the real cost of transport is acceptable to the commuter?

Mr Tobin—It depends how convenient it is. If it is not convenient, you do not want to pay anything for it.

Senator HEFFERNAN—I used the example earlier, Mr Chairman, that you get on the train to go to Melbourne and about a third of the passengers actually pay. What proportion of the public purse, in other words, should go to public transport and what proportion should be paid by the commuter, because that has got a lot to do with doing what you want to do?

Councillor Reilly—I like to put it down to the employment package. I believe the greatest movement that is involved with public transport has a lot to do with people going to and from work, or their kids going to and from school. What percentage of their cost of living has to be put into travelling around? The important thing is that, if they are paying taxes, they want to see minimal cost going to them.

Senator HEFFERNAN—I accept all that, but what is a fair thing? Is it 50 per cent of the real cost, or is it a quarter of the real cost; is it three-quarters?

Councillor Reilly—I would have to go so far to say that you could not really be asking any more than probably about 20 per cent.

Senator HEFFERNAN—There is an answer—a fifth of the real cost. That is just a cost-benefit analysis thing.

Councillor Reilly—I do not believe any person who is paying tax—that is from listening to people.

Senator HEFFERNAN—That is fair enough.

Councillor Reilly—Go back and look at the package where you get a job and in that package you have got a certain amount for the car, a certain amount for superannuation and things like that. Public transport has to be looked at.

Senator HEFFERNAN—What prompted the question, Pat, was the Spanish. I was talking outside to Christine Campbell, the CEO of Twynam Pastoral Co., in fact, who said that it is great in Spain and the trains are fantastic and for a few dollars you can go all over the place. Can we learn anything from how they fund theirs and provide the good service? The real cost of flying from Sydney to Port Douglas is not \$99 and people expect it for that money and eventually they will wonder why the planes start falling out of the sky and why the sleepers on the railway lines are all rotten, and all the rest of it.

Councillor Reilly—There are a couple of angles in there, Bill. Others have got other things to say, but if you are going to look at it from the basic, common factor of what is given to day-to-day life and the way things are at the moment, people would not feel that they should have to put any more in there towards it than 20 per cent.

CHAIR—To the representatives, mayors and councillors of WSROC, NSROC, MACROC and SHOROC, thank you very much for your time, and the committee thanks you for your assistance today. We wish you well.

[2.55 pm]

GLASSON, Mr Ian James, Director-General, NSW Ministry of Transport

STAPLES, Mr Rodd Andrew, Project Director, Sydney Metro Authority

CHAIR—I now welcome representatives from the New South Wales government. Just help us who are not from Sydney: does the Sydney Metro Authority look after trains, buses or both?

Mr Staples—We are looking after the development of the new metro rail network.

CHAIR—Rail. Thank you.

Mr Staples—The new metro rail.

CHAIR—Very good. Thank you. Mr Glasson or Mr Staples, do you wish to make a brief opening statement?

Mr Glasson—No. Time is fairly limited and, recognising that you have got some fairly broad terms of reference—and thank you for your grace in giving us an extension for our written submission—we are happy to answer questions that you would like to put to us, and also to take away a sense of the things that you are really looking for emphasis on when we give you a written submission.

CHAIR—That is tremendous. Thank you, Mr Glasson. I would not mind kicking off, if my colleagues do not mind. Just for a bit of background, I come from WA. The Western Australian example has been cited on a number of occasions here and in our first hearing in Brisbane the other day, and I am a little bit shocked—gobsmacked—to hear today from the bus industry and the light rail industry that there is absolutely no coordination of timetables between both modes of public transport. Can you shine some light on that for us?

Mr Glasson—That is potentially an oversimplification. The reality is that the master timetable in Sydney has traditionally been dictated by the rail network. It is, in a sense, far less flexible than the bus network that connects to it, and we are going through a period of substantial reform and realignment of our bus services which I am happy to talk to you a little bit about, but increasingly there is an interface with the bus services. One of the issues in terms of timetable integration is frequency. Timetable integration becomes less important if there are high levels of frequency. What has traditionally been the problem, particularly across Western Sydney, is that the frequency of the bus services connecting with the rail network has been half-hourly or hourly. The bus operators have traditionally aligned the bus from the station with the time the train arrives and departs.

CHAIR—That is certainly not what we have taken from today's submissions, and I will go a bit further, because I am a firm believer in hearing all sides of the argument. I would rather hear all sides. Normally, the arguments have two people and three sides. But, anyway, Mr Mellish from BusNSW made it very clear to us that their members—they represent all private bus operators in the metro area and outer metro area and school bus operators—have absolutely no input into the timetables. They are playing 'catch-up'—I think that might have been the word used, or I might have used that word—all the time with the train services. When we asked Mr Warrell from Metro Transport Sydney the same question on the light rail—'Do you liaise or work with the bus operators so that you can get integration happening?', because that is what it is all about; people do not want to get off the bus and sit there for half an hour waiting for a train, or the other way around—his answer, and you can check the *Hansard*, was along the lines of, 'No, the bus operators are seen as the opposition.'

I am really struggling to believe that, in 2009, all operators of all modes of transport, with the authority that is charged with overseeing this, cannot even get to step 1, where they all sit down together. I take your point that the train is less flexible—absolutely no arguments, Mr Glasson. You are telling me one thing, and I have no reason to disbelieve Mr Warrell because he was straight and up-front, and I have no reason to disbelieve Mr Mellish. So can we shed some light on it?

Mr Glasson—If there is a general question, 'Can rail/bus/light rail timetables be perfectly integrated?' the answer is, 'No.' They never will be. The various patterns of movement of people travelling on those systems are never going to be such that you can get a perfect alignment of integration.

CHAIR—What do you call 'perfect'?

Mr Glasson—It depends on how long people expect to wait. If people have an expectation that their wait between transport points will be no more than five minutes, they will not get that. It does not matter how long people sit in a room together: it will not happen. There is simply not enough money to provide that level of

service, particularly as you go out across the broader parts of Western Sydney, but there has been a long-established practice that the rail timetable essentially sets the master, the buses link into that, and light rail links into that.

CHAIR—No argument, absolutely no argument, and I think I have made that very clear: rail is less flexible, and that is the way it should go.

Mr Glasson—Yes.

CHAIR—But it still does not make me feel any more comfortable, because everyone is telling us that there is absolutely no coordination. I would not be silly enough to sit here and expect every single bus commuter to get off a bus and onto a train; I do not suggest that for one minute. But the evidence we have heard is that there is absolutely no coordination.

Mr Glasson—Let me put it in a different context. We have been through a major process of bus reform in the last five years. Historically, Sydney developed around a public bus network which replaced, essentially, the old tram network when it was removed in the late fifties and early sixties, focused primarily on the inner city areas and the CBD. The balance of Sydney has developed around a whole series of traditional family businesses, running buses to either the local school or the local train station. We have now consolidated from around 83 or 87 different contracts down to 15 contracts. As part of that process, we are going through, contract region by contract region, and completely realigning the bus business. A lot of that work is about putting more frequency on direct routes to major centres and to major rail interchanges and, as part of that process, there is a greater focus on the alignment of the bus timetable to meet not just the rail timetable but interconnecting buses, to provide a more realistic connecting public transport service across Western Sydney. I think what you have heard today is partly true and it is partly linked to what happened in the past. My point is that that is changing.

CHAIR—So you are sitting down with the bus operators to work through a timetable?

Mr Glasson—Absolutely. I have bus planners who work with the private bus operators as part of doing these realignments and realigning those timetables.

CHAIR—Why would BusNSW say the opposite?

Mr Glasson—I do not know. Mr Mellish would speak for himself on that matter.

CHAIR—I am thinking loudly there.

Mr Glasson—Yes, and I will have a conversation with him after I leave today, as to exactly—

CHAIR—All right. I just say that in WA—and this is not bragging, because I am happy to hear what is going on with anything that can improve the system; we are trying to find ways of doing that—we have a new railway line in Perth, the Southern Link, to Mandurah.

Mr Glasson—I understand that.

CHAIR—Seventy-six kilometres and \$1.6 billion. I appreciate that the infrastructure is state of the art—I honestly appreciate that—but you can get off a train on any station and there will be buses all waiting for the commuters. You cannot do that here. Is it because the infrastructure is not set up, there is not enough parking space? This is once you come out of the city, heading out.

Mr Glasson—At local stations?

CHAIR—Yes, it is all suburban stations.

Mr Glasson—It depends. There are two answers to that. There has been, over a long period of time, an underinvestment in the bus networks that support the rail system across the lower density parts of urban Sydney. That is very much the case. The other point is the complexity of the networks that those buses provide service to. At some smaller locations, if there are eight different networks, there is not going to be a bus sitting there to go to each route at the time the train arrives.

CHAIR—Because there are not enough buses?

Mr Glasson—It is a combination of not enough buses and not enough patronage to justify running the buses. It is a hierarchy. If you go to Chatswood or Parramatta or some of our bigger interchanges, you will find buses with fairly short wait times on all their major corridors. If you go to some of the smaller stations which support some of the smaller communities, you will not find a bus going every 10 minutes with only three or four people on it.

CHAIR—And, Mr Glasson, I am not silly enough to suggest that—not at all.

Mr Glasson—No. I understand what you are saying.

CHAIR—We are trying to piece it all together because there are so many conflicting stories.

Mr Glasson—You are correct in the sense that there has been an underinvestment. The government last year in the mini-budget, when they were substantially looking at cost cutting, actually approved an extra 300 buses, the majority of which are being deployed into that greater Western Sydney/south-western Sydney area, where there is a recognition that the investment and the frequencies just have not been there in the past.

CHAIR—Yes, and that is coming out loud and clear today.

Mr Glasson—Yes, and I think it is a valid point.

CHAIR—I will not take up all the time, but while you are on the phone to Mr Mellish you had better give Mr Warrell a call too and have a chat to him about how you can all start working together rather than being seen as enemies who are in competition with each other.

Mr Glasson—I take your point.

CHAIR—Thanks, Mr Glasson. Thank you for your honesty.

Senator MILNE—Thank you. I am very interested in that, because this morning we heard the lord mayor say that Sydney is in competition with other global cities like New York, London, Hong Kong, Singapore and so on. All of those cities have an overarching transport planning authority which oversees the complete integration of all the transport modes and, in many cases, fully integrated cross-modal ticketing systems as well. How is it that we don't have here an overarching transport authority such as the chair was talking about which actually oversees all of this so that there is not this disconnect that we have at the moment? Why haven't we got that, and then the integrated ticketing system to go with it?

Mr Glasson—Can I answer those questions separately. The issue of the administrative arrangements is a matter for the government. I do not determine the administrative arrangements that I work within, so I cannot answer that question for you. I do not make those decisions. In relation to integrated ticketing, the problem we have in Sydney is well on the public record. We are in court as a result of a failed contract. I say no more about that, but we are in a process now of seeking market bids for a product.

Senator MILNE—Quite a lot of people today said there is a complete disconnect between the state government's land use planning policies and public transport provision and planning. I asked the councils why do they keep approving subdivisions and extensions of their areas when they know full well there is no public transport and not likely to be any for some time. The response was, 'Because the state government requires us to do so because of their land use planning direction, and if councils don't approve those subdivisions, then the state government threatens to take their planning authority away.' Can you explain to me how it is that the government drives a policy process of requiring councils to expand their boundaries, expand their residential areas on the edges of cities, in the absence of public transport?

Mr Glasson—I do not speak for the planning department but over the last, I think it is fair to say, 20 years there has been a very strong policy within New South Wales focused towards urban consolidation and urban renewal. The current metropolitan land use integrated strategy is, I think, still working on 70 per cent of new dwellings being created within existing areas where there is access to transport and other infrastructure. For the other 30 per cent, I think public transport has traditionally lagged the development of infrastructure in those areas. There have been some attempts to reverse that trend in recent years, but it is still very expensive to put public transport into some of those areas in advance of decent ridership, and I think it boils down to who is going to pay.

Senator MILNE—It also boils down to who is going to pay in terms of their lifestyle and their jobs and their education opportunities. It is the people who move into those areas who are then stuck with this situation. To me, there seems to be a complete disconnect if 30 per cent is still new subdivisions being allowed, and the state government is actually driving subdivisions without the provision of public transport and accepting the lag. I would argue the state government has got it completely around the wrong way. Why isn't there a requirement that the developers put the public transport in, in conjunction with the state, or else the subdivision doesn't get approved?

Mr Glasson—There has been significant public commentary from developers that the level of charge by the government now on new releases is already significantly too high and I do not think there is any propensity to pay more. Similarly, the funds available through the total government budget have to be allocated. Certainly

in the last two or three years since I have been in this position and since we have been through bus reform, there has been a much larger focus on putting buses into new subdivisions in western and south-western Sydney at the start-up phase, and we are getting some contributions towards those costs, but there is still a significant cost to bridge in the start-up phase before those developments are fully populated.

Senator MILNE—Ought it not to be the state which determines what the price should be, and not the developer?

Mr Glasson—I think that is part of the political process. It is not really for me to comment. If there is a resistance in the market to the purchase price, I think that is something that has to be worked out.

Senator MILNE—But the price, in the long run, is borne by the taxpayer, who has to come along afterwards and try and fix up the mess. That is why I come back to my original point about having a transport authority which looks at an integrated plan and then you fund the plan, not come on and try and fill up gaps after the event.

Senator O'BRIEN—What work, if any, has been done on the bus rapid transit concept for the greater Sydney area from your department?

Mr Glasson—Let me answer that, and then Rodd might like to expand. Bus rapid transit as a fully segregated system is quite expensive, particularly in retrofitting it into developed areas, with full grade separation from all other traffic, and separation. What we have been doing over the last three to four years is focusing investment on a series of what are known as strategic bus corridors across the Sydney area, 43 in total, to give improved bus priority. Two of those corridors are bus transitways where the buses do operate totally segregated from other traffic, but they are still mixing at grade at certain intersections, so it is not a full bus rapid transit concept. Even so, even in that mode, they are very expensive.

There has been some assessment done in recent times—and prior to his current position, Rodd was heading up our integrated transport planning area. There has been some work done around comparing bus rapid transit with metros and other forms. The biggest issue with bus rapid transit in a developed city like Sydney is the cost of acquisition of corridors to fit it at surface level. Once you start going into tunnels, as we are increasingly doing, then our analysis is that you are not getting the same public benefits and returns that you are by fitting that out with metros or some high-capacity systems. Rodd might like to make some comments.

Mr Staples—Brisbane has certainly had a very successful rollout of its bus rapid transit system. That is an example where the corridors have been planned for and been available to make it possible to do that at quite a good cost, but Sydney, having grown over a longer period of time, has not got the luxury of those corridors already available. We are faced with the challenge of trying to fit new transport corridors within existing developed areas and, when you start looking at tunnels, moving towards metro rail systems is far more cost effective over the long term. But towards Western Sydney, things like the North-West Transitway and the Liverpool-Parramatta Transitway are examples of a bus rapid transit type system where we had corridors and we could make that work—so more hubs around Parramatta. We have been successful in doing that, but when you move into the more dense areas, where there is much heavier lifting of the number of people you have to move, you do actually have to move to a higher capacity mode.

Senator O'BRIEN—When you talk about cost, can you give us some numbers for us to get our heads around what you say is the cost of bus rapid transit, for example.

Mr Glasson—The North-West Transitway was in the order of \$500 million. That was at grade, fitted into both existing road corridors, and also dealing with the resumption of between 200 and 300 houses. The numbers on bus rapid transit to feed towards the city, I am presuming, are well over a billion.

Mr Staples—The major cost element is to build the civil infrastructure so that the transport system can run on it. That is what it comes down to. It does not matter whether it is bus rapid transit or it is metro rail: if you have to build a tunnel, you start going into the billions of dollars. Having gone that far, the incremental cost to go from a bus rapid transit in a tunnel to a metro rail is relatively small.

Senator O'BRIEN—Professor Hensher this morning suggested that the cost to Greater Sydney of a BRT—and perhaps he is not looking at exactly the same system as you—was about \$10 billion. Does that sound reasonable?

Mr Glasson—It depends which particular nodes he is joining up. I have not seen the plan that he would be talking about, but I am happy to have a look at that and give you a sense of whether I concur or not.

Senator O'BRIEN—Okay. How much is to be invested in the metro work that is being done?

Mr Staples—The current commitment from the New South Wales government is to build a new metro line through the core of the Sydney CBD out to Rozelle, and that is a cost of \$4.8 billion, and we are doing planning work for a corridor to the west, to Parramatta, and that is estimated publicly at a cost of about \$8 billion at the moment, so in total they are about \$13 billion.

Senator O'BRIEN—It does not seem to be anywhere near the same cost as BRT. It seems a lot more expensive.

Mr Staples—There are significantly higher benefits in terms of what you can deliver with metro rail, particularly when you look at the areas that you are servicing. Putting a BRT into the middle of the Sydney CBD, you would be looking at very high costs as well, if you are going to put in a tunnel. The majority of that cost that I have just spoken about is associated with going underground. There is not the surface space in the Sydney CBD for that. I do not think we are talking about an apples for apples comparison with the type of network that Professor Hensher would have presented.

Senator O'BRIEN—Mr Warrell from Metro Transport Sydney said that a light rail system for the CBD would be about \$200 million. Does that sound right to you?

Mr Glasson—That is the number that he has consistently quoted for quite a period of time. I do not challenge the number. That is the number that he has put on the public record a number of times.

Senator O'BRIEN—And that is based on using the existing streetscape.

Mr Glasson—It is based on running a tram instead of a bus. It is fitting it into the existing street, with all the same issues that we have with buses. It is mixing with pedestrians. It is stopping at traffic signals. My personal view is that one is simply a mode substitute for the other. Once you get into a CBD like Sydney, at grade, mass public transport becomes very difficult, because we have got narrow streets, we have got relatively short blocks, we have got substantial cross-movements of both pedestrians and cars. Neither offers the same sort of capacity and speed that you get from something like metro, where you are underground and grade separated.

Senator LUDLAM—Senator Milne has handled most of the high-level questions that I had. I have just got a couple more and then I would not mind going to some of the detailed stuff. Who is the lead agency in New South Wales responsible for overall transport planning?

Mr Glasson—Ministry of Transport.

Senator LUDLAM—So what is the kind of master planning document for transport in Sydney? My understanding is that it is somewhat piecemeal.

Mr Glasson—The last major integrated land use planning document is the Sydney Metropolitan Strategy. That was released in 2005 and at that time integrated transport planning resided with the department of infrastructure and planning, so it was not within my agency. Subsequently, the Premier of the day, in late 2006, put out an urban transport statement which had a number of initiatives included in it, and then there have been other announcements from time to time, such as metro rail.

Senator LUDLAM—Is that something that is under review? We got a Sydney metro statement 2005, which did not really incorporate transport issues.

Mr Glasson—The 2005 metro strategy had a substantial transport section around the expansion of heavy rail and the development of strategic bus corridors linking broader metropolitan Sydney, and there was a substantial focus on freight, particularly the major freight in and out of a port.

Senator LUDLAM—The reason I am asking is that I put the question to some of the outer metro councils just before, 'Who is doing the master planning? Who is the lead planning agency for holistic transport planning?' and the answer that came back was, 'Look, it's not being done. People have bits and pieces here and there, but it is not actually being done holistically right across the metro area.'

Mr Glasson—I think the answer to that is that it is partly right, but I go back to my comments around bus reform. There is a lot of work being done. In those parts of Sydney, the greatest complaint is about the quality of the bus services, the lack of frequency and the lack of connectivity on the bus.

Senator LUDLAM—The bus service is a piece of the puzzle. We are not bringing in land use planning, coordination with rail, coordination with light rail, extensions, the kinds of suburbs that we are putting in without any public transport infrastructure, and then you say, after the fact, 'Well, actually it's very expensive

to retrofit,' which is probably true. We can narrow it down to bus reform, but there does not seem to be any big-picture planning going on in the transport area.

Senator MILNE—Where is the big integrated plan?

Mr Glasson—As I say, the last one was 2005.

Senator LUDLAM—But that was when transport belonged to somebody else.

Mr Glasson—Yes, but governments do not tend to release those sorts of plans every year or every two years.

Senator LUDLAM—Sure, but it sounds like that might be one that would be up for needing a bit of a look at.

Mr Glasson—My agency works closely with the Department of Planning on supporting new developments with public transport and, as I say, the substantial change out there is in the redesign of bus networks, putting bus networks into new developments earlier. In the perception sense, I think we have not been given the credit so far for some of those changes. In a public sense, it takes time for people to really appreciate that change of any significant magnitude is happening and is reliable, because—

Senator LUDLAM—With respect, we have been speaking to people today who are not necessarily reading about this in the newspapers, but who are advocates and who are pretty close to the planning and to the situation, and it is not trickling through to them.

Mr Glasson—The Western Sydney councils have been extremely critical of the lack of planning for public transport, particularly buses. I am surprised if the private bus industry is significantly critical of it. I accept that we need to put more buses in there and improve frequencies.

Senator LUDLAM—It might need to go a bit further than more buses, but I want to move on, because we are running a bit short of time. If you want to provide some more information on notice, please do so.

Mr Glasson—Part of today is that we are going to have a much better understanding of the sorts of things you are looking for in our written submission and we are happy to provide things focused around those areas of interest: integrated timetables; support for new release areas. We are happy to go into that in some detail.

Senator LUDLAM—We will have *Hansard* in the next couple of days, as well, and I suggest it really would be worth reviewing some of the evidence that we have taken.

Mr Glasson—We will read that before we put in our—

Senator LUDLAM—How would you describe metro Sydney's state of readiness for an oil shock? How would you describe the state of preparation here for sustained high oil prices?

Mr Glasson—I do not know that I am in a position to give you a detailed answer on that.

Senator LUDLAM—Even a general answer is okay.

Mr Glasson—What is the proposition?

Senator LUDLAM—Two dollars a litre for oil; \$5 for petrol. What is Sydney's state of readiness for sustained high oil prices?

Mr Staples—Sydney has already got a very well established usage of public transport. It is actually the most heavily used public transport system in Australia. We have a culture of public transport use which is stronger than anywhere else.

Senator LUDLAM—You are at capacity at the moment.

Mr Staples—Yes, we are at capacity in places on the network, but not everywhere. What you would particularly expect to see, where oil prices spike significantly, is some shift in terms of where people want to live. They will want to get away from the edges of the city, where it costs more because they are travelling longer distances. There will be a gravitation back towards wanting to live in inner areas, which is happening anyway. Sydney has had significant growth within its inner areas compared to the fringe areas already. What we are doing in terms of our planning with the development of things like a metro rail system is building a spine, in the same way that the heavy rail system was built, to take capacity for very large densities, and that reduces car dependency. Within the bones of the plan that we are developing here, there is a very sound base around which car dependency is reduced, and that is the best protection you can have against oil shocks.

Mr Glasson—If you are talking about a change that may impact on very significant shifts in load, then clearly we are capacity constrained in the peak in some areas of Sydney, but there is capacity at the sides of the

peak. Part of a community response to that sort of scenario would be more flexible work hours, spreading peaks—dealing with a whole range of things. We have at the moment, like a lot of major cities, significant congestion in suburban areas with parents taking their kids to school. There has been a cultural change, over the last 20 to 30 years, less towards people letting their children walk or catch public transport and more towards people taking their children. Those sorts of things would have to be adjusted as well.

Senator LUDLAM—We have created huge suburban areas where it is just not possible. Public transport does not exist. But you went to the metro before, Mr Staples, and just in relation to the Rozelle metro, to what degree has the government done the studies? It is a very significant investment that is being proposed. What is the status of studies into, for example, patronage; the technical feasibility; the cost-benefit?

Mr Staples—We have done technical feasibility, patronage work and cost-benefit work, and we lodged a planning application earlier, in February, with the Department of Planning for approval for the construction. We are moving to a phase of procurement for the construction this year. We have had a briefing with the industry in recent weeks as well. We expect to be going out to the market in the next couple of months for expressions of interest for construction of the metro system.

Senator LUDLAM—Are the studies that you refer to in the public domain?

Mr Staples—No, they are not.

Senator LUDLAM—So you are just moving straight to a massive commitment of public funds without any of that feasibility work being exposed to public comment?

Mr Staples—As part of the planning approval process, the community is given significant opportunity to comment on the information as we provide it. As I said, a project application has been lodged. It includes preliminary information about the project. There will be further information provided to the community later this year.

Senator LUDLAM—After the investment decisions have been made? I am not sure if I am following you. Has the public been asked to provide that input in the full knowledge of all the facts and the studies and so on that you are referring to or are they more or less in the dark?

Mr Staples—The community will be given information to provide comment on this year, before we move forward to signing contracts to construct.

Senator LUDLAM—I thought you were talking about lodging planning approvals and making investment decisions before that, though.

Mr Staples—We are lodging planning applications. That is part of the process of engaging with the community, so that they can provide comment.

Senator LUDLAM—I am deeply concerned—and maybe this is very well canvassed in New South Wales—that this is going about it completely backwards. You are putting it to the community after you have done the substantive work and made the decisions, or do I have that wrong?

Mr Glasson—No, the government has made an in principle decision that it supports metro and thinks that that is the correct decision around public transport but, as Rodd said, the contracts will not be signed, and the commitment financially is never until the contract is signed, until there has been a public process.

Senator LUDLAM—You are bringing the public in at the eleventh hour, after the commitments have been made. Can you tell me who is doing the planning and the integration work with the rest of the public transport network?

Mr Glasson—The Metro Authority. We have a separate authority that has been created and is in operation to do all that work.

Senator LUDLAM—And is that work being undertaken in public or is that in the dark as well?

Senator MILNE—Are you integrating that with the buses and all the other modes?

Mr Glasson—Absolutely.

Mr Staples—Yes, we are, through the Ministry of Transport.

Mr Glasson—And with the heavy rail network.

CHAIR—Senator Ludlam, we are spot on time, and our last witness only has half an hour. I must stress that the committee will adjourn at four o'clock on the dot.

Senator LUDLAM—That is okay. I might put a couple of questions to you on notice, if that is okay.

Mr Glasson—That is fine, yes.

CHAIR—Thank you, Senator Ludlam. Mr Glasson and Mr Staples, thank you very much for your time and your assistance.

[3.30 pm]

HOSKIN, Mr Graham, Committee Member, Action for Public Transport

MASON, Dr Chloe, Spokesperson, Bicycle NSW and BikeSydney

CHAIR—I now welcome witnesses from Bicycle NSW and BikeSydney and Action for Public Transport. I will ask you if you wish to make a very brief opening statement, because, I must apologise, I stress that we will adjourn at four o'clock. There are other commitments this evening.

Dr Mason—I would like to make a short statement before questions, if I may.

CHAIR—Absolutely.

Mr Hoskin—I would also like to make a short five-minute statement, if possible.

CHAIR—Thank you. Dr Mason.

Dr Mason—The Senate committee's reference has inspired many of us. It recognises that funding institutional structures and participation in transport and urban mobility are relevant to what kinds of cities and towns we live in. It allows an understanding of how we have built car-dependent cities and how we can break from these unsustainable practices, because we are paying a very high price indeed for the car-dependent cities we have built.

Public investment in transport for people is needed by the Commonwealth and needs to be informed by strategic thinking, system-wide, multimodal planning to bring forth the cities we want. We need not only changes in institutional structures and legislation but we need the skills to change and we also need not to have the tail wagging the dog. In other words, we do not want the road system to be dominating, as it does, the public transport and walking and cycling systems.

Cycling is important to this reference for several reasons. You might groan, but I will say three things. Cycling is a form of transport that is both efficient and environmentally friendly. It is affordable and socially inclusive and is a healthy means of transport. Thirdly, it is suited to short trips and connects to public transport, particularly rail. These benefits have been known for a long time. Cycling can be of service to solving strategically the problems that beset the current approach to transport in urban Australia.

I represent BikeSydney as a bicycle user group that is affiliated with Bicycle NSW, which is a member based association of cyclists. We have made separate, different and consistent submissions, with some overlap in recommendations. Commonwealth funding, both for the long term and short term, and structural changes are needed. We are not alone as a nation in this. In February President Obama said two important things for us. He said that critical changes are needed to deal with the addiction to foreign oil, speaking about America. Still speaking about the American Recovery and Reinvestment Act, he said:

We will emphasize sustainable investment and focus our policies on the people, businesses and communities who use the transportation systems. We will invest in jobs to expand transit capacity and modernize transit systems. Transit is a centrepiece of my focus on liveable communities.

He also said, and this is a very important thing for the shovel-ready:

We are ready to build a new transportation infrastructure and we will work to keep it green.

That is President Obama. I believe that cycling people who are active as advocates, like myself and the people I represent, bring to this discussion considerable insight about the disconnects and the potential way of reconnecting for a better future. I do not believe for a moment that we can be dubbed, as has been said earlier today, 'mode ideologues'. I want that on the record. Thank you.

CHAIR—Thank you, Dr Mason, and we will get on the record that we probably will not groan when you talk about bikes. Mr Hoskin, you wanted to make a brief opening statement.

Mr Hoskin—Thank you. Action for Public Transport lobbies for better public transport and for governments to direct their planning towards public transport and away from private transport. You could call us transport greenies, but we deal with a lot of technical issues which normally green groups would not be much interested in, like ticketing systems, timetabling, bus shelters and so on. We would probably be better classed as midway between the green groups and specialist groups like Electric Traction Association.

As for me, I worked 20 years for the Department of Motor Transport, then for the Traffic Authority of New South Wales and then for the Roads and Traffic Authority of New South Wales. I believe the most progressive of those organisations was the Traffic Authority of New South Wales.

The first advantage of public transport is that it is economical. For example, an eight-carriage, double-deck train, like we have in Sydney, can easily carry 1,000 people. For very big traffic generators and very big destinations, like the central business district, that is very important. Compare that with cars carrying 1,000 people, at around 1.5 persons per car: you have an enormous number of cars and you have about 16 to 20 buses. So an eight-carriage, double-deck train carrying 1,000 people is a very important part of the Sydney transport system. Unfortunately, we need to extend it and cars have to be parked. That is an uneconomical use of land close to areas of high employment. Also public transport is healthier. There is less air pollution, fewer exhaust emissions, fewer accidents and, of course, less traffic congestion.

I believe this Senate inquiry is a very positive step. Successive federal governments have largely restricted federal aid for railways to freight related improvements, while passenger rail has been left to depend on hard-pressed state budgets and a very unsympathetic New South Wales Treasury. There have been pleasant exceptions, like the better cities program administered by former Deputy PM Brian Howe, but generally APT has had to witness big federal expenditure on our rivals, especially urban motorways such as the Western Sydney Orbital, where efficiency should dictate that expenditure would be better biased towards railways. I believe the Rudd government should consider much greater federal aid to passenger rail transport developments, especially for urban sprawl areas in Western Sydney and areas neglected in the past, like the Warringah Peninsula.

On the emissions question, urban transport constitutes about 45 per cent of Australia's domestic greenhouse gas emissions, so it must be considered, but for our purposes I think the more important issue is energy and the likelihood of peak oil. Present oil prices are low, but are largely determined by low inventories, especially in America, which is a short-term consideration. We need a broader vision, which is likely to come into view in the six-year term of senators.

There are some real danger signs, and I will mention one. I have a table of 24 megafields, which are the giant oilfields in the Middle East. The last was discovered 41 years ago. Most were discovered in the forties, fifties and sixties. The two biggest were discovered in 1948. We are existing on what has been previously discovered and on subsequent smaller discoveries, which is a very bad danger sign. So I believe it is inevitable that a crisis will come, and each crisis has been worse than the previous one. However, government expenditure has been biased towards private transport—for example, tax concessions for car use, free cars for executives and more expenditure going to freeways.

In relation to needs, I think the key word is 'equilibrium'. We need to have equilibrium so that there is not traffic congestion. We need better mass transit, especially by train, for large areas of Sydney that are not served by rail. I include there the hills area in the north-west, the Warringah Peninsula, Green Valley and south-west Sydney, the Menai-Illawong area, Camden and Narellan. None of those areas are served by rail. Contrast that, say, with the north-eastern suburbs, around Bondi, Rose Bay and so on. You have equilibrium because, if the roads get congested, people can take the rail from Bondi Junction. If that is not satisfactory, they can look to the Rose Bay and Watsons Bay ferry. Compare that to Warringah Peninsula, which has only three road outlets, of which the most important one, the Spit Bridge, is a notorious problem.

Bear in mind that rail can take greater numbers of people. Buses can handle smaller traffic generators, but if you look at very large traffic generators like universities, large shopping centres, large office complexes—for example, Macquarie Park where a railway just opened—beaches and large sporting grounds, you need to transport very large numbers of people and you need fast mass transit.

There are a lot of anomalies and inequities which impair public transport, especially in outer suburban areas. For example, the cost of private bus services is additional to government services. I have experience of that. Regulation sometimes works against the consumer. For example, taxi regulation brings high fares and works against shared riding.

An apologia: we are not against cars. While I believe very strongly in that equilibrium principle, cars are useful for things like holidays, for carrying heavy and cumbersome loads, and they are important for cross-suburban transport. But we must look for creative solutions to minimising private car use and maximising the more efficient use of public transport systems, especially mass transit.

CHAIR—Thank you, Mr Hoskin.

Senator LUDLAM—It is good to have some public transport advocates in the room. That has been my favourite part of this inquiry so far—and cycling. Starting with you, Dr Mason, how cycle-friendly is Sydney at the moment?

Dr Mason—That is a challenging question. The most important thing is the geographic variability within the Sydney metropolitan area. BikeSydney are extremely fortunate and recognise that they have a council which is committed to expenditure on a major program, and is currently building it, for separated, safe cycleways.

The Sydney metropolitan area as a whole suffers from not only neglect but overt hostility from the former New South Wales Treasurer, who also was the former New South Wales Minister for Transport, who was cruel in the extreme about wasting any public money on cycling infrastructure whatsoever. He also expressed the view that he thought that people who complained about public transport should go and buy a car because they are cheap. That is an important cultural climate of New South Wales that perhaps people who do not live here do not quite appreciate—the hostility that there has been.

Premier Rees is trying to turn that around. I was at a CBD mobility forum with the CEO of Bicycle NSW, Alex Unwin, who unfortunately cannot be here today, and with the Premier and the two ministers of transport—not the Minister for Planning, unfortunately, but Jim Glasson, who was here earlier—at which Premier Rees explained very clearly how he regretted that the census policy had not been well enough implemented. Implementation is our problem in New South Wales, big time. Sydney has got areas where the cycling facilities are fairly good, but they are very poorly known because there is not adequate signage or knowledge about it. We need a lot more money and a lot more investment.

That is why Bicycle NSW and BikeSydney support the Council of Capital City Lord Mayors' submission to Infrastructure Australia for investing in cycleways. That is a very high rate of return. That deals with inner Sydney areas rather than outer, because the densities and the distances travelled are different and it is a way of getting the first tranche of money to invest and to change the physical conditions that will change the culture.

Senator LUDLAM—Thanks. That is great. I will put this to you first, Dr Mason, and then, Mr Hoskin, if you want to take it up. It is a bit of a recurring theme, that the planning has been quite piecemeal. In Brisbane we have got a council that has a huge catchment and there is some quite good stuff going on there; in inner Sydney the same. But in terms of the overarching, city-wide, across the whole metropolitan area, we do not seem to be having much luck. What is the state of integrated transport planning in Sydney at the moment across the greater metro area? How would you assess it? How are we doing?

Dr Mason—There have been a number of statements made here today, including that New South Wales is far better at the planning than it is the implementation, but that is where the hard yards in policy always are—in the implementation. I would agree with that. I have been involved in Integrated Land Use and Transport planning now in New South Wales since 1981. We are better at the rhetoric than the practice. Part of the problem is fragmentation, but I think the Commonwealth needs to also reflect on its own organisational structures, because they are not very strong about urban and cities either, and it is really important to appreciate that.

We lack appropriate legislation. In fact, our transport legislation is pro bus. Some local bicycle user groups, in particular BIKEast, did a practical assessment of how well they complied with the planning guidelines for walking and cycling and they were found to be noncompliant. This was for subregions in Western Sydney. I participated in audits of regions out around Liverpool to see how well they complied with the walking and cycling guidelines, and basically they did not. When we approached the Department of Planning they really were not terribly interested in that problem.

So, yes, it would be a great step forward to have a whole-of-Sydney metro integrated land use transport planning authority that is arm's length from government so that it can do some long-term planning. But we should also be very careful, because we have got such a great urgent need for catch-up that we need to do a dual program of strategic long-term planning and short-term fixes that are desperately and urgently needed. The public, as Councillor Reilly said, are so fed up with broken promises and the system not working well. But if it is there, people will use it.

That is evident in the fact that we have got overuse of our public transport: you cannot get on buses, even in the middle of Railway Square. I tried to get on a bus the other day at 2.30 in the afternoon. You cannot get on a bus to Five Dock. It is overcrowded. It is bursting at the seams. We are trying to get buses to do things that buses were not designed to do. I refer to Professor Vuchic's work, who is one of the most useful exponents of

explaining what combination or mix of modes do you use to service an urban area. Professor Vuchic's work is outstanding for that purpose.

Senator MILNE—It seems to me that this issue of having an overarching planning authority which gets you an integrated transport plan, instead of all these bits and pieces, is critical. I have just heard you saying that the problem with that is that there will be delay and there is this incredible situation at the moment where there is full capacity and a desperate need for more capacity. Obviously the Commonwealth has put its toe in the water in terms of starting to look at the infrastructure for redesigning cities as part of stimulus packages and so on. What conditions do you think the Commonwealth should put on the money to the states to force this issue of integrated transport planning, because this is probably the only chance people in Sydney have got to force the issue?

Dr Mason—I was concerned by the legislation of the Infrastructure Australia Act, because it has got no criteria for environmental preferencing—one problem.

Senator MILNE—Not for want of trying, I can tell you.

Dr Mason—The Major Cities Unit of Infrastructure Australia needs to be brought in as an organisation that can preference the multimodal integrated access to transit oriented development centres. That is a critical way of doing what Gehl and Gemzo call 'urban acupuncture', which is the way you cure urban sprawl. Very nice. Basically this is a cure for our disease of having built a car-dependent sprawling metropolis which is totally unsustainable and socially inequitable. So it is a great step forward.

So, yes, it needs to be conditioned, but we also are saying a lot more. We are not just saying, 'This is how the feds hand out the money to the states.' We are aggrieved at the lack of accountability of the states. Some statements have been made here earlier by Mr Glasson about plans: yes, there are lots of bus corridors that have been planned, they have been planned for years, but they have not been implemented. It is agonising and we are in a state of paralysis here because of the lack of action.

In terms of the new Epping to Chatswood railway—which is fantastic and so important—the reason why that was 15 months late, the reason why it was cut short, was because of the way that it was deliberately starved of funds by Treasury. That is why we have to separate the control of the flow of money to provide for long-term strategic important systems like a rail system. We have to separate that from the short-term interests of the state government, basically. It is not a suitable vehicle. We can see that from other countries as well. We can learn a lot.

People have referred to the USA, but it is also interesting that President Obama is saying—and America being notoriously parochial—'To develop our transit systems we have to look to Europe and Japan.' One of our problems in Australia is that we have been too British focused. I can say that, having been born in England. Britain has got amongst the worst transport systems anywhere in Continental Europe. It is not a good model. We have really got to do things very differently. It is not a matter of expanding AusLink or Infrastructure Australia.

My other great concern about all this—which is a concern too for the bicycle organisations, of course—is the way in which the Australian Transport Council has announced a national transport policy and also the review of the National Transport Commission, which has got huge opportunities for restructuring the Commonwealth agencies, which in themselves are fragmented, old-fashioned and cannot deliver sustainable urban travel because of the way that they are currently structured. On behalf of Sydney, I have just this week sought an extension of time to the NTC review, because it closes today. I think there is a problem in transport as a sector that desperately needs some attention, not only at the state level—New South Wales is probably the most parlous of all of the states—but at the federal level as well.

What is probably needed in the transport sector is a professional opening up of this sector altogether, because it is actually about social policy. It has been black-boxed as a technical problem and it is no more technical than the health system is. It is a sociotechnical problem and it should be recognised as such. That is part of its problem. So we need some very big institutional and legislative changes. But many of the questions that have been raised here today about institutional problems in New South Wales go right back to our legislation. A lot of the blame has been put at the doors of local government, when it is often the role of the RTA, which is an incredibly powerful out-of-budget agency, which significantly did not front today—

Senator MILNE—What is the RTA?

Dr Mason—Sorry, the Roads and Traffic Authority. They are responsible for the implementation of the so-called strategic bus corridors.

Senator MILNE—Perhaps we should ask for them.

Dr Mason—The tragedy for us in New South Wales, the people who live here, is that we know that the organisations that needed to have been here to have been held to account would be New South Wales Treasury—which is now responsible, in effect, for de facto policy on transport; no longer the central policy agency of Premier and Cabinet—and the RTA, because those are the two most powerful organisations in transport in New South Wales. That is why our road system does not have any signage, like it does in other countries, to show where the railway stations are. We are so car dominated and we often resort to blaming the culture, when we have legislation and financial impediments that can be tackled, which the cultural change will then follow. That is why we are often barking up the wrong tree. All of this has got everything to do with cycling. We see it all clearly. I should say that our written submissions are very detailed and each of them have many recommendations for making improvements.

Senator MILNE—I have a quick question about the cycling. As you would be aware, in the stimulus package we were able to negotiate \$40 million for cycling, but there is a much bigger picture there. If Sydney got its \$295 million for its cycle strategy, how do you think that would impact on how people feel about the city and in terms of the bridge? I was interested to see, if you want to cycle across the bridge, you have to lift your bike up 55 stairs in order to do so. What difference would it make to have that integrated cycle strategy for Sydney implemented, including access to the bridge?

Dr Mason—I would like to take that question in two parts. The City of Sydney's cycling strategy is extremely different from any that we have ever seen before, because the outcome indicators are to increase the level of people cycling.

Senator MILNE—Yes.

Dr Mason—It is smart enough to understand that transport crosses jurisdictional boundaries. That is why the council is working with 15 inner Sydney councils to develop strategic thinking around access to increase the level of cycling. That is a huge change in Sydney. In some senses the City of Sydney has taken the role, owing to the paralysis of the state government, of what one might normally expect a state government to do, seeing that we do not have a metropolitan planning authority.

Senator MILNE—Yes.

Dr Mason—It is hard to give them a hard time for what they are trying to do because, in my view, they have done fantastic work, and we are hugely grateful for what has happened. In terms of the second question about what difference would the bridge crossing make, if I can take that on notice and we can come back to that, because it is more detailed than I can do here.

Senator MILNE—Thank you.

Senator LUDLAM—If we can get those two citations for Professor Vuchic and the person that you cited as being an urban acupuncturist.

Dr Mason—That is Jan Gehl. Yes, I can give those to you.

Senator LUDLAM—If you can provide those.

Dr Mason—No problem.

CHAIR—Dr Mason and Mr Hoskin, thank you very much for your time and your assistance. To Hansard and staff, thank you kindly. That concludes today's hearing. The committee now stands adjourned.

Committee adjourned at 3.57 pm