

## **TRANSPORT IS DIVIDING SOCIETY**

File: TRANSPORT PRICE

Transport in Australia is incorrectly priced.

A simple enough statement but as regulators and operators of mass transit, how can we ever begin to have real market impact unless we are permitted to operate our business in a rationally priced environment.

We can tinker at the mass transit edges by getting people to work and kids to and from school but to have a real impact mass transit must become embedded in the daily transport habits and decisions of society as a whole.

Those fortunate enough to afford to own a car are not paying anywhere near the full community cost for that privilege. We all know this to be true. The libraries of research written over the past twenty years overwhelmingly show this to be the fact. The brilliant work by Australian based Professors Stanley, Hensher, Newman, Mulley, Glazebrook and many others supports this assertion. Every transport provider, regulator and transport/roads minister around Australia understands it. It is Transport 1A.

How can we expect rational decisions to be made about transport choice when we continue to price subsidise the car owner/driver?

How can we as providers of mass transit compete with the private car owner at such a huge price disadvantage?

The price of utilities such as water, energy and health reflect the cost of consumption allocated equally to every member of the community. If we choose to consume more of these commodities and services we make that decision on the basic proposition that we pay more. The leaders of these industries grasped this point many years ago and society accepted the basic premise of paying for what they use.

Not so with travelling by car. We do not make the connection between using a car and paying more for that privilege because we are not driven by true price. Sure, we use and pay for more petrol but we do not pay for increased road usage, road damage, the congestion we induce, the increased insurance risk we are creating or the accidents we are having – all of which are currently absorbed by the community as a whole – even when we do not own a car.

According to Infrastructure Partnerships Australia (IPA), congestion already costs Australia \$9.4 billion every year. Without action, these costs will more than double to \$20.4 billion by 2020 – only six years away.

The general community and many of our decision makers do not understand what this cost means on an individual basis. We feel inconvenienced by wasting precious time stuck in traffic or having freight delayed, but not as an individual financial penalty. Until that cost is felt directly in the hip pocket it is going to have very little influence on individual transport choice.

If road users were explicitly paying 'per use' on every road then an appropriate fee/service culture would emerge. If transport providers, freight operators and commuters could easily compare the cost and value of different modes of transport, they may also make different transport decisions. You would pay for what you use and most importantly you would feel and understand it as an INDIVIDUAL.

Demonstrating financial savings is likely to be more effective in reducing road use than highlighting travel time savings. Communities show more support for road pricing, such as congestion charging, if the government uses 100% of the revenue raised to improve public transport. Studies also show that community acceptance increases as road users begin to experience reduced congestion and time savings in their journeys.

The road price issue is not related to the technical aspects of individual road pricing or government revenue gathering concerns by foregoing fuel excise and annual registration. The former can now be easily achieved with GPS.

**It is all about society's decision makers having the willingness to level the playing field so that the community can decide their mode of travel by directly relating their choice to the real cost of that travel.**

That means long term urban planning that promotes inclusiveness, providing viable, price attractive alternatives to owning a car and most importantly creating a culture where mass transit is perceived as the preferred, seamless first choice for travel. It will take thirty to fifty years to achieve but think of where we could have been if we had begun this process in 1980 – perhaps not so long ago!

It is only when we reach that point will the providers of mass transit have the real opportunity to compete on a level playing field with the personal motor car. The alternative is we continue to tinker at the edges and this is surely no longer acceptable.

To proceed down the path of doing nothing is to invite further division in society that will be reflected in disharmony, increasing isolation and ultimately civil discourse. That is Society 1A.

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The views portrayed in this article reflect the personal views of Peter Moore