COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

STANDING COMMITTEE ON RURAL AND REGIONAL AFFAIRS AND TRANSPORT

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

THURSDAY, 19 MARCH 2009

CANBERRA

BY AUTHORITY OF THE SENATE

INTERNET

Hansard transcripts of public hearings are made available on the internet when authorised by the committee.

The internet address is:

http://www.aph.gov.au/hansard

To search the parliamentary database, go to:
http://parlinfoweb.aph.gov.au

SENATE STANDING COMMITTEE ON

RURAL AND REGIONAL AFFAIRS AND TRANSPORT

Thursday, 19 March 2009

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

Participating members: Senators Abetz, Adams, Back, 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, 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, Williams, Wortley and Xenophon

Senators in attendance: Senators Back, Farrell, Hutchins, Ludlam, 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.

WITNESSES

Committee met at 3.37 pm

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. I welcome you here today. The committee has authorised the recording, broadcasting and rebroadcasting of these proceedings in accordance with the rules of the order of the Senate of 23 October 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.

[3.38 pm]

ADAMS, Professor Robert John, Director, Design and Urban Environment, City of Melbourne and Council of Capital City Lord Mayors

LOCKWOOD, Mr Michael, Acting Executive Director, Council of Capital City Lord Mayors

CHAIR—Welcome, gentlemen. Before we go to questions, do either of you wish to make a brief opening statement?

Mr Lockwood—Thank you, Senator. Firstly, I thank you for allowing us to appear today. From Capital City's perspective, broadly, we think public transport is the key to our long-term sustainability challenges. I have taken the liberty of bringing along some publications, which we developed about a year and a half ago, that outline our policy platform quite broadly. You will see in there that public transport is a significant part of that. But as my colleague in particular will be talking about later, public transport cannot be taken alone. It needs to be looked at in the context of broader urban planning and urban design within our cities.

CHAIR—Thank you, Mr Lockwood. Professor Adams, do you wish to add any commentary?

Prof. Adams—I do. If you do not mind, basically my background comes from an urban design perspective. I have been with the City of Melbourne since 1983 and was instrumental as one of five people writing the strategy that came on in 1985. That strategy was essentially one of pragmatism because in 1983 we were in a financial situation similar to that in which we find ourselves at present. The policy we adopted was incrementalism.

I put it to you that it is no surprise to any of us at the moment that our cities are not working and they are not sustainable. We have social problems occurring as part of the current configuration of our cities. Environmentally, our cities are responsible for about 75 per cent of greenhouse gases. Financially, it is now being shown that the way we are building our cities is not financially sustainable. Curtin University recently came out with a figure that to build 1,000 houses on the periphery of the city costs $300 million more than building them within infill in the city. Clearly, that is something that is not sustainable. Eighty per cent of Australians live in cities. By 2036, those figures will almost double. Melbourne will go to five million.

The question, I suppose, is: can we build our way out of this problem? I would argue possibly not. We do not have the time available. By 2036, 80 per cent of the infrastructure that will exist in 2036 will have already been built. Status quo is not an option. At the same time, it is not an option to destroy the Australian dream. So what are our options? Clearly, we are going to need to transform our existing infrastructure and we are going to have to transform the existing infrastructure for a liveable, financially viable and sustainable future. How do we get there? That comes to the core, I suppose, of this committee. It is through a combination of not only transport planning but land use planning.

What does this mean in terms of most of our cities? I think at present we have only addressed a small part of that problem. There are references in many of the city and regional strategic plans to transport oriented design. In essence, what that means is that people are being encouraged to build in and around railway stations. Clearly, that is a strong positive strategic thing to do. I would argue that there are two other things that we are not doing at the moment. The first is we are not reassuring 90 per cent of the population that suburbia can survive but will need to become greener, generate its own energy, collect its own water to a certain extent and become more productive. Another 7 per cent of the metropolitan area, which is namely the road based transport corridors, will need to start to intensify.

We have just completed a study in Melbourne. I have tabled some of the material. There is more detailed material available if you want it to give you the empirical figures. We took the proposition of what if you took the road based public transport system and you looked at developing along that transport system. In the first instance, we took the tram network. Take every property along the tram network and eliminate the heritage properties; every property without a six-metre frontage; every property that does not have a back lane so that you can get car access from the back and pedestrians from the front; every property that has been built in the recent past, because it is mostly of a quality that will not be knocked down; and every property that is in the CBD, because of its density. In Melbourne alone, just to the extent of the tram network, which is only 16 kilometres from the post office, we came up with 2,500 hectares of potentially developable land. Put a reasonable density on that. By 'reasonable density', I mean not high rise. One of the densest cities in the world by reference is Barcelona. It goes to seven storeys. It has 200 people per hectare, 40 per cent open space, good public transport and mixed use, so it is a walkable city. If you come up with a proposition that you take one block back from every bus or tram route in our capital cities and you allow as a right building between five and eight storeys, within the tram network of Melbourne you can get 730,000 people, having eliminated the sensitivities I outlined before.

The proposition is that, in the time available to us, we are going to need to in fact look at how we manage that infrastructure rather than build new infrastructure. It is something that can happen, I believe, without huge budgets. It relies on basically planning controls being slightly oriented to allow and encourage development along there. It is already happening. If you go down those corridors, you will see it. This is about facilitating it.

I will finish by saying we did a similar thing in 1992 when we had to get residential back into the centre of Melbourne. We ran a project called Postcode 3000 and we put very little money into it, but we changed the framework that actually encouraged people to go and invest in the city. I think this is the same challenge we face now. I think it has huge environmental outcomes. I think—and it is not my position to say—that it is politically palatable in that 90 per cent of the city will remain in its current configuration. That would be what we put before you today as a way of looking at our cities into the future.

CHAIR—Senator Back, do you have any questions?

Senator BACK—Well, it is all too early for me.

CHAIR—I am sure Senator Ludlam will and I will. You might pick up. If you want to jump in on something as we are going along the same lines, please feel free.

Senator BACK—Thank you.

Senator LUDLAM—Thanks for your presentation. It is greatly appreciated. I will go to you first, Professor. Is the study that you are citing now included in the documents you have tabled here?

Prof. Adams—Not in its total because it is an ongoing piece of work. What I have included in that package is two articles that have recently been written on that subject. They do not obviously cover off all the empirical data. But I would be quite happy to make that available to you. It is a work in progress. By the end of April, we would have done every bus route in Melbourne as well.

Senator LUDLAM—That is really useful. I did not realise that it was underway. I will just ask one specific question and then go to some general issues. When you were studying Melbourne just along the tram network, what proportion of properties did you eliminate because of heritage values?

Prof. Adams—You are very right to come back to it because it is something we are looking at again. We took those that are currently listed as heritage properties. Clearly, that might be on the low side. We are currently doing a refinement of that by looking at certain sections of the fabric. In the inner city obviously you are going to have more fabric. On Flemington Road, for instance, there is about a 50 per cent area that you could mostly look at seriously altering. As you get out of that inner city, obviously more and more properties become available. I think that the figure we have given you will be reduced because of the sensitivity around some of the heritage, but I do not see it going much below 500,000 or 600,000 within the tram network. I am confident that within the total metro area, when we get the bus network in, we will show that you can accommodate Melbourne at five million without expanding the boundaries.

Senator LUDLAM—That sounds like great work. Have you involved the National Trust of Victoria or other heritage groups in helping you evaluate or condition those studies?

Prof. Adams—Not as yet. We have been doing this work jointly with the Department of Transport at the state government level and, more recently, the department of planning. It is a case of getting enough information in place before we can go and consult. We have tested it with local governments. The reception has been positive on the basis that I think most local governments would like to know where development is going to occur so they do not chase their tail at every application that comes in. So there is some acceptance that this might put a logic into where development takes place.

Senator LUDLAM—I would like to put some general questions to both of you—perhaps this is obvious information to the rest of the committee—about the council that you are representing here today. Lord Mayors represent inner city local government areas principally?

Mr Lockwood—The Council of Capital City Lord Mayors comprises each of the capital cities as well as the ACT. Clearly, cities like Melbourne and Sydney are much more CBD focused. Brisbane, however, is the greater Brisbane area. Adelaide, again, is CBD. So largely it is the inner suburbs.

Senator LUDLAM—I suppose that is where my question goes. We have heard evidence already that infrastructure and investment are traditionally concentrated in inner urban areas that would be represented by your body. We have heard already from regional organisations and the councils representing outer metro areas that have been unfunded that that is where the transport demand and the oil vulnerability really is. What is your interaction with those councils?

Mr Lockwood—As my colleague has been talking about in Melbourne, each of the cities has networks with their other councils surrounding them. Those networks can be issues focused. For instance, Sydney, as you probably were advised by Clover Moore, the Lord Mayor of Sydney, has done some work around a regional network of bicycle paths. So there are networks. There are also clearly rivalries. The dollars are scarce and everyone is putting up their hands for it. I do not think it is an either/or. I think if we cannot get our capital cities working, that is not good for the nation overall because the capital cities are where most of the GDP is generated. It is where most of the universities and research are. It is where our businesses are. So that is just the reality. We are not going to move those functions overnight out of the CBDs, if indeed at all. So it is how can we make those CBDs accessible to the greater population. I think we need to invest in both ends.

Senator LUDLAM—I certainly have no issue with the way you are putting it there. But we have heard a certain amount of evidence already that one thing we need to do is develop middle ring or outer metropolitan densification areas and network them with public transport. One thing, for example, that state governments or the Commonwealth government can do is put anchor tenancies in those areas as kind of anchor employment, be they government departments or whatever. That would necessarily involve some of those functions being transferred out of the CBD. Are we setting up a tension here, or is that something you are comfortable with?

Mr Lockwood—Not at all. The notion of transport oriented developments has been accepted by all the capital cities. We see the need to diversify both production and residential activity around higher density nodes. As Professor Adams is saying, we are not going to have high densifications across all of our cities. It is going to be around nodes close to public transport. I do not know, Rob, whether you want to add anything to that.

Prof. Adams—Yes. I think it is a really good question. There is an essential logic that says that to just have a central CBD is unsustainable because of the distance you are going to have to travel. I think cities are generally moving towards transport nodes around railway stations. I was looking for a plan. There is in the last set, which you can see. In Melbourne, for instance, there is a fairly even spread of those activity centres running right out into middle and outer areas. The idea of locating work in those areas I think is sound. The reality sometimes is that the people unfortunately do not live in those areas. So all you might be encouraging is people to move across the periphery rather than in.

I would argue that that outcome is going to be a reality for some decades. That should not discourage us from concentrating activities in those nodes. What it does bring into consideration is what transport mode suits that sort of work other than the motorcar. The evidence that I am seeing emerging is that although there is strong evidence that rail based transport is the most efficient, buses are completely underutilised in some of our capital cities.

I draw your attention to cities that I am sure you know, such as Curitiba and Bogota, where there is not just one bus system. Small buses take you to a major rapid bus system. One of the things that we are investigating and putting to Melbourne through VicRoads and the Department of Transport is that rather than wait for the money and the time to extend the tram network, when you get to the end of a tram line, what is to stop you taking the same amount of road space and running that out to the periphery? So if you went to the end of a road—you could go up to the Dandenongs—you would then climb on a rapid bus that would have dedicated space in that street, which would take you to the end of the tramline. You would not get out of the bus. You would go tram, bus, tram, bus, tram, bus. So it is really about higher utilisation of the real estate that is already made available for transport. This is not a difficult thing to do. You are not saying it has to happen on every route, so it is not ruling out the motorcar. It is basically saying, 'We know the efficiencies of public transport. We know that the bus takes up less space than any other on the street. How do we make the bus system more efficient so it moves quickly and picks up vast numbers of people?' That can happen tomorrow, not in 10 years.

Senator LUDLAM—I want to turn to some of the institutional questions that we are considering specifically related to public transport. First, do you support Commonwealth investment in public transport?

Mr Lockwood—Yes, we do. Absolutely.

Prof. Adams—I think this is a problem for all levels of government.

Senator LUDLAM—What kind of institutional frameworks or incentives would you support rather than just handing over cheques to state governments?

Mr Lockwood—I think there is a lot of work happening in the US at the moment about the need for the federal government in the US to be relating directly to metropolitan areas as opposed to putting resources through state governments. There was a wonderful quote I read quite recently by Bruce Katz of the Brookings Foundation to the effect that states are spending money on widening regional roads whether or not they are needed.

Senator LUDLAM—Sounds familiar.

Mr Lockwood—Yes. But the problem, I think, for the Commonwealth is how you develop a relationship with metropolitan governments. With the exception of Brisbane, I think there are 40 local governments in Sydney, and I think there are 30-something in Melbourne. The others are something less. I think it is developing regional planning mechanisms that have local governments closely involved and strengthening those planning arrangements so that they can engage directly with the Commonwealth in putting up solutions that meet the needs of both the state governments, because they are players, and the federal government in terms of achieving national interest and meeting the needs of the cities to function effectively. I think the process that the Building Australia Fund is using under Infrastructure Australia is brilliant. It is looking explicitly at the cost-benefit of specific proposals rather than just saying, 'Here is a road. We'll fund that idea here' or, 'Here's a bridge. We'll fund that idea.' So it is putting in place good cost-benefit studies, building effective relationships with regional organisations of local governments and funding the things that are going to deliver on the national interest.

Prof. Adams—I will add that I think one of the good initiatives in the past 12 months is the formation of the major cities units. I think it is nice to see that cities are being put back on the agenda, given the importance they have to our success in the future.

Senator LUDLAM—Can you tell us what that unit does because we have had difficulty finding out?

Prof. Adams—I think, to be fair to them, they have only really just got their feet under the table. No, I cannot tell you what they do, but I support the idea that maybe they need to be given the authority to do more. Another thing I think is important is that while we are here talking about transport, investment is going to come from the federal level in many areas. There are discussions about putting affordable housing into cities. I think that should come with conditions that it does not go outside growth boundaries—that it is actually within the area that makes it more accessible for the people who are going to go into that. Discussions, I think, around alternative forms of water purification and energy go to that source as well. If you could make the existing suburban house cost effective in the generation of its own energy, as you do in Germany, and that is all about feed-in tariffs, people might find it easier to get a mortgage closer in to the city rather than be forced to the periphery, where I do not think they want to go but that just happens to be cheapest because we have not costed in public infrastructure, environmental impact and social impacts.

Senator LUDLAM—That is great. Thank you.

CHAIR—Mr Lockwood, you said that you have representation in all major cities. Do you have some in Perth?

Mr Lockwood—All major cities.

CHAIR—This is our third day of hearings on this inquiry. We have been to Brisbane. We had a very good hearing there. We had an interesting hearing in Sydney. Can you identify where our cities could do it a heck of a lot better than the way it is being done now? Can you give some examples?

Mr Lockwood—Sorry, Senator. I missed the last part of your question.

CHAIR—Could you give us some examples around Australia—good examples where they should be put on a pedestal and those systems looked at?

Mr Lockwood—I think the Brisbane busways are an excellent example of where a city has built a system of public transport that is meeting the needs of a diverse part of the population. I am sure Rob could comment upon the things he thinks work in Melbourne.

CHAIR—Before you do, when you talk about Brisbane busways, are you talking about the bus rapid transport system?

Mr Lockwood—That is right. Those dedicated bus lanes that go into the city.

Prof. Adams—The Perth rail system would have to be another example. The extension of the Perth rail network is seen as being successful. In Melbourne, there is the subtle reconfiguration of the use of the road, particularly where it is tram based. I think an interesting example, though it is not seen this way, is Swanston Street, which is the main street through the city. Effectively, in 1992, it did not become a pedestrian mall; it became managed for the two greatest users of that street, which were the tram users and the pedestrians. The other users took a back seat. That was obviously something that caused a fair amount of angst. That is now starting to repeat itself in the wider metro area, where Yarra Trams are pushing for dedicated tram access on the routes, particularly during the commuting hours. So that is starting to roll out, where you are getting clearways so that you cannot have parking, traffic and trams. You can have basically traffic, trams and bicycle and get that faster access for public transport.

I think they are examples of where it has worked. Sadly, there are not too many examples because I think we are still locked into the idea that infrastructure has to be big enough to be photographed from four kilometres and cost a billion dollars, and I think it is not always the case.

Mr Lockwood—I think you could also add the Sydney railway system, which has been performing an heroic task for years. There are obviously big issues about its sustainability with the demands on it now. But it has been an incredibly efficient way of getting people in and out of the CBD.

Prof. Adams—Yes.

CHAIR—It depends who you are talking to, of course—whether you are talking to the bus industry or the railway industry or light rail. But what I have taken away from the hearings so far is that everyone is passionate about their own part of their industry or their role in public transport. I think that integration is the secret. We can have the best transport systems in the world, the best trains in the world and the best buses, but if we do not integrate them, we do not get the ticketing correct and we do not get the timetables relevant and correct, it does not matter a hoot, does it?

Prof. Adams—I think if you take that integration further, if you do not get the built form around it to actually support it, it is less effective. I think you put your finger on the crux of this matter. We sit in silos and consider our particular part of the world whereas if a city is to work, you really have to cut across those. This is as much about planning as it is about transport. I would argue that one of the secrets to releasing some of that potential is looking very carefully at the planning structures of the cities. In most cities I have worked in and looked at, there is a document called the planning scheme that looks like that, which is impenetrable, and mostly does not really serve a good purpose. There are a few basic realities that can make cities work. They are around how you make streets work. Streets form 80 per cent of the public realm of any city. If you have ever been to a city you have enjoyed, it is mostly because of the quality of the streets. That comes down to active frontages, weather protection, amenity, shade, decent footpaths and those sorts of things.

If you can start to simplify the planning in and around the transport infrastructure so you achieve those basic things—and that does not mean opening the doors to high rise; it means possibly even imposing height limits because that tends to push people down into the street

rather than up into the sky—then you will start to get a recognition of the importance of the street. You will start to get a balance between the different modes of transport. You will get more people cycling and walking, which is in fact how most of the journeys occur at that low level. So I think that integration right across that is fundamental. I think the federal government can take a strong role in there. Local government is good at putting it on the ground. State government has most of that planning control at the moment. What has been missing is direction from the federal government.

Mr Lockwood—I guess we would see the role of the federal government, if it did come into funding public transport, as sending all the right messages about the need for metropolitan wide planning and metropolitan wide delivery. Just to reinforce what my colleague was saying, you cannot have mode based planning. You cannot have mode based solutions. You have to have metropolitan wide solutions.

CHAIR—So when you talk about a role for the Commonwealth without the fear of duplication, surely you are not suggesting, 'Here's the states. Here's a bucket of money. Go away and do what you are doing now.' How would you tie in your thoughts to a federal government bucket of money?

Prof. Adams—I suppose integration goes also outside the jurisdictions of this committee. With the investment that is going to take place in the next few years, it starts to become more targeted in terms of where it can get the most benefit. One of the benefits, for instance, of the proposal I put to you today is that the value of properties along those networks, if there were more certainty around their development potential, would increase. Some of that value could be taken back for affordable housing. So I think investment in affordable housing in and around the transport network is where it will be very useful in terms of funding. I think there needs to be support for more of the road based transport networks. So that is people looking at buses and, in Melbourne's case, I suppose, trams as a possible investment rather than in road funding for additional car capacity. That would certainly have a beneficial effect. There is the whole issue around ports and the traffic that emanates from them. In many cases, the movement of the port in Melbourne from within the city to a place like Hastings might start to make transportation within the city a lot more sensible. So it is difficult to give you a straight answer because I do not think there is a simple one. But I am convinced that it is not a case of just building more roads.

Mr Lockwood—Senator, I refer you to page 6 of our brief submission. We have preferred five dot points there. If the Commonwealth is going to fund it, it needs to at least meet these. It is a short submission.

CHAIR—I have three here.

Mr Lockwood—It is the submission we sent in ahead of time. The first one is that the Commonwealth should fund metropolitan wide mode neutral transport planning with integrated metropolitan wide land use and environment planning. So if proposals do not show that they are metropolitan wide, if they do not show that they are integrated with land use planning and environmental planning, they should not get up. They should have in place a strategy for an integrated public transport management system. That is going back to your comment before about ticketing at a regional level. They should have explicit strategies to fund PPPs—fund outside investment.

Where public transport subsidies are provided, they should be based upon a quantifiable social equity outcome, so it is not favouring one population group or creating artificial inequities. Finally, as you were saying, it should have clear evidence that it is promoting cooperation between modes, so you do not have the bus system competing with the rail system for the same patronage. The bus system should be servicing the train system and vice versa.

CHAIR—Yes. Exactly.

Mr Lockwood—So they would be the five things you would tick. I think it is then about doing a hard benefit-cost ratio analysis looking at the social, environmental and economic impacts of the different proposals. Frankly—I think if one, two or three cities or outer urban areas or regional areas get all the money because they have the best impact in terms of the national interest, so be it. I think the federal government's primary interest is clearly Australia wide, not what is happening within the boundaries of a specific city. So I think it is a national interest test within those criteria.

CHAIR—Thanks for that. Firstly, I take my hat off to Melbourne. I think Melbourne does public transport brilliantly. I will probably have a blue with a few people about that, but I know you can walk into Melbourne—I can already feel a blue coming; I think the professor is going to throw something at me.

Prof. Adams—No. I agree with you.

CHAIR—The way you were looking at me, I thought, 'Oops-a-daisy.'

Prof. Adams—No.

CHAIR—I take my hat off to Melbourne. You can walk out on any street, catch a tram or a train or a bus and you are gone. Not so much the buses. But I judge when you come out of the MCG or the Telstra Dome. Be there 100,000 at the grand final or 50,000 at Telstra, in half an hour just about everyone is gone. That says it for itself. That is brilliant.

Prof. Adams—I think the only thing I would say about Melbourne—and I say it as a passionate Melburnian—is that it would not take a lot to make it even better. That is the potential. Apart from the things that have been quoted here, we should be looking at things that actually work and replicating them. I think for too long we have thought there might be some magic solution. Cities actually evolve very slowly. If something is working in a city, it is worth a close look to see if you can replicate it. Public transport does work well in Melbourne. It is failing now only because so many people are trying to get on to it and there is not the capacity in the carriages or the trams and there is not the capacity on the road. The hard decision now is how you encourage a few people to get out of the car and get on the tram or bus.

CHAIR—That was going to be my next question, Professor Adams. There is not a lot of time left, but I would like to explore that a bit better. You did take the words out of my mouth. I look at Perth, because I am from Perth, and one cannot knock the integration between the rail lines and the buses. The buses feed the railway stations. It is as simple as that. They have got it right. But the same town is absolutely diabolical for relying on the motor vehicle. For the silly stuff, from the southern suburbs, where our new rail line has gone down, I use that bus and train link

when I have to go into town. About $3.20 is not a lot of money and you can get in there a heck of a lot quicker. So how do we get them out of cars and get them on to buses and trains?

Prof. Adams—I think it is happening already. I will not give you the figures because I will get them wrong. I am not a transport planner. I am an urban designer. I think the figure of a 20 per cent increase in the use of public transport in Melbourne over the last few years is somewhere in the ballpark. As the cost of running a car goes up, and that is not just around petrol prices—the cost to any family of running a car is anywhere between $10,000 and $20,000 per year—when those choices start to become hard and real, the other options are looked at. What would make it far more conducive to get out of your car is that if you knew once you climbed in the train or tram it was going to get you there quickly and efficiently. Unfortunately, in Melbourne's system, the train will not turn up on time, if at all. So there are efficiencies in that system that could be improved.

I think the federal government could work with groups who are already looking at those efficiencies and ask, 'Well, how do you achieve those efficiencies?' rather than, 'How do we build another system?' I think that would be very well invested money. Because it is not about going and buying a whole lot of stuff. It is actually about getting greater efficiency out of what you have there already.

CHAIR—That is a good point. I should not hog all the time today. Senator Hutchins, did you want to ask a question or two?

Senator HUTCHINS—I am sorry I got here late.

CHAIR—I could go on for a lot longer.

Senator HUTCHINS—No. That is fine.

CHAIR—I will ask one last question. I will use my Perth experience for this. We have this wonderful railway system running north and running south. The problem is that not everyone going on that highway is going to the city. A lot of people are going from the north past the city down the south and vice versa. One of the initiatives as part of the new railway line down the south was park and rides. I can understand where the minister at the time was coming from. It was there to encourage, I suppose, families, with little children. It is a lot easier to park the car, get on the train and go in. But it is amazing how many people cannot wait to use the train but they will not catch the bus to the station. Is that a world trend? Is it a new phenomenon?

Prof. Adams—Quite honestly, I would mislead you if I professed to know whether it was a world trend. One thing is absolutely certain: we are all lazy. If the option is climbing in a car and driving there conveniently, most people mostly take that option. When that option becomes less convenient and more expensive and the true value is put on the other option, then people start to make those choices. It comes down to proximity. It comes down to what stage your family is in. I would argue that, for a mother with young kids, climbing on the bus might not be her best option to go to the railway station. She might choose to park and ride just so she had everybody in one spot at one time. So it is not an easy question. But as the public transport modes get better and more efficient, more and more people will opt in rather than opt out.

CHAIR—If there are no further questions, we might break tradition in this committee; we might finish on time. Professor Adams and Mr Lockwood, thank you very much. The committee does appreciate your assistance.

Mr Lockwood—Thank you.

Prof. Adams—Thank you for the time.

[4.14 pm]

MOORE, Mr Peter Byron, Executive Director, International Association of Public Transport (UITP) Australia/New Zealand

CHAIR—Welcome.

Mr Moore—UITP is the International Association of Public Transport. It is a Brussels based organisation. The Flemish translation is Union International Transport Public. We represent 3,100 members in 90 countries of the world, so I hope to bring a bit of an international context to what has been spoken about today.

CHAIR—This will be interesting—3,100 members in 90 countries.

Mr Moore—Indeed.

CHAIR—We will take a different tack on our questioning, I am sure, with you, Mr Moore. I encourage you to make an opening statement before we go to questions.

Mr Moore—Thank you. The inquiry is quite timely. We undertook an event in Sydney on Monday called Hot Topics in World Public Transport, which explored some of the current developments in transport not only in Australia but around the world. We put out a little press release in association with a group called Metlink in Victoria. Metlink is the group that coordinates passenger information and marketing of public transport in Melbourne, Victoria. I will read this out:

Metlink research shows that almost 75 per cent of people in Melbourne are actively trying to save money during the economic crisis and over a third of people are looking to use public transport more often as part of their budgeting strategies… "Most significantly of all, the study tells us that 92 per cent of Melburnians want governments to spend more on public transport …

That is not surprising. What is more surprising is this:

People want governments to prioritise public transport improvements ahead of offering tax cuts (61 per cent), reducing the price of petrol (60 per cent) and building new roads (58 per cent).

We did not believe that survey when we did it. A chap called Bernie Carolan, who is the chief executive of Metlink Victoria, did not believe his survey people. So we did it again. We came up with very similar results. So we detect there is a change out there not only in Melbourne but in Sydney and elsewhere that people, we think, are moving back towards public transport for the first time since the war.

We detected last year, with the petrol price decreases, that people moved into public transport. We all experienced the pictures in the media of people squeezing on to trains and buses. We all thought when petrol went down to around about $1 a litre that they would go back to the car. In

fact, they have not. It surprised all of us in that regard. That result is consistent around Australia. So that is something that has just happened as recently as this week.

In America, we are in touch with a group called the American Public Transportation Association, or APTA, which is a large association that represents all mass transit in America. They have come out with some similar findings. It is interesting. I notice the previous speakers mentioned the Brookings Institute. They asked the question: how many people would have to stop driving cars before a decision was made to cut back on road construction? While the question may seem a little premature, it has actually been raised by the Brookings institute, after which research has discovered that Americans have been progressively cutting back on their driving habits since 2004. So the same thing is happening in America.

So is it all due to rising petrol prices in America? The answer is that the Brookings institute have said no. There are a number of factors responsible—market saturation of vehicle ownership; a plateau in the number of women entering the workforce, interestingly enough; a possible ceiling in the amount of driving any one individual can do or will tolerate; increased use of public transport; the development of commercial centres closer to home; and rising unemployment. They suggest that one suspects a similar situation is arising in the rest of the Western world. We believe it is a bit like recycling. We all saw that recycling took 25 to 30 years to become part of the social fabric of the way we act in society. We think that there is something similar happening in mass transit around Australia.

So it is an interesting time. The inquiry has come up and, I believe, is entering this debate, at a very, very interesting time with regard to where we are going with public transport. The patronage increases are being sustained. That surprised all of us. All my members around Australia—and I represent every large public transport group around Australia—are finding similar results. In Sydney, for example, a growing number of Sydney commuters are abandoning their cars in favour of trains. Sydneysiders undertook about 22 million more train and bus journeys last year than in 2007. So it is happening everywhere. As I said, the patronage increases are being sustained. We hope as a result of this inquiry it may add to that energy that is obviously developing out there in the community.

CHAIR—Mr Moore, I find it very interesting that your survey pulled up a number of reasons. I am just trying to remember them. There are probably about eight or nine, but the environment was not one of them.

Mr Moore—No. It is interesting, isn't it?

CHAIR—It is.

Mr Moore—We believe that people will not change for the moral good of changing. It is a financial incentive. It is an inconvenience incentive. It is good to feel that you are contributing to the environment, but it is not the driver, and I do not think it ever really has been. We like to think so, but I do not believe it is.

CHAIR—When was that survey conducted?

Mr Moore—About two weeks ago by Metlink Victoria.

CHAIR—That recently?

Mr Moore—Indeed.

CHAIR—Would it be possible for the committee to have the results of that survey?

Mr Moore—Indeed. I will make sure that is available to you.

CHAIR—That is fantastic. Thank you, Mr Moore. Well, I am sure there will be a lot of international questions, but I will give others an opportunity.

Senator HUTCHINS—You talk about congestion charging. I suppose we have it in one way now in New South Wales with the Sydney Harbour Bridge tolling. We have had evidence presented to us that that is not congestion charging at all; it is just another way of applying a tax on that time of the day. Does the association have a view on the decision by the New South Wales government to have that time of day charging for the Sydney Harbour Bridge?

Mr Moore—We were quite unique in that we strongly supported it. There was a lot of criticism in Sydney about it when it was introduced. There is no doubt it is a congestion charge, whatever you like to call it. It is the time of day. It does price people's behaviour. Congestion charging is about pricing people's behaviour. It has worked. There is some debate at the moment whether the economic downturn has resulted in the decrease in traffic we have experienced on the bridge. People are taking alternative routes. But the surveys of the alternative routes suggest that perhaps it is more to do with the economic downturn at the moment rather than changing habits. But certainly there is something going on there.

Senator HUTCHINS—Because there was a report in, I think, one of the Sydney papers this week in relation to people going on different routes to avoid that time of day charge on the Sydney Harbour Bridge, was there not?

Mr Moore—Yes. Up Victoria Road and doing all sorts of strange, back street routes and so forth.

Senator HUTCHINS—But that is not unusual, people refusing to pay tolls?

Mr Moore—Very much so. It is very adaptable. Some people living in the western suburbs of Sydney are paying $100 a week in tolls to get to work on the other side of the bridge so they are looking at alternatives. There is no question about that.

Senator HUTCHINS—You seem to be very critical of the tax regime the federal government has for the fringe benefits tax and other tax benefits. Clearly, the association is not altruistic. You outlined earlier the result of that paper, which is that people do not necessarily change for what might appear to be good. Would you like to expand on the reasons why you think it would be a direct involvement by federal government in attacking private car use?

Mr Moore—Thank you for the question. It is a question we have been addressing for over 10 years. I think we were the first group in Australia to raise this issue. The latest estimate is that it is worth $1.4 billion, I think. We accept the debate that we take that $1.4 billion and do

something else with it. But there are 100 combinations in there that we can introduce in taxation laws. The basic question is, as you suggest; it is what people feel about it. If you have a perception that as a train or a bus traveller in Australia you are receiving some financial incentive to use that particular mode of transport, it may encourage you to do that. It is a lot to do with perception. Surveys done by the University of New South Wales some years ago suggest that 40 per cent of the cars travelling into Sydney every morning have an FTP allowance on them.

Senator HUTCHINS—I was going to ask you to cite that. That is a UNSW survey, is it?

Mr Moore—That is right, yes. It is 2004.

Senator HUTCHINS—If you could supply that reference to the committee, that would be appreciated.

Mr Moore—So it is more to do with perception. It is more to do with what people feel about how they are travelling. We focus a lot on building infrastructure and creating quality public transport systems. They are all very necessary. But we do not in Australia particularly concentrate a lot on taxation policy that may encourage commuters to use other forms of transport. Other countries have done it. I think my paper addressed issues such as taxation incentives in other parts of the world that encourage people to use other forms of transport. But I emphasise that there are a lot of combinations in there that one could implement to take advantage of amending that particular taxation legislation over a period of time. It is a not a matter of, 'Let's take it off next year.' It is a matter of, 'Well, over the next 10, 15 and 20 years let's amend it progressively and build on that and learn from the change in people's behaviour.' So I think there is an opportunity there to do other things rather than just say, 'Look, let's take it off cars and let's give it to public transport users.'

Senator HUTCHINS—Mr Moore, you talk about the external costs of road traffic rising. I would like to ask you what evidence you have for that and ask you to explain those external costs. Another question I have is: what might be the external costs of public transport and subsidies and whatever else that are involved in that?

Mr Moore—Yes. It is an interesting question. I think I get asked that question once a week. I will simplify this in the current context. In 2002-03, Australia imported 3,900,000 containers, so our ports were busy. Our roads were busy. In four years, that grew to 5,300,000. So it is no wonder that places like Port Botany and others are suffering congestion in the cities. Our cities around every port are suffering congestion.

Senator HUTCHINS—The *Financial Review* this week showed a Smith Bros truck on there that was very lonely.

Mr Moore—Indeed. Yes, I read the same article. Yes, it depends on the time of day sometimes. But the growth over four years has been exponential. One suggests that that has come off a little in the last year or so, but there is certainly an issue out there about a lot of containers moving around our cities that we perhaps did not know about. The issue of costs of congestion and so forth is well-summarised in my paper. I think you will hear those figures

quoted many times to you, so I will not bore you with what they might be, in the kindest possible terms.

What we are suggesting there—I had this discussion with a chap called Todd Litman last night—is how we can bring this understanding about what the costs are to the community down to a level the community can understand. It is all very well to say—and I heard it previously—that $20 billion in congestion by such and such a time is a terrible thing, but the general community just does not understand that. Mr Litman—I am sure you will come across his name many times through your inquiry—has suggested that we should do a study that suggests the advantages to the community might be X if it were designed in a certain way and the savings to the residents might be Y if we did away with a second car. So bringing it down to that level, I think, is what the aim should be. It is a difficult process.

I have sat through a number of these inquiries over the years, where we have said road congestion and so forth is a terrible thing and it costs us a lot of money. But to get an understanding within the general community what that means to the way we live and the way our cities function is really what it is about. I am a great believer in using behaviour as an incentive to change our travel habits. I believe you should feel the way you travel. At the moment in Australia, when you use electricity, you feel it. You turn the light on. You know how much it costs. If you turn the tap on, you know how much water you use. If you use your private car, you just do not feel it. So there are opportunities there for making that behaviour very visible to people as they use their private vehicle. Changing that perception is all too important.

Senator HUTCHINS—My final question is: in any of your member countries, do they provide free public transport? If they do, does that incentivise people to use it, or is the level of car use almost the same?

Mr Moore—A few countries have tried it. A few cities have tried it. A number of cities have free public transport. Sydney has introduced bus services right now.

CHAIR—And Perth.

Mr Moore—Perth as well. It has for some time indeed.

CHAIR—We are up there.

Mr Moore—The CityCat is a great service. I use it all the time. In general terms, throughout the community, no, it does not work. When something is free like that, it is undervalued. It is overutilised. That is obviously a desirable thing to have. But the basic thing is that it is then undervalued by the community. I know it has been debated in recent times that we cover the farebox revenue, which comes in somewhere about 30 per cent of public transport costs in our cities, such as Melbourne and Sydney and so forth, so why not make it free? Certainly our international group would discourage any city in the world going to free public transport. It just does not work.

Senator BACK—Mr Moore, I am only new on this committee. I have thoroughly enjoyed your presentation. Can I ask you, firstly, have your surveys shown any indication of people's concerns regarding public transport or use of public transport at night because of dangers?

Therefore, are you looking at a scenario in which you are encouraging them to use public transport in the day but accepting that they will use private transport at night?

Mr Moore—Security on public transport is probably the No. 1 issue in many cities. In Perth, for example, anecdotally there is a lot of evidence to suggest that Perth residents will not use public transport because there is a perception it is unsafe. In fact, it is one of the safest systems in the world. Again, it is perception. Unless you create the right security measures, on any system, there is no point doing anything else. People have to feel safe. It is one of those fundamental arms. I actually hate the term 'public transport'. I think we should start to use the term 'passenger transport' or 'mass transit'. I think there is a greater value in those sort of connotations.

Yes, you are right; security is the No. 1 issue. When you get it wrong, everything else does not work. You can have the best service, the best frequency, the best pricing and the best convenience, but people may not feel safe. The argument in Sydney, for example, is you put large guards on Sydney trains after seven o'clock. You get on a train and people think, 'There is a problem there because there is a large guard in my carriage. There must be a problem here because he has to be here.' So there is a balance. So you need to make it non-threatening. You do not put them with guns on their hips and so forth. They become customer relations officers. You do not call them guards, for example. So they are a bit like customer service officers. People feel it after a period of time. And you educate people and you market it correctly; it is all part of the process. Sure, they are there for security, but people do not quite feel that.

Senator BACK—My second question relates to the economy. I spent most of the last decade in and out of the city of Mumbai. Although it was already a huge metropolis, the emergence of the middle class was amazing. In India, particularly in the major cities of Mumbai, of course, the ownership of a motor vehicle is a symbol. Where transport was already impossible, it has become even more so. I think my record was five hours to get from the airport to my hotel, where normally you would do it in 50 minutes or whatever. The observation, of course, is that as the economy improves, so people's use of and ownership of private transport goes up. I am just wondering whether your survey results, released so recently, show that the economy is on the way down so people are looking for an alternative form of transport. I guess my question is: if and when our economy turns around again, will the same people still own their vehicles? There is no point trying to sell one in this market because you cannot get a price for it. Do you believe that we may see a return to perhaps the convenience of private transport?

I observed the same thing in Dubai over time, although Dubai was obviously always a wealthier city. Nevertheless, people at lower socioeconomic ends of Dubai managed to get motorcars and, of course, gridlocking occurred all the time. I just wonder whether the sensitivity is due to not only the economy but also people's perception of whether they should be spending or saving.

Mr Moore—I think you are right. While in the last six months we have experienced petrol going down, we have retained patronage. In compass with that is the downturn in the economy. Which factor is influencing the most we honestly do not know. We have a feeling there may be a change out there. The opportunity we are using through this change in patronage habits is to start to encourage other opportunities for expanding public transport. That is our reason for making

detailed submissions to inquiries with this and putting our detailed submissions into Infrastructure Australia.

I think we also have to start to focus. Transport is just part of a city. When we start to think about transport, we start to think about how our cities function. You are right: Mumbai and Dubai and so forth are moving towards higher car ownership. My Secretary-General was here last Monday and he told me about the $2,000 cars that Tata are going to build and soon release in India.

Senator BACK—That is right.

Mr Moore—People, as they get wealthy, will buy that car, of course. Dubai and India realise very, very well that before that happens they need to create quality public transport systems and perhaps encourage people to not buy the $2,000 car. They still are. That is the way it has developed in China and it is the way it will develop in India. But transport is part of the way cities work; that is what it is about. I think we have an opportunity here in Australia. We debated this on Monday moving away from this two- to five-year view about how we can build infrastructure. We are about to have some announcements from Infrastructure Australia about what they are going to do. But what we perhaps need to take into account is what our cities might look like in 20, 30 or 50 years and what the transport might look like to support those cities. That is where, I think, the opportunity for inquiries such as this are. It can direct the debate for the results in that time.

It is all very well for Infrastructure Australia to come up with a list in a week or so that it is going to spend $12 billion on a metro here and so forth. That is very good. But another, larger part to this is, 'Well, if we're going to do this, what effect will it have on the design and the way our cities work in that length of time?' I discussed this with Peter Newman when he was appointed as board member. He said to me, 'Don't come to me with just the engineering project. I will look at it, but I am not really interested. What I am interested in is how that project might support the way a city will work.'

CHAIR—We are actually meeting with Peter Newman on Monday. He will be addressing this committee.

Mr Moore—He has the right idea. We have encouraged our members, in their submissions to Infrastructure Australia, to frame it that way. I think it is now a realisation. Other cities around the world are doing it—Dubai, Abu Dhabi, Mumbai. Every major city in the world is doing it, it appears, except us.

Senator BACK—This is my final question. It is very brief. What have we got to learn from Singapore? Again, your notes mention, quite correctly, that a licence to have a vehicle is about three times the value of the vehicle. But there still is upward increasing pressure. Is there anything we can learn from Singapore?

Mr Moore—You create the right system and people will use it. You price it correctly. If you encourage people to use it, they will use it. We can talk about creating wonderful public transport systems here and people will move into them. They will not at the moment because we do not have them. Singapore took a decision many, many years ago to create quality public

transport systems—a decent metro, a decent light rail, a decent bus. I sat in a discussion on Monday in Sydney. We were talking about what the metro should look like or whether it should be light rail or a bus down George Street or whatever. The answer is it is all of them. Some time we are going to do the lot. It does not really matter what we start with. For goodness sake, let us get on with it. We even talked about doing another light rail study in Sydney and I nearly choked, to be honest. The bureaucrats in Sydney—I will not mention names—were talking about doing another light rail study in Sydney. I can remember four that I have been involved with. It is unnecessary. We just need to get on with it.

Senator LUDLAM—Thanks very much for your presentation. I will turn our focus away from Australia since you have a rather unique perspective. Of the cities that you have studied and of the membership that you have, what are your favourites? What do your favourite public transport systems or cities around the world have in common at a high level?

Mr Moore—A longer view of things. These things do not happen quickly. Places like Toronto and Ottawa created a quality bus system. They decided that 20 or 30 years ago. They took a decision at that time to do it. They changed their roads policy, for example. Transport for London decided a long, long time ago not to expand or widen or build any more roads. Those sorts of policies were written into law. The way London works at the moment with the tube and the way Madrid works at the moment with the tube, you could not imagine those cities functioning if someone 20 or 30 years ago had not made a decision to actually do it.

There are no best examples that really stand out above all others. If you travel on the London tube for a period of time, you are amazed that it functions to the level of reliability it does with the number of people that they take on it. Madrid is the same. But inevitably what I find is that it comes down to, for example, in Madrid in 1988, the Lord Mayor of Madrid said, 'We're going to build a metro,' and they did. Go to South America to Bogota, for example, where the Lord Mayor in that city decided, 'Well, this city is not functioning. How can we do it cheap? We'll create a very high quality BRT system,' and he did. He actually got run out of the country. He lives in New York now and he is a professor in New York.

CHAIR—It was that successful, was it?

Mr Moore—Yes. It was that successful. We have had him presenting at some of our conferences. His life was threatened if he went ahead with the project, but he was so committed to it that he built it and left. And the results are that the city functions. There are some great examples around the world with making better use of what is already there, with realigning the policy that is there. But it inevitably comes down to one or two individuals who say, 'We shall.' Livingstone in London, for example, introduced the congestion charge. When he proposed that, he was lobbied very hard in February 2001, I think it was. We did a world congress in that time. He said to us, 'If I get this wrong, I will only be here three months. But I feel so strongly that because London traffic is now moving at nine miles an hour, slower than a horse and cart, I suspect that something has to be done.' So he took the very brave decision to do it.

CHAIR—I have to tell you I was there last year and I would have killed to be doing nine mile an hour, it was that slow, unfortunately.

Senator HUTCHINS—I have done five.

Mr Moore—But it does come down a lot to making the decision to get on with it. I think you will hear these views from people like Peter Newman in Australia, who will suggest to you, like I am, that it does not really matter what project we pick in Sydney at the moment because inevitably in the next 50 years they are all going to be built. We call it a concept of seamless mobility. It is a bit like if you travel here by car today, your car is in the car park or you will get picked up. You will not have to think about interfacing with that car, getting in the car and going to the airport or whatever. It is just there. It is complicated, but it is just there. If you chose to get a bus to the airport tonight from here, you would really have to think about it. So introducing the concept of seamless mobility into passenger transport and making it as good as the private motorcar is the ultimate aim. It is pricing and it is infrastructure. It is a whole lot of things, but that is the aim.

Senator LUDLAM—What are we missing in Australia? We are not stupid. We have some very, very talented researchers, policymakers and thinkers, some of whom we have already heard from and some of whom we will. What are we doing wrong? What are the key things that are missing?

Mr Moore—We ask that question amongst our group in the forums we create. The debate is becoming a lot more focused. You are right; there are enough experts and enough very clever people in and around Australia to make it work better. I think we have been to some extent conned. We have been conned into believing that we can solve most of these problems—this is not anti-road or ant-car—by continuing to do the same thing we have been doing for 50 years and that problem will be solved. I think the surveys we are seeing right now suggest that the community is actually waking up to the fact that we do not believe this much any more. We have had a policy of building freeways and roads and focusing our attention on improving the travel with the motorcar and congestion is not getting any better. It really is a point, I think, where the community is saying, 'Let's perhaps try something different.' I think that what is missing is the community will to change it. You guys reflect the will of the community; that is your job. I think the will of the community is, 'Make it more convenient for me. Build more freeways. Make it easier for me.' But it has reached the point now where we cannot. Petrol went up to $1.50 and people in the community realised, 'Well, it really is costing me a lot of money to use my private motorcar.'

I think there is an opportunity right now to say, 'We are at a point where we have an opportunity to modify the way we live over the next 50 years but we've got to start somewhere.' There are specific things we need to do. It is things like travel behaviour, it is pricing, it is better infrastructure, it is better vehicles, it is better security, as you suggest.

Senator HUTCHINS—Planning? Would you say planning?

Mr Moore—Better planning. It is all those things. There is no magic bullet, as you well know, I am sure. There is no magic bullet. There are a lot of things required.

Senator LUDLAM—We have a very complex institutional structure in Australia between local government, state government and the Commonwealth government, with different responsibilities that overlap sometimes. In the context of the federal government considering whether it wants to spend for the first time in quite a while, are there institutional arrangements that you suggest we should be looking at to make that happen?

Mr Moore—Indeed. The old debate that the Commonwealth should get involved in public transport and provide infrastructure funds is an admirable aim. But I think there is an opportunity when we do that—and we are going to do it—to link it. If the states decide to take that infrastructure money, what are they going to use to operate that money, in simple terms? So it is creating those linkages. If you provide infrastructure money, the states provide the operating money to do something with it.

Institutional arrangements are a key part of the way this is going to be solved. You will hear a lot about that in speakers that will follow me. Setting up those correct institutional arrangements is a fundamental part of what this inquiry must be about, I suggest. It is a great opportunity through Infrastructure Australia to say, 'Look, we are providing funding for metro Sydney, for example, so how are we going to operate it?' So it is putting the state and the Commonwealth together to decide, 'Well, infrastructure is so much. What are we going to use to operate this? What clever financing mechanism are we going to operate the metro with?'

I will give you a great example at the moment. It is Southern Cross station. I heard it spoken about by the previous speakers. Southern Cross station is not a railway station. It is a shopping centre. If you get the opportunity to talk to the chap who runs—

Senator LUDLAM—This is in Melbourne?

Mr Moore—In Melbourne, yes. If you get the opportunity to talk to a chap called Mr Walker, who runs Southern Cross station, get him to take you on a 20-minute tour through the station to explain the financing of it. The key to it is—this is a great example of institutional arrangements in the private sector—when they built that station, there was to be no other shopping centre to be created other than Southern Cross station. So everybody who lives in Docklands or shops from Docklands has to shop at his shopping centre. He has the sporting facilities there, so he has traffic in and out and through his shopping centre and so forth. The Victorian government said to him, 'You can have that but you've got to give it back to us in 35 years the way you found it and you've got to make money out of it', and he has.

If you scale that up to the way the Commonwealth and the states could operate in establishing infrastructure in Australia, that is a great model. There is a dollar being made there. The government has a $700 million facility that is beautiful. The community in Melbourne loves it. It has changed the structure of the city. Docklands has opened up purely through the $700 million being spent on Southern Cross station. You could scale that up. When we create the funds from Infrastructure Australia, and we will spend money on metros or whatever around Australia, the key point of that is how we link that to operating it in each of the cities. What institutional arrangements and what financing arrangements will there be? I am not clever enough to suggest how that is done; there are many people who can structure that correctly. That is the key point of where that money will be spent effectively. So that is where we should concentrate upon right now.

Out of that will come the way a city will work. Docklands, again, is a great example of how that community will work over the next 30 or 50 years. But the key to it is it is not a railway station. It is a shopping centre. It is very clever.

Senator LUDLAM—That is very interesting. We focus necessarily quite a bit on metropolitan, city based public transport because that is where 80 per cent of Australians live. Have you got anything you would like to share on regional public transport and good models?

Mr Moore—Yes. Victoria, again, is a great example. The previous minister there, Peter Batchelor, spent a lot of money creating a regional rail network in Victoria and it works. Patronage on V/Line is growing exponentially, like every other public transport system around Australia. People now commute from Bendigo, Ballarat and Traralgon to work in Melbourne. They come into Docklands, go to the footy on a Friday night, get on a train at 11 o'clock and they are home at quarter to 12.

It creates energy within regional areas. It rejuvenates regional areas. I know that the minister at the time was openly criticised about why he was spending nearly a billion dollars on a regional rail system that is going nowhere. He has a longer term view of what this is about. He has a 30- to 50-year view about what Ballarat, Bendigo, Geelong and Traralgon will look like, perhaps, in those times when the train service is not running at 120 kilometres an hour but is running at 300 kilometres an hour. So that is the opportunity to take that longer term view. Again, it is a great model for taking a 30- to 50-year view of the way public transport works.

Senator LUDLAM—Having had the benefits of travelling on a Japanese bullet train last year, what is the possibility, realistically, for a system like that, at least up the east coast of Australia?

Mr Moore—Yes. It is a shame, is it not, that in 1985 it cost $4½ billion and we did not do it.

Senator BACK—Yes, it is.

Mr Moore—Absolutely negligent. But the opportunity is still there. I tell people, 'What is the most profitable airline route in the world?' It is Sydney to Melbourne. For passengers, that is the most profitable airline route in the entire world and it still is. There is the opportunity to put a decent train system in there that runs a three-hour trip from Sydney to Melbourne. Again, when the last VFT inquiry was on, I appeared before the committee. My submission was based on, 'What is the first bit we want to build from Brisbane to Adelaide?' We want to build Sydney to Melbourne. In 50 years, we will have a high-speed link from Adelaide to Brisbane and encompassing that will be maybe a freight line up the middle. But we have to start somewhere. Let us start somewhere that is profitable. Sydney to Melbourne is profitable. The economics are there. They still are. With double decker stacking on freight trains and so forth and taking some of that traffic out of Sydney airport so it is not overcrowded, we would not have to build a second runway. Taking some pressure off those areas through a decent train system is there. The hard bit is how we finance it and how we do it. As I said, that is the difficult bit.

Senator BACK—And the price goes up every year.

Mr Moore—Indeed. I am not sure what the price is now. It was $4½ billion in 1988. I suspect it is closer to $50 billion now. But it is still possible. As I said, the opportunity is there to create that first bit in the east coast network of a VFT system for Australia. It is there.

Senator LUDLAM—I want to turn to funding. Are there any benchmarks internationally about what proportion of funding, either benchmarked against GDP or against road funding per capita or whatever? What should we be spending on public transport?

Mr Moore—There is a very good study out called the *Mobility in cities* database. It is by UITP. I will make it available to you. It compares about 500 cities around the world. The overwhelming conclusion is that those who concentrate on mass transit, passenger transport or public transport have a greater economic value. That is why Singapore works. That is why Hong Kong works. That is why London works. That is why places like Sydney and Melbourne do not work so well at the moment. It is a no-brainer. I am surprised that we still continue to debate the economic benefits of mass transit in cities. My Secretary-General on Monday and Tuesday in Sydney said to me, 'My goodness. Sydney could be a much better place to live if we made some right decisions 20 or 30 years ago.' And he is right. We are losing that international competitiveness. Companies are going to other places besides Sydney, Melbourne and so forth. Transport is a major part. If a company has a large number of employees and it is not easy for those employees to move around in Sydney and they cannot locate an employment centre close to where a transport node might be, they will look elsewhere.

My son lives in London. He has been there two years. The primary decision for where he works is where the transport link is. Before he will apply for a job, he says to me, 'The first thing I look at is where the closest tube station is. If it is not close to where the work is, I don't even look at it.' That is where we are at the moment. My daughter in Sydney is the same. She will not live or work in places that are not close to transport. That is what the younger community is looking at.

Senator BACK—That is interesting, isn't it?

Senator LUDLAM—You mentioned a study just before. I do not expect you to have the numbers in your head. Does that provide some indications generically of what leading countries are spending on public transport as a proportion of their budgets?

Mr Moore—It does indeed. It is quite detailed. I think it is probably the best thing that UITP has ever done. I will make it available to you. It is excellent material for what you are going to portray in your report, I suspect.

CHAIR—Mr Moore, I just want to clarify one thing. You said that the Victorians or the Melburnians can come out of the footy at 11 o'clock and be home by quarter to 12. Let me tell you that if you are down in Geelong and the members are celebrating and having a few beers and you miss the 8.10 from South Geelong, you are walking.

Mr Moore—Particularly if Geelong loses. It is a two-way street.

CHAIR—I just had to get that in for the Geelong footy club. Mr Moore, with your vast experience in international transportation, I would be interested to hear a direct answer. I know you will not hold back. What we saw in the last two days in Sydney and Brisbane, and we will see in Perth and Melbourne, looks like a patchwork of bits and pieces put together. I am not condemning Australia's public transport. I think we have done a wonderful job in most places. But we talked about integration and we talked about integrating not only cyclists and walkers

and park and ride, which I notice you comment on in your submission. There is buses meeting trains and the timetables all matching. Then we talk about encouraging people to ride their bikes maybe part of the journey. But I notice in Perth, for a classic example, you ride your bike but you cannot put it on the train in the peak hours. That is a disincentive, I would suggest, straightaway. I think it is crazy in itself. Do you reckon as a country we have had a fair dinkum crack at integrating our public transport services?

Mr Moore—You would think so. Some of it is easy. Bike storage is at Perth station. For goodness sake, let us make it free. Let us create some decent lockers so that you just roll into the station and you put your bike there. It takes three seconds to do it. It is locked up. It is free and you feel safe to get on the train and your bike is okay for the rest of the day. I notice you talked about bus transport to Perth station. The reason it does not work is that it is inadequate. There are not enough of them. They do not go down enough roads frequently enough for people to use them. With park and ride in Perth—if you do not get to, for example, Wanneroo at half past seven in the morning, you will not get a park.

Senator BACK—Seven o'clock.

Mr Moore—That is right. It is getting worse. So the solution to that is not to build multistorey car parks in Perth railway station. The solution is to create some decent bus systems to go up and down the thoroughfare. And let us market it correctly. Let us tell people about it. TravelSmart is in Perth. I am sure you have heard lots about how good TravelSmart is. It is good. But it will work if we also align it with a decent bus system to bring people to Perth railway stations.

CHAIR—My part of the world down there in the south, in the real part of Perth, in Fremantle, is damned good.

Mr Moore—It is. Perth bus services are excellent.

CHAIR—It is and I am not knocking it.

Mr Moore—It works well. But places like Wanneroo and the northern suburbs of Perth are not so good. Around Joondalup is not so good. That is why people do not use it. Perth is a great example. They have done a bit of it. The southern rail extension is absolutely wonderful. But we have not done the other bit to it, and that is creating the linkages to it. We have not created the right pricing message. We have not created the right bicycle storage with it. We have not told people that if we create that bicycle storage, by the way, it is free and it is that easy.

CHAIR—Mr Moore, what is coming out in Brisbane and Sydney loud and clear to the committee is that in the areas that would most depend upon public transport, the outer areas where the cheaper housing is usually situated with younger families, we cannot even get the planning right. When I say 'we', councils versus state versus the transport companies or whatever—I will defend the bus industry here—are not part of the planning process. It is great to have these wonderful new suburbs pop up. You have roundabouts that no long vehicle can get through. They are just crazy.

Mr Moore—It is. That is the 50-year thing that has to change. Perth is building what I call strip housing. When you live in Perth, you want to live near the beach and you want to live—

CHAIR—I was actually bagging Brisbane and Sydney.

Mr Moore—Indeed. It is the same situation. We are creating strip housing because the land is cheap and it is convenient and it is quick and we solve a quick problem called the housing shortage. What we need is some strength in planning laws. Perhaps we should make them laws instead of just guidelines or planning principles. Perhaps it should be written into the legislation that we do not build those things any more. We just do not and we make it a law that we do not. That could be an admirable outcome of an inquiry such as this, I suggest. It is out there. I am sure property developers and others say, 'Well, that is impinging on our rights to develop land in an expeditious way so we solve the housing shortage.' Sure, in the short term they are going to create problems. But we are going to have this debate in 10 years in the same committee that we still have problems with building strip housing in Brisbane, Perth and elsewhere. We will. So an outcome of this committee, I strongly suggest, is that we make those particular processes part of the law of this nation.

Other countries have done it. Transport for London have written into law no more road widening, no more freeways. In some parts it is difficult. As you suggest, some parts of London are gridlocked. But think about what it might be if we just let it happen for the next 30 or 50 years in the same way. It is time for large change. We have been tinkering at the edges with a lot of policy for a long time. A statistic that brought it home to me very recently was some work done by the Bus and Coach Association of Victoria. It said, 'If we're serious about climate change, at the moment about 70 to 90 per cent of all travel in Australia is done by the private motorcar. If we are to reduce emissions by 20 per cent by somewhere between 2020 and 2030, encompassed with a number of other measures like fuel efficiency and all those nice things we are going to have, private car travel needs to come down to 20 per cent.' You might suggest that is impossible socially, economically and politically. But if we are serious about these sorts of things, they are the sort of targets we are now facing. It is not a matter of tinkering with three or five per cent here or whatever. They are the targets. They are the implications of what we are facing with climate change and the way passenger transport might be impacted upon.

When I put that statistic up to people, they say, 'That's impossible. It's absolutely impossible to achieve that.' Yes, one might suggest it is. We can argue that getting a 50 per cent reduction in emissions by 2050 is an admirable target, but it will not happen unless we get private car travel to somewhere down around that figure. That is a fact of life.

CHAIR—In your submission and your opening statement you did touch on that. There are a number of ways. Certainly there is the stick and carrot—to offer incentives. There is also another angle to offer disincentives, is there not?

Mr Moore—Indeed, there is. That is a part of it. It is a carrot and stick approach. It is not all about creating the right incentives. It is creating the right disincentives and doing it intelligently so it is politically sellable. It is all very well to say that we will introduce road pricing in Sydney. It will not happen at the moment because there is no alternative. There is no point putting a congestion charge in the middle of Sydney at the moment because there is no alternative that people can use. No politician is going to do that. No economist is going to do that at the moment. One needs to create the alternative before one puts the pricing message in there that, 'By the way, you can't bring your car into George Street any more. But, by the way, there's no other alternative available to you.'

CHAIR—We need to wind up because of the time. But we also have to have a public transport system that is sustainable, safe and efficient.

Mr Moore—That is the other three of the 47 that is required. You are right. They are good words. They really are, and they are all required. I agree with you. You will hear those words 50 times in the time you go around Australia. And they are all very required. I hope that the outcome of this committee focuses on things like relating infrastructure money to the way we spend it in the states and how we operate that money in states. The Southern Cross station example is a great opportunity to scale that up to Commonwealth-state relations to make it work so people make money. So we have an outcome in 30 or 50 years where a community has created it and it works.

I would discourage you strongly from saying, 'Look, we've created a metro in Sydney. That's the end of the debate.' It is just the beginning. It is one of the 47 things that we need to do. Linking that with how we operate the metro in Sydney is a part of it. When you hear from Peter Newman, he will talk about the way cities work and the way this money should be spent. This is just the first part of it. If we are to make our cities work and be comparable to Singapore, Dubai and Mumbai and those other places, let us start now. Singapore started in the mid-1980s. Dubai started 10 years ago. Mumbai is just starting. We have not started. That is the failing of it. We just have not started.

CHAIR—We should see it as an opportunity, not a challenge.

Mr Moore—Yes. We can all put up our hands and say, 'This is all too hard' and say, 'We'll never achieve a 20 per cent reduction in emissions by reducing private car use.' We can all say that is impossible. I do not abide by that view. I do not accept that view. It has to start somewhere and it has to start with one of 50 things—sustainable transport, through to security through to TravelSmart through to pricing. All those 50 things are required. But let us get on with it.

CHAIR—On that, Mr Moore, you have won me. On behalf of the committee, thank you very much for your assistance today.

Mr Moore—Thank you.

[5.01 pm]

APPS, Mr Michael Shane, Executive Director, Bus Industry Confederation of Australia

NEELAGAMA, Mr Isuru Chinthana, Communications and Policy Manager, Bus Industry Confederation of Australia

CHAIR—Welcome. Mr Apps, do you wish to make a brief opening statement before we go to questions?

Mr Apps—Yes, I will make a quick one. I will give some quick background. The Bus Industry Confederation represents not only bus and coach operators but also bus and coach manufacturers; hence the confederation context. So we have a broad church and represent both those interests.

We welcome this inquiry as a good start to a discussion about where public transport in Australia might be heading and how it might be managed in the future. The Bus Industry Confederation, since its establishment in Canberra only seven years ago, has basically adopted a role of trying to engage the Commonwealth in identifying what its role in public transport is so it is welcome to see this inquiry and see this kind of discussion starting to come along. We have had previous inquiries where similar discussions were had. We hope this ends up with some recommendations that move forward to some real deliverables.

I guess the basis upon which we see the Commonwealth becoming involved in public transport is that the current transport systems as they operate are unsustainable. By that, I mean that the costs of our existing transport systems, be it congestion or climate change, pollution or road accidents, far outweighs any revenue we are collecting from registration or other road gathering revenue systems. So basically it is unsustainable. The states, until now, have pretty much moved along in a way that is really a patchwork approach to public transport, where they have added bits and pieces along as they went without any real strategic view about what they are trying to achieve.

I think that is exactly where we come from in the Bus Industry Confederation. We think the Commonwealth has a strategic role and a strategic policy role in actually identifying what level of service or mobility an Australian citizen deserves, whether they live in a town of 10 or a city of two million, and what kind of world-class public transport system, based on that, we should deliver. First of all, we have to understand what outcome we are seeking. I think if you look at where the states have gone, largely because of that patchwork approach, there has been no strategy behind a long-term view of what outcome we are seeking. Hence there is the situation now, where in outer metropolitan areas, where that urban sprawl is occurring, the transport planning that has gone into place has not occurred. The people who are most in need of transport options other than their three cars, which they are forced to have, are actually receiving the fewest services. The closer you get to the city and the harbour, you might say, you find the best services being provided.

State by state there are variations. Some are better than others. But in general we think it is time that the Commonwealth took a broad overarching policy and strategic role in public transport and how we move people. It is not good enough for the Commonwealth to have a national freight strategy but not a national moving people strategy that runs in parallel. It is not just about buses; it is about trains, trams, ferries, cycling and walking. I think our submission pretty much outlines a range of recommendations in the areas that we see the Commonwealth should be involved. That is certainly not in the delivery of services. That is one area where the states need to actually come to the party. Getting them to deliver more and better and more reliable and efficient services might be an area where the Commonwealth could have some influence. He who has the gold makes the rules. I will leave it at that.

Senator LUDLAM—I will start with the manufacturing side of things. Have you got a rough idea of the levels of employment in your industry across all the different sectors you represent? How many jobs does that represent?

Mr Apps—It is around 30,000 directly. We would probably say it is more at 40,000. That has not been updated. It is actually quite a difficult number to get. It is 30,000 to 40,000 directly and probably up to 50,000 to 60,000 indirectly because a lot of flow-on industries work off the edges of the manufacturing sector in particular, such as seat manufacturers, windscreens, flooring and fabric. So it is around that mark. I guess our view is based on the rates of public transport patronage increases over the past 10 years. Based on a 5 per cent increase over the next five years, 5 per cent per year increases, we would expect that up to 10,000 new jobs could be created in that period based on the appropriate funding of services and the current trends that relate to increases in PT patronage. I say conservative because last year Melbourne, for example, had a 12 per cent increase in patronage. We base that 10,000 jobs on a 5 per cent increase, just to be conservative.

Senator LUDLAM—At what point is there some kind of economies of scale threshold where we can provide for a larger proportion of manufacturing locally? I understand we are importing bulk components and chassis and so on into Australia at the moment.

Mr Apps—I will put it simply. Ninety-five per cent of the buses out on the road—they are the large buses—have European chassis. That is just the chassis rails, the wheels, the engine and the steering wheel. There is no seat, just the buggy, as they call it. It is a shortened buggy. All of the rest of it is manufactured here by the industry itself. So everything from the sheet metal to the flooring to the seats is manufactured here. They are manufactured and put together here. Most of those parts are manufactured here as well except possibly the air conditioning units. So it is a large industry. It is a very underestimated one. This year is their largest manufacturing year in history. They had 1,500 buses on the production line last year. It is expected to be the same next year.

Senator LUDLAM—I reckon that in the current political climate it would be great if you are able to provide the committee with the most accurate estimates of the jobs and the jobs growth potential that you are able to, I think. It would be really helpful.

Mr Apps—We can provide that.

Senator LUDLAM—This is a bit of a lateral question. From a manufacturing point of view, how much crossover is there? What is the ability if we got into light rail? There are a number of proposals around the country. What are the crossovers in skill sets in engineering capabilities in making rail cars for light or heavy rail?

Mr Apps—That is a good question. I have never been asked that before. I do not think the bus manufacturing sector, or the way they are set up, would be in a position to move into that area, if that is your question. They are just not geared. It is a whole different structure. I do not know whether you have been up to Maryborough.

CHAIR—You need a railway line.

Mr Apps—It is a whole different production process. And they do it differently in different factories around Australia for buses as well. There might be some transfer of skills, but I do not think the bus manufacturing sector is probably in a position to step out in that direction. But I have never asked the question before either, so I could be wrong.

Senator LUDLAM—That is all right. I probably should have given you some notice. It sounds as though we could not just spark up overnight. It would take quite a bit of retooling and reskilling to get into that industry. Do you see an opportunity in the short and medium term for increased manufacturing capacity here in Australia?

Mr Apps—At the moment, the bus manufacturing sector is probably operating pretty much at full capacity. One of the uncertainties in the bus manufacturing sector is the timing upon which the largely state governments generate contracts which therefore require more buses. We would usually call it seasonal. It can be a bit up and down. So factories are a little reticent on occasions to gear right up or build bigger factories because in three years, after these sort of high runs have occurred, they might be back down to 800 buses. So there is a bit of argy-bargy and uncertainty about how far they should go in the context of gearing up for more production. A lot of them would like to, but they need that longer term certainty about the number of vehicles that are going to be produced. There were 480 announced last week in New South Wales out of the blue, but next year or in the next three years it might be 100. So those uncertainties are difficult.

Part of the problem is that there is no strategic view about the mobility outcome that states are looking for, so they react to spikes in patronage demand based on a range of factors. So when we had the spike in fuel prices to $1.50, there was a large rush to use public transport. Services could not meet the demands. So we have now seen a reaction where lots of states have gone in to get more vehicles produced to meet that expected demand or the lack of capacity that they have. The outcome that people are seeking with regard to how we move people will not be delivered in the context of a lack of real policy focus on what is trying to be achieved.

Senator LUDLAM—My last question is: what kind of policy framework is the industry looking for going forward?

Mr Apps—I guess at the highest level, as I have said, the policy framework has to come not only from the top but also from the bottom. But the Commonwealth, except for the Better Cities Program, where there was a bit of a move into public transport, really has never been involved and has largely said it is a state issue. There are some little programs around the edges.

TravelSmart has received some federal funding. It is a good program but it is mickey mouse money and it should have had much more effort and dollars put into it if it was ever going to really do something. So there needs to be, number one, I guess, a national moving people strategy, which the federal department of transport or infrastructure, you would expect, would have a role in.

However, there is a policy vacuum in the context of how we move people. There is nothing going on within that department that would suggest they have any role in that side of things. Without any leadership from the federal department, it is very difficult. The current minister has moved some way down over the track over the first 12 months or a bit longer of this government to try to address some of those issues. First of all, we need a Commonwealth view about a national moving people strategy that addresses the issues we would say are in the national interest, which are urban congestion, climate change, social exclusion and isolation and road safety et cetera. There is a range of issues of national interest, and there is a need for a Commonwealth policy on how public transport might be part of that solution, but it does not exist. So it needs some federal Commonwealth leadership and a minister to champion it and a department to think they have a role.

Senator LUDLAM—Thank you very much.

Senator HUTCHINS—Mr Apps, does your confederation know how much money is allocated to public transport in Australia? Is this enough in the context of what we have been told are rising levels of demand for public transport?

Mr Apps—I do have that somewhere here. The numbers are not at hand.

Senator HUTCHINS—I hope you have.

Mr Apps—The total amount of money varies from state to state. Rather than going from state to state, I will probably give you—

Senator HUTCHINS—Just the total, yes.

Mr Apps—The total is about $20 billion. That is just my quick add-up here. They have broken it down by state here. So it is $5.8 billion in Western Australia and $38 billion proposed in Victoria. I could give you those figures, which I think we articulated. From a federal perspective, it is $1.8 billion on public transport, which was basically the Better Cities Program way back. Since then it has been really more about investment in roads and about $58 billion, but there is no specific funding at a Commonwealth level. The states are largely left to fund the delivery of services and the contractual arrangements with operators themselves.

Senator HUTCHINS—As I said, we have been told that there has been rising demand for public transport because of rising fuel prices. You mentioned either $60 billion or $20 billion. From your experience or your industry's experience, what is probably the real cost to try to meet that rising demand?

Mr Apps—I guess the current money that has been expended is catch-up and not long term. It is actually catch-up to meet those increases in demand. It is more money that is based on a

prediction of what the trends might be. I suggest that it probably needs to be more like $100 billion to $150 billion on top of the $60 billion if we want to be serious and get it right. That includes, in some senses, specific dollars for public transport infrastructure, not just the delivery of the services.

Senator HUTCHINS—How would that be translated, say, to the part of your members who are private bus operators? How would you see Commonwealth involvement if you had the ideal world? Would they be supplying your members with a fund like some sort of subsidy for bus fares in south-western or western Sydney, for example?

Mr Apps—As I said, I think we see the Commonwealth's role as assisting the operators of the industry in a fairly high-level, strategic policy sense. So it would be looking at providing incentives for private operators to invest and purchase new buses, be that an investment allowance or a further acceleration of depreciation. That will encourage the states to look at providing more services because they are getting a benefit from the operator in its capacity to purchase more vehicles. I guess we see you helping operators by providing or investigating the opportunities to look at the taxation system and how you might incentivise the use of public transport to have an impact on patronage. Alternatively, taxation could come in the form of income tax deductions based on periodic tickets, which is the Canadian model. Or you could look at expanding the existing FBT arrangements for cars to allowing employers to use them for public transport passes—an annual pass or form of FBT benefit that an employer can provide an employer.

Beyond that we have looked at the cost of at least a demonstration project in free public transport. That would largely be based around the federal government looking at subsidising the farebox collections that the states currently collect, which does not cover their costs at all. One-fifth of the cost of running the vehicle is going to come from the farebox. But if the federal government said, 'We'll subsidise your farebox on the basis you provide free public transport, that is part of our contribution.' There is always a debate about whether that has an effect on patronage and what happens. But that is why we suggest maybe the opportunity is there to have a demonstration project or look at how that might work. I think our submission outlines a range of areas in which we think the Commonwealth should be involved. There should be a serious look, for example, at road pricing and how that might effectively work and whether congestion taxes and charges are a reality and where you might end up with those.

Senator HUTCHINS—This is probably my final question. I know on the border of New South Wales and Queensland there has been a problem with the weight restrictions of buses. I think the suspension is not taken into account when they go over the weighbridges. You might want to expand on that for the committee. Are there other examples of different state regulations for even, say, how buses pass for registration that might encourage a national approach or give us reasons why there should be some sort of inquiry by the department of infrastructure and transport to look at harmonising some of these state regimes?

Mr Apps—I guess there are two key areas in that context. First of all, the industry for quite some time has had an issue in relation to the mass of buses, particularly two axle buses. Over the past decade, the tare weight of these buses has increased as they have been required to have air conditioning.

CHAIR—When you say two axle, you mean two drive axles?

Mr Apps—No. Just two axles. They are predominantly the workhorse of the industry. Once you get into your three axle and four axle big coaches, they do not have as many mass problems because the axles cover it off. But the two axle, which has been pretty much the workhorse over the past decade, has increased in tare weight as a result of government requirements largely, such as disability access. So the low floor chassis have ended up heavier. The fact they have to kneel provides more weight on the front so they can come down to let people on. There are air-conditioning units. The most recent emission standards for Australian design rules have added weight to the engines because of a whole range of noise encapsulation and other factors that need to go into the engine. There is another tank in there, for example, in some of these engines.

So over that decade, the weight of the vehicle has increased but the actual gross vehicle mass has stayed the same. Basically, 10 to 15 per cent of the time that those vehicles are full, they are operating illegally. They are over 16 tonnes. So they are your route and school services. They are not such a big deal because they do not get weighed. But there is a legal issue there. Murrays Coaches drives here basically every day. They are full and are getting done at Marulan bus station. So there is an issue there, particularly for the interstate coach operators who are using these two axle vehicles. If it is full with the Tongan rugby team and they have their bags, they are overweight. So we have been seeking some—

Senator HUTCHINS—Their lunchboxes.

Mr Apps—So we have been looking for at least some agreement to say if the weight is 18 tonnes—which is what the chassis are actually specced to; the European chassis are specced to carry 18 tonnes—we would, number one, be operating legally. Number two, there may be some scope within that envelope to increase some capacity. More broadly, I guess, another concern is that we have various arrangements in different states which allow different types and styles of buses to operate. So, for example, a 13.5 or a 14.5 metre coach that can operate under what they would call a controlled access regime, which effectively means the operator determines the route to make sure it can go around certain corners, can operate in New South Wales and Queensland but they cannot operate in Victoria. So there is this impact across borders. These vehicles are crossing borders all the time. Most of the time, it is ignored. But there are issues.

CHAIR—What if there was a prang?

Mr Apps—Well, they are the issues. So there are these legal issues that underpin the industry's vulnerability. That is why we say that for an 18 tonner we would be legal. That issue is separate. The other one is we need to review the existing vehicle fleet and what is allowed to operate in each of the states and then at least agree nationally how they can operate on a broader basis so we get some uniformity. It has an impact on the manufacturing sector. We end up having to muck about with different types of vehicles and configurations. But it also affects operators, particularly when they want to on-sell their vehicles or they want to travel across the border.

So they are two issues. Beyond that, the industry is very interested in looking at innovative, high-capacity vehicles to address some of the public transport patchwork issues we are faced with. So look outside the traditional box and you see the bus and look at some 25 metre biarticulated buses that look almost like a tram on wheels and have as good dynamics. But there

are restrictions on how we can get to there as well. So some of that innovation is being limited as well by states and access to their road network.

Senator BACK—I have a couple of brief questions. Our committee is referred to as the rural and regional affairs and transport committee. I am particularly interested to ask you: at the rural and regional level, do we have bus transport right? If we do not, where does it need to be improved? How can we do it?

Mr Apps—I think regional and remote areas in the context of public transport or buses is a pretty neglected, poor second cousin. Hence my view at the start that at least we need to look at what level of mobility an Australian citizen should deserve or be entitled to, be they in a two-horse town or a Wagga—a large regional centre. If we understood what that level of access should be, we would be able to get a better idea of what kind of services should be provided, be it rail or bus. But we do not know that. So what we are seeing at the moment is state governments in general do fund a regional based public transport service, usually bus or rail, which would connect them to the cities. They are reasonably limited. There is, I guess, no real view about the types, the levels or number of services that should be provided. There is just a service and if you use it, you use it.

On the other hand, we have a lot of money going in, particularly in those areas, through the health and community care funding. HACC funded community transport buses are cutting across a lot of those public transport services. We are seeing a large underutilisation of those kind of vehicles. We think that some of that money might be better looked at in the context of an audit of regional areas and suburbs. You could look at the transport services that are provided from a whole variety of areas, be it veterans' affairs, HACC, indigenous or public transport provision. If you audit the existing services in those kind of centres to identify where the wastage is, you might get better utilisation. From that audit, you could determine the kind of services. You could develop a regional accessibility committee run through local government to determine how to get the best bang for your buck out of the existing services, because we think there is a lot of waste. We think the professional public transport operators probably could go a long way to assisting to pull a lot of that expertise together and operate across the board in a better way. We could get a better bang for the federal government buck that is put into these community transport and other transport initiatives. Work it in with state and local government to streamline it and get greater efficiencies out of the existing system.

Senator BACK—Somewhat related, I guess, whether the Commonwealth should have a role in some overview of school bus transport. Again, it would be particularly in regional and rural areas, but you could extend it, if you wanted to, into the cities. I know it is not the responsibility of the Commonwealth. Again, is it adequate? Is there a role that this committee should have in looking at that?

Mr Apps—I think the school services are actually probably the very successful end of the industry. The expectation of the community and parents is very well delivered services. As I said earlier, I do not think the Commonwealth has any role in the context of the delivery of services. That is a state issue. But certainly, once again in the context of the level of mobility that an Australian citizen or a child or a family should have, once you have identified what that is, you might find where some areas or gaps exist in the provision of school type services. So it is said

in that more strategic level. At least we could find where the holes are and help the states fix them.

Senator BACK—I guess it will take too long to answer the question. You made a very cogent case for further expenditure by the Commonwealth in this whole area. I am still trying to get my mind around where the savings are going to flow in the event of capital being expended in the first place, of course. With tightening budgets, if groups cannot convince those holding the purse strings that there is going to be a return for the investment, they are probably not going to get the investment in the first place.

Mr Apps—In many senses, the big dollars are already there through Infrastructure Australia and the Building Australia Fund. I guess over the longer term it is potentially how public transport infrastructure fits within that or about public transport planning as a condition for states to actually receive the funding. So it is not just about applying for funds to build another road or whatever it might be. It should have some conditionality that says, 'We have an expectation that public transport planning and infrastructure is taken into account as part of that.' You also need to guarantee that there will be some form of equal service delivery on the other side of that so we are getting an outcome that we are seeking.

I guess the discussion that goes on is whether public transport is a cost or a saving and where the capital comes from. Ultimately we would argue that if you get public transport right, it actually is not a cost. There are some costs to run it, but there are overall savings, for example, in the possible reductions in urban congestion if you get it right. So there is $20 billion by 2020, which is half the stimulus package, in lost productivity basically in our capital cities. Taking bits and pieces and chunks out of that and addressing some of the costs of climate change and road accidents—ultimately, public transport gives you a better outcome there—there is actually some value on what you would probably call the intangible costs on the other side that stack it up. Getting Treasury to think about intangible costs is always a difficult exercise, but that is where we see the return. There is a social return, largely, and that is a hard thing to measure.

Senator O'BRIEN—Mr Apps, the discussion about the connection of the cycling mode with the bus, train or tram mode is often raised. It seems to be a rather prickly one in the sense that when you have maximum usage of those modes by passengers, the ability to easily fit bicycles on there or get from one carriage to a different carriage or trailer or whatever where the bikes are carried will be a barrier to that being successful. How do you see that working? Is there any real solution? Are we saying what we would like to happen but cannot think of a way to make it happen?

Mr Apps—My view is that it makes it all very difficult. The bike one is a particular one because of the space issue and the type issue and the capacity issues. On Action here, you can put your bike on the front of the bus, but that, in effect, slows down the whole service while it is all happening. So there are pros and cons with that. You would like to encourage it, but, in my view, it is not the ultimate. If you want people to cycle, they can cycle the whole way and you get that right. Alternatively, you have what they are doing in some states, which is the lockable locker. You can put your bike in and lock it up and get on the train and then come back in the afternoon and get it back out of the locker. There are probably a variety of ways there.

Some of those integration issues, particularly with bikes, are very difficult. It is hard enough to get a bus to align with a train let alone some of those more personal issues. But some of those integration issues have to form part of the planning. You can only do the best you can. But the bike one is always a problem when you have full carriages or you have passengers on a bus waiting to get where they want to go and they are waiting for someone—

Senator O'BRIEN—More carriages means you overlap at the station or you have to get into a different carriage to get your bike.

Mr Apps—There are plenty of challenges there. Cycleways et cetera are probably the answer.

CHAIR—I am laughing, Mr Apps, because my PA lives in the northern suburbs of Perth, rides to her train station, travels 40 kilometres on the train and then rides to our office, which is a kilometre away. She would probably wrap the bike around your head, hearing that. That is why I am having a giggle, sorry.

Mr Apps—That is all right. I will make sure I avoid her next time I see her.

Senator O'BRIEN—I would be interested to see what happens getting on and off the train and how it works. It may be a better system in Perth, but I have not seen it. I have seen it elsewhere and it does not seem to work at all. In your recommendations, you talk about opportunities for buses and bicycles to share bus priority routes on arterial roads. That conjures in my mind a problem of a mass of bicycles and buses coming along behind them. What happens? How does that work? It does not work on a normal road.

Mr Apps—No. I guess it is largely based on a dedicated bus lane or a dedicated lane for the bus on which you add a little extra, which is quite delineated. It is still—

Senator O'BRIEN—A cycleway next to it?

Mr Apps—Yes. Pretty much. Or at least if you are going to build the busway and you have another two feet of road, why not do it and have a line and develop that at the same stage? There are still obviously the same traffic issues that relate to bikes and vehicles on the road. We have it now. This is trying to dedicate an area to the cycleway and not have 10 of you across the whole laneway and try to manage it a bit. If you are going to build those dedicated busways, let us think about getting some multiple use out of that infrastructure.

Senator O'BRIEN—The first thing is when road projects are being designed, they need to consider the busway and perhaps a cycle path or some other means of getting the cyclist to the same destination. In terms of the bus rapid transit systems that we have taken some evidence about, has your organisation done any work that you would like to draw our attention to in particular on opportunities for expanding or implementing bus rapid transit systems in Australian cities?

Mr Apps—We did put a submission to Infrastructure Australia, where we suggested a range of areas. Operators have suggested bus rapid transit could work. Obviously we are also very supportive of the Queensland government's submission in that area, which is about the expansion of their existing busways.

Senator O'BRIEN—What about the city of Sydney?

Mr Apps—Well, the city of Sydney is difficult, particularly on the inner city. There are opportunities and they have taken them in the M7, where they have included dedicated bus lanes. I guess in the context of Sydney city, we would look at the options for bus priority. Bus rapid transit has a variety of connotations. It can be the full-blown busway system that operates in Brisbane, where it is dedicated right of way and it has its own system. It can be as simple as bus priority measures, which are passing lanes and priority through traffic lights with the V and the laneway that lets you around. So the opportunities in Sydney city, for example, are going to be a lot different from the opportunities in Melbourne just based on the way that the city itself has developed. So it is horses for courses a bit.

Senator O'BRIEN—Are there particular issues in terms of regulation or street design in and around the city of Sydney for the articulated omnibus?

Mr Apps—There are. They cannot actually operate. The longer buses are operating largely on the middle arterial roads, where they have been provided access.

Senator O'BRIEN—When you say they cannot operate, they are not allowed to or they cannot physically?

Mr Apps—They cannot physically.

Senator O'BRIEN—They seem to go all right in a city like New York. I do not know if you have observed that. I just wondered, given personal experience in that area, why they would not be suitable certainly for the larger streetscapes in Sydney. Do you know?

Mr Apps—No. They are certainly operating in a lot of cities, but they are not operating in the inner CBD. There are some new innovative articulated vehicles that may be able to operate with a steerable axle on the back. That then removes a lot of the swept path issues, as they are called, going around a corner. So some of those steerable axle vehicles, which are the ones I was referring to before, which can operate in Queensland and New South Wales but not Victoria, are hitting the market now. So those kind of articulated vehicles more than likely you will see operating.

Senator O'BRIEN—Well, if you know the city of New York, it has its avenues and its streets. The streets are the crossways for smaller streetscapes. I know that the articulated vehicles run those streets and will go on to different streets, which means that they have to turn twice and turn from the avenue into a much narrower street, and they do it. That is why I asked about whether there was a regulatory problem because I could not see a problem in Sydney for those vehicles.

Mr Apps—No. Largely, a lot of it comes down to road network access. There is a range of regimes, depending on which state you are. So there is a controlled access regime, which is a self-assessment based on 13.5- to 14.5-metre vehicles. They are not articulated, but they are operating within a controlled access regime which largely says if you want to come into the city and drop your tourists off at the hotel, you have had to undertake and identify the routes you are

going to take and let us know. So articulated vehicles similarly would operate under that same regime, if at all.

CHAIR—Mr Apps, thank you. I watched that BRT DVD that was dropped in my office last week.

Senator O'BRIEN—We will have to give you more to do.

CHAIR—I forgot the witness sitting next to me. It was after hours. We had finished. But I was interested because I think Dr Hensher in Queensland came to us.

Mr Apps—Professor David Hensher.

CHAIR—Professor Hensher. He had some very interesting statistics about how many people get moved on average by BRT versus light rail. I honestly believe that there is a role for everyone to play. There is no mistake about that. Some sectors of the public transport industry do it far better in certain areas. There is a role for trains and there is certainly a role for buses. Would you like to go a bit further into BRT and how you see that could be rolled out to the rest of Australia's major cities and regional areas?

Mr Apps—I guess, like you, we see it is horses for courses. So there is a place for rail and there is a case for bus rapid transit. I guess we present a view that if you are going to build a railway—a light rail or heavy rail system—you should also clearly have a look into what a bus rapid transit system might offer in the same context. I guess from the research we have done and looked at and some of David Hensher's work and others, bus rapid transit provides probably one-third of the disruption time in the context of building the thing. It can provide anywhere from, I think, a quarter to one-tenth less in the actual construction, depending on what you do, and about one-third of the operating costs once you get things up and running.

At the same time, if you get your services right, your frequencies right and your transfers right, you can equally move as many people, or close to, as light or heavy rail. What we present is that the benefits of bus rapid transit need to be clearly taken into account when you are considering these kind of decisions, which are really about money. BRT is the most cost effective and quickest way to get a system up and running and gives you the option down the track, if you want, to go to heavy rail or light rail. You can then build the rail and just use the dedicated passageway. In some sense, it could be looked at as a stepping stone to a high capacity heavy rail system at a later date if it is required. It obviously provides much greater flexibility, once you have built it, to go on and off the dedicated track.

So the Gold Coast is going through the process of a BRT versus a light rail or transit system. It seems the Queensland government has decided on light rail there. It does not seem to make much sense to us in the context of a tourist strip that looks very much like Miami or Las Vegas in the sense of a strip. They have put in place bus rapid transit systems for exactly the reason of the nature of the geography. But it is up to government to make a policy decision on where they want to spend the money. We just think bus rapid transit is clearly the better way to go. The Brisbane busways is probably proof of the pudding. Between 1997 and 2007, patronage in Brisbane increased by 50 per cent once that started running. For the same period in Sydney, the patronage increased by 15 per cent. We argue that largely that is because of the dramatic effect

the BRT system had on making people move out of their cars on to the system. Half of the people who have moved on to the BRT system were previously car drivers. It was not just a transfer.

CHAIR—I think that is the magic word, Mr Apps—flexibility. Although in my life I have a very strong leaning to rubber wheels, like I said, there is room for all modes of transport. I think it is flexibility. You have hit the nail on the head exactly. If a school pops up somewhere in a new suburb, you guys can be in there within about, what—five minutes, 10 minutes, half an hour from a phone call? The committee has heard evidence in Brisbane and Sydney. I do not know if it is conducive all around Australia. I have said this earlier. I do not like to bore everyone if you have heard it. Where public transport is most needed or is relied upon is in the outer suburbs, where the cheaper housing is. You did actually touch on that. Does your industry or membership have any active involvement anywhere with local governments or state governments in forward planning before these suburbs are developed?

Mr Apps—Individual bus operators actually have a fairly good relationship with their local councils. Often, however, there is a gap between what gets built and what service gets delivered. So we do not as an organisation directly have that role. I guess what we would say is that the Australian Transport Council endorsed many years ago—I am not sure what it was—in the charter for integrated transport and land use management for state and local governments work in the context of that kind of transport planning around these new developments. I guess that charter in its own right really has never been picked up, even though it was endorsed through the ATC and the planning ministers—both their ministerial councils—as a document that would drive an outcome that would probably deliver what you are talking about. So there is a misconnect between developments and transport planning. As a body, we do not have that role. We think there is a need to fix that up.

CHAIR—I think you are right. This is my last question. How do we encourage patrons out of cars and on to public transport?

Mr Apps—Well, there is a certain level of natural attrition, I think. Some of them are just moving out because they are tired of urban congestion. There are obviously some financial drivers. As fuel prices increase, there is an effect. I think there is a growing awareness which needs to be retained and pushed by the federal government particularly that climate change and these issues are serious and that people need to take some individual responsibility to address them. For example, the emission trading scheme or the CPRS provides an interesting opportunity for the federal government to look at public transport and travel choices in a positive way to help people or incentivise people to think beyond their usual movement to the car. I do not think we could realistically ever say that cars are not going to be the number one convenient choice. If we can get one person to make one choice a different day, you start to get a cumulative effect. I think the CPRS provides an opportunity to treat public transport in a unique way.

I think the taxation system possibly can provide some incentives. It does not seem to grab much political appeal, however. It may be a little administratively difficult in getting bang for your buck. I guess it is developing what we would say, as I said, a national moving people strategy that identifies the levels of service that Australian citizens should receive. That then allows states to begin to think more seriously about the services they provide and make them a travel choice rather than a second choice. If you can get your services, reliability and frequencies

right and you get the system working right, people will make that choice. But, at the moment, as I say, they never travel first. It is a second choice. We need to change that whole mentality, I guess. So there is a range of things that I think the Commonwealth can do to incentivise it and some things that will happen because they will happen.

CHAIR—Mr Apps, on behalf of the committee, thank you very much for your assistance today and for being here. It has been very interesting. Thank you very much.

Mr Apps—Thanks, Chairman.

[5.48 pm]

IBBOTSON, Mr Jeff, President, Bicycle Federation of Australia

STRANG, Mr Peter, Executive Director, Bicycle Federation of Australia

CHAIR—Welcome. Before we go to questions, I invite both or either of you to make a brief opening statement.

Mr Ibbotson—Thank you, Senator. Today I will just outline our focus and our key message and some of our solutions. Peter will explain them. Our focus is to address the term of reference (c) in the inquiry, which is the benefits of integrating public transport with bicycle infrastructure initiatives.

Our key message is that decongestion, health, economic and environmental benefits will flow from improving the integration of public transport with cycling initiatives. We have a number of solutions that I think we can offer to the committee to help it in framing its recommendations. They are the provision of some key infrastructure to increase the options for taking trips by active transport modes, such as cycling and walking; some improvement in the rules on carrying bicycles on public transport; some marketing to inform the public about carrying bicycles on public transport; some targets so that we can see how those measures are working and achieving results; and some consultation with cycling groups around the country when new cycling and public transport facilities are being planned so that what gets put in is used and works. Peter, our executive director, will give some more details, particularly on the infrastructure side of things.

CHAIR—Thank you, Mr Ibbotson.

Mr Strang—I would just like to point out that for many trips which are not served well by public transport, having a bike at one end or other or, in some cases both, which I have known people to do, and then using public transport for the rest of the trip can mean that a lot of people can use public transport where they might otherwise not be able to. I guess there is plenty of potential to do this. Our submission talks about number plate surveys that have been carried out in Western Australia at particular railway stations. They show that up to 60 per cent of the cars parking at those railway stations come from within a 2.5 kilometre radius of the station. So people drive 2½ kilometres or less, leave their car at the railway station all day and then go to work. A lot of people can walk that far. It is only about 10 minutes by bike. So there is certainly a lot of potential. That is consistent with surveys that have shown it is over 50 per cent of trips in Melbourne and similar proportions in other mainland capitals of less than five kilometres. So there are long trips that clearly are not possible to be made by bike, but there are an awful lot of short trips out there for which a lot of people could ride.

I will not go through all the detail in our submission. I trust that you have read it. But some of the key things I would like to emphasise is that access to public transport centres or nodes can often be a problem. So providing cycling routes to those railway stations or bus stations, bus terminals and ferries can help people gain access. Sometimes even works around those stations can help a lot, as can pedestrian access. Quite often, you might have somewhere you can park

your bike but it is difficult to get to public transport from there, or it is quite a long journey by foot so that is a disincentive.

One of the key things, especially if someone has a reasonable bike, is that they want to be pretty sure that it is going to be there when they come back at the end of the day after they have made their public transport trip. So having some sort of secure bike parking, preferably undercover, is important. I want to point out that, in Victoria, a scheme has just been introduced to have bike cages at 18 railway stations around Melbourne. You can pay a $50 deposit for your tag and you have access to that parking station.

Some of the other key things are that in Brisbane, the Brisbane City Council and Queensland Transport have this fabulous bike storage centre. So you can leave your bike there during the day and catch the train to somewhere else in Brisbane. There are showers. There are—

CHAIR—Hairdryers.

Mr Strang—Exactly.

CHAIR—You do not have hat hair or helmet hair.

Mr Strang—Helmet hair can be problem. People pay a fee for that. I am not suggesting everything should be laid on for cyclists for nothing. Some of these things work well overseas and they are starting to be introduced here. They can make a big difference. So they keep people off the roads and using public transport and bikes.

Mr Ibbotson—That Brisbane facility has relatively recently been opened. It has capacity for over 400 bikes in there. At the moment, about 250 people are paying to use it. It is gradually building up its name and reputation. So there is a market for these things.

Mr Strang—Something else can help which is very common overseas. If you have been to Paris lately, there is a bike hire system operating right across the city. Brisbane is doing this too. Especially for tourists and for infrequent visitors, there is a system of bike hire. In fact, in Germany, it is operated by the railways. You can do things with computers and mobile phones so it is really easy to run. It means that you can, again, make part of your trip by public transport and you can explore the city or go somewhere else by bike.

There is another scheme that we are involved in, which is workplace bike fleets. Having bikes at work that employees can use during the day can mean that there is increased flexibility so you can catch the train in, use the bike during the day for your trips around town and then go home again on public transport.

One of the real problems is carriage of bikes on public transport. In Australia, there are quite often restrictive rules. I will not go through them all. In New South Wales, for instance, on the country trains, a lot of people like to go to the country, take their bikes, go riding around and then come back by train. It is a great way to see Australia. But New South Wales CountryLink trains only have three spaces available for carrying bicycles, surfboards or snowboards. So if there are two couples going, forget it. You just cannot do it. And you have to book ahead and put your bike in a bike box. It is just ridiculous.

Some of the good news stories you might have seen around Canberra is that ACTION buses here have bike racks on the front. And that works really well. Again, you can make part of your trip by bike, put it on the bus and then finish your trip by bike. That is a really good system that is being expanded.

There are problems with some other modes. If you try to put your bags in the back of a taxi and it has an LPG cylinder, there is not much room so you often cannot carry a bike. Air travel is a particular problem because all the airlines seem to have different rules. The rules here are much more restrictive than a lot of the overseas airlines. So we would like to see some of those rules made a bit easier for carrying bikes.

Before I finish, in some areas, bike riders use bus lanes. Certainly in Paris that has been a big success story—bikes using bus lanes. And there are a lot of places here. If it is a high speed route, clearly that is not appropriate. But around town you can mix bikes and buses pretty successfully. So they are the major, I guess, solutions that we would like to draw your attention to today. I will just let Jeff do a quick summing up.

Mr Ibbotson—Thank you. I will sum up very briefly. We have outlined that infrastructure is one of the key messages that we would like to get across so that we can have some connected cycleways and good bike parking and bicycle friendly public transport. I would like to see some better rules, more consistent rules and more appropriate rules on carrying bikes on public transport. Raising public awareness of what is there and what could be done is also a good item for the agenda, as are targets and, of course, consultation with the users, who know what works. That is all.

Mr Strang—I missed something. I missed a point about some of the benefits of increased cycling and public transport. Certainly congestion is a major issue, as you are aware. There are various estimates around it. I heard the other day that congestion is costing Australia $9.4 billion each year. Obviously, you can only get a certain number of people out of their cars and on to bikes. But even a small percentage can create a big benefit. Obviously increased physical activity and health reduces obesity. Obesity is a huge cost to the community. Riding a bike to work, or at least part of the way, has been shown to be good for productivity. Once again, it means a small increase in productivity because people arrive fresh and ready to go. Even a small percentage increase in productivity, as you would realise, has a large benefit. The other things are reduced road accidents and less transport fuel is required. Bikes can save a lot of money for individual households, which is very important at the moment. There are greenhouse gas emission and air pollution benefits. It is also a very friendly way to get around, especially in the local neighbourhood. People stop and talk to each other.

CHAIR—Thank you very much, Mr Strang. I might open the batting and indulge myself with your opening statements. The bike facility was brought to the attention of the committee in Brisbane. I think it was King Edward, King George or King William.

Mr Strang—King George Square, I think.

CHAIR—But the only difference is that the same people that put that presentation to us, the witnesses, mentioned all the same stuff as you, except they finished with bike riders are better looking.

Senator O'BRIEN—I was going to ask that question.

CHAIR—So you can amend your notes. In your opening statement—I just want to touch on it so I am very clear—you said that, with the park and rides, most of the car journeys are within a 2½ kilometre radius. I just want to clarify. Were you suggesting that people should look at riding or there should be some mechanism to make people ride that distance or to improve infrastructure so they might want to ride a bike?

Mr Strang—Certainly we would not coerce people. Just putting in parking is incredibly expensive. Buying land and laying the bitumen in a major capital can cost $10,000. So what we are saying is if you have decent bike parking that is close to the station and you have good on-road and off-road cycleways, you can encourage more people to ride instead of driving their car.

CHAIR—And encourage them?

Mr Strang—Encourage them, yes. There is no idea of forcing anyone to do anything.

CHAIR—Sure. That is quite all right. I understand. I noticed also in your opening statement you were talking about the ACT buses here with the bike racks. You were saying that it is working well. I cannot recall the actual words. I do not know if you were in the room for the previous witnesses from the Bus Industry Confederation.

Mr Strang—No.

CHAIR—What they clearly said, from their view, is that it is not working. It takes too long. People are waiting on the bus tapping their fingers wanting to get moving. Do you want to expand on that a bit more?

Mr Strang—The ACT government is very much behind it. I have not seen any evidence. I guess in individual cases you might have a delay, but you can have a delay with prams. There are all sorts of—

CHAIR—Yes. I was going to say that next.

Mr Strang—Prams or people in wheelchairs. The buses here allow access for wheelchairs. It is a lot quicker to put your bike on the front of a bus than to get on with a wheelchair or a pram.

Mr Ibbotson—It is about a 30-second operation to lower the rack, lift the lever, put your bike on, lower the rack and hop on.

CHAIR—I think it is a wonderful initiative. I really do. I raised earlier that my PA cycles, jumps on a train and cycles. The two cycle legs, if I can describe it like that, are a kilometre and a kilometre. The train ride is 40 kilometres. There is lunacy in Perth. We have a wonderful train system but cyclists cannot access the train. They cannot put their bike on the train during peak hours. When I say lunacy, I mean we have a $1.6 billion wonderful railway line down the southern suburbs. But how do you encourage them? Not everyone is a lycra clad warrior. Are you lycra clad warriors?

Mr Strang—Only on the weekends. I was in London recently. There people carry bikes on the trains. The trains can get really crowded, probably not at the height of the rush hour, because you just could not get on and off with a bike.

CHAIR—And you do not have to fight with surfboards either in London.

Mr Strang—No, you do not. People are sensible. You can get some idiots, of course. But it is about having a blanket ban. Just look at some of the restrictions in Sydney. Any trip between six and nine in the morning and four and seven in the evening is regarded as peak and you cannot have your bike. Even if you finish the journey at 4.05, then strictly that is a no-go zone. You might have a short period where you say, 'Look, don't carry your bike because it is too crowded', but I think public transport authorities can be far too conservative.

Mr Ibbotson—One of the other aspects of the ACT system is that they started out putting the bike racks on the trunk routes, so there would be not bikes getting on and off at every bus stop. You would put your bike on at one of the town centres and go to the next town centre. So the disruption to service times is absolutely minimal.

CHAIR—So the bike is in the bus?

Mr Ibbotson—No. On the front of the bus. But my point is that it is not stopping and starting for a bike at every bus stop.

CHAIR—Yes, of course. On that, I know Senator Ludlam is keen to ask a few questions.

Senator LUDLAM—Thanks a lot for your presentation. Thanks for coming down. There seems to be a bit of a rule of thumb in planning folklore that the pedestrian catchment for public transport is somewhere between 400 and 800 metres that people will reliably be happy to walk. Is there any kind of rule of thumb for cycling if the infrastructure is there?

Mr Strang—I am not aware of it. You can make a trip of, say, three to five kilometres in 10 or 15 minutes. It is not an absolute cut-off, but even up to five kilometres. I rode here today about three kilometres. It took 15 minutes, even on a warm day like this. But it is just as quick for those sorts of trips as driving.

Mr Ibbotson—By the time you find a parking space and then walk to the platform and whatever, it is often quicker.

Mr Strang—I think that is probably not a bad guideline—three to five kilometres.

Senator LUDLAM—There was a little evidence we took in Sydney about bike infrastructure in inner city Sydney or the City of Sydney central area. The evidence we got was a bit contradictory with regard to outer metropolitan areas in that it just really does not exist in some of the outer metropolitan suburbs. What is the state of play that you are aware of for whole-of-city planning for bike infrastructure, or is it a bit fragmented?

Mr Strang—I am having a little trouble hearing you. It is very piecemeal. Some cities are doing a great job. Clover Moore is really keen on it as a part solution to Sydney's transport

problems, so they are installing bike lanes on a number of Sydney routes now. It takes a long while because retrofitting bike lanes can be awkward. But the solution in the ACT, which I think is a good one, is that when roads are upgraded or resurfaced, that is when you put bike lanes on. So you do not have a big capital cost. Gradually, over a period of years, you can end up with a good network. That is what you want. You want a network. It is not necessarily being planned. It is happening as the opportunity arises. But basically we are ending up with a good system of routes here in the ACT.

Senator LUDLAM—Is your expertise mainly around the ACT, or do you keep track of how the rest of the country is going?

Mr Strang—Well, we do have member groups around Australia, so we hear about what is happening. At our committee meeting the other day, our representative in South Australia was talking about a major route that has just been introduced in Adelaide. So it is happening. It is a matter of spending some money and having a plan in mind and having a policy.

Mr Ibbotson—I think one of the advantages that Brisbane has is that there is one council that covers a large area whereas in Sydney there are endless numbers of councils that each have different priorities. There are a number of councils that have quite good cycle friendly facilities, particularly some of the inner city councils. But some of the outer urban councils—I think in the Liverpool-Fairfield area—have quite a good policy on cycling issues as well.

Senator LUDLAM—It did come across as fairly piecemeal. It is the sort of thing that if you are networking an entire metropolitan area, you do need people to be talking to each other. We have state governments looking after areas the size of a continent. We have local governments looking after neighbourhoods. We have the Commonwealth government looking the other way. We do not really have anybody doing the whole-of-city planning.

Mr Strang—No. I think that is very true.

Senator LUDLAM—I want to go to funding. Can you sum up for us, using words as blunt as you are happy to use, the attitude of road authorities and councils to improving cycling facilities? How are we doing?

Mr Strang—Not well, very briefly.

Mr Ibbotson—But, that said, the Bicycle Federation has been running seminars for local government officials. We have a bike ability program that runs seminars for council planners and traffic engineers to explain how easy it is to install bicycle friendly facilities when they are doing their general planning. That has been quite well received among councils around the country. We have conducted seminars in a number of venues. So it is a matter of awareness raising, I think, rather than hostility.

Senator LUDLAM—Sure. We might keep you very, very busy over the next couple of years. Do you have any idea what percentage of road budgets are spent on improving cycling facilities or infrastructure?

Mr Strang—I think it is probably well under one per cent. It is very, very low.

Senator LUDLAM—Do you have a figure in mind or is there an appropriate kind of benchmark figure that would get the job done?

Mr Strang—Well, to get the job done, that is a project over many years. We actually were working with the Cycling Promotion Fund, who you may have as a witness. They may have appeared or they may be appearing. We had a program where we talked about spending $50 million a year over four years. We called that the HEAT program—Healthy and Active Transport. I know that the federal government has allocated $40 million to cycleways in the stimulus package. But $40 million does not go very far at all. In the US, they spend hundreds and hundreds of millions of dollars. Ultimately, it is that sort of expenditure. But the benefits are very great. Yes, it is tens and hundreds of millions, unfortunately.

Senator LUDLAM—In state and federal governments we have people who are expert in road transport planning and people who are expert in public transport. What is the state of knowledge and awareness in the public sector about active transport—cycling and walking?

Mr Strang—I do not think it is all that good. I understand that the department of environment has really given up. They were a strong proponent of cycling and public transport and sustainable transport modes, but I think they have moved most of the responsibility across to the department of infrastructure. Traditionally, although they host the Australian Bicycle Council, they really have not had, I do not think, a very hands-on, proactive approach. That may change. Hopefully it will.

Senator LUDLAM—Do you have much information on the state of the bike manufacturing industry in Australia and what kind of levels of employment we have? Do we import or do we make them here?

Mr Strang—We import probably 95 to 98 per cent.

Senator LUDLAM—We do not even manufacture bicycles any more?

Mr Ibbotson—Malvern Star, which was an iconic name in the bicycling world, has recently relaunched itself in Australia. It is marketing a number of quite high-end bicycles. That is the beginning. I think the Cycling Promotion Fund, who are putting in a submission to the committee, can well enlighten you more on that score. But the future, I think, could well be in the design of bicycles. A lot of design work for bicycles happens in Australia. But the cost of manufacture means it is cheaper to have it done offshore.

Mr Strang—Taiwan, and to some extent China, is the big manufacturing centre. There were some big US cycling companies and bicycle companies. Most of their bikes get made in China or Taiwan. It is unfortunate.

Senator LUDLAM—I guess that is part of a much bigger conversation, is it not?

Mr Strang—Yes.

Senator LUDLAM—Thanks very much for your evidence today.

Mr Strang—Pleasure.

Senator BACK—Until last Tuesday, I was one of your statistics in Perth. I live less than 2.5 kilometres from the Canning Bridge railway station and failed to take my bicycle, for all the reasons you mentioned. I could not get it on the train. I could not find anywhere for it. I did not have a place at work to shower and usually came home at night. I do have a question about helmets. At one stage in my past, we managed an operation that had, as part of its business, 2,000 hire bikes. There was great controversy as to whether compulsory helmet use should come in. It subsequently did. There were many arguments in favour and against. One of the ones against was the fact that the Dutch are the highest per capita users of bikes and they do not use helmets. The question being asked was: whilst it might save some lives and save some major health problems, it was probably going to turn a lot of other people off riding bikes. That was in the early 1990s. I just wonder on the basis of 15 years whether there is any data now that says that helmet use is popular. Secondly, has it turned people off cycling if it is compulsory?

Mr Strang—I think for a lot of people, wearing a helmet is not something they like to do. Personally, I feel naked if I do not have my helmet on. I am really convinced that there are benefits. If I have a spill, I do not want to hit my head on the pavement. There was evidence when the helmet law was introduced here that there was a drop in cycling. Whether that was cause and effect it is hard to tell. But certainly numbers of bicycle sales and bicycle use have increased markedly in the last five to 10 years, especially over the last five years. So it is hard to say that helmets are stopping people riding their bikes. Certainly some people, especially young people, and women sometimes—my partner will not wear a helmet, for instance, because she would rather wear—

CHAIR—Helmet hair?

Mr Strang—Well, partly that. But also she likes a brim. You do not get that with a helmet. So there are a number of reasons. A lot of people do not wear helmets. The law is generally not policed. It is a bit like that 'Don't ask, don't tell' rule in the US military with gays. Personally, I think it is a good idea to have the law. It is a good idea for people to wear helmets. On the other hand, unless there is a real increase in head injuries, it is probably not worth policing. I know that is a funny approach to the law.

Mr Ibbotson—I want to make a follow-up point. When this debate was happening in the UK, the British Medical Association came out and said that the evidence in favour of encouraging people to ride bikes outweighed the risks of having head injuries. The health benefits of having people on bikes was just greater, so they did not support the introduction of helmets in the UK because of the cost-benefit analysis.

Senator BACK—That is the view I tried to put to my minister and the minister for police at the time without any success. My only other comment relates to urban planning. I had occasion twice to live in the city of Davis in California, the main business of which is the university. I think there were 50,000 students on the campus in those days. It was not one of the University of California's biggest campuses, but Davis prided itself on being America's energy conscious town. It was interesting that the entire town was designed around bicycle use. Admittedly it was flat. But deliberately the places you would want to go to downtown and, of course, the university campus were so designed that parking was inconvenient and distant. Therefore, I would have

said that 90 per cent of everybody, including professors, staff and others, all cycled. You just got into the mode of cycling. Unless you were leaving Davis to go elsewhere, you did not tend, summer or winter, to do anything other than use your bicycle. I guess it must have started with urban design because it was so convenient to ride and so inconvenient to take a car.

Mr Strang—And that is true in many European cities as well. It is just easier for people to ride. But there is no law saying that you have to ride a bike in the Netherlands, Denmark or Germany. Ten per cent of trips in Germany are made by bike. It is a huge proportion.

CHAIR—What about in the Netherlands? Do you have figures for there?

Mr Strang—Not off the top of my head. It is high. It is probably around 20 per cent.

CHAIR—There being no other questions, I thank the representatives from the Bicycle Federation of Australia, Mr Strang and Mr Ibbotson. Thank you very much. To the staff of Hansard, thank you. That concludes today's hearings.

Committee adjourned at 6.21 pm