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**HOUSE OF
REPRESENTATIVES**

STANDING COMMITTEE ON ENVIRONMENT AND HERITAGE

Reference: Sustainable cities

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HOUSE OF REPRESENTATIVES
STANDING COMMITTEE ON ENVIRONMENT AND HERITAGE
Thursday, 19 February 2004

Members: Mr Billson (*Chair*), Ms George (*Deputy Chair*), Mr Barresi, Mr Cobb, Mr Hunt, Mr Jenkins, Mr Kerr, Mr Lindsay, Ms Livermore and Mr McArthur.

Members in attendance: Mr Billson, Ms George, Mr Jenkins, Ms Livermore and Mr McArthur

Terms of reference for the inquiry:

To inquire into and report on:

Issues and policies related to the development of sustainable cities to the year 2025, particularly:

- The environmental and social impacts of sprawling urban development;
- The major determinants of urban settlement patterns and desirable patterns of development for the growth of Australian cities;
- A 'blueprint' for ecologically sustainable patterns of settlement, with particular reference to eco-efficiency and equity in the provision of services and infrastructure;
- Measures to reduce the environmental, social and economic costs of continuing urban expansion; and
- Mechanisms for the Commonwealth to bring about urban development reform and promote ecologically sustainable patterns of settlement.

WITNESSES

McINTOSH, Mr Lauchlan, Executive Director, Australian Automobile Association..... 13

METCALFE, Mr John Stewart, Director, Research and Policy, Australian Automobile Association..... 13

MOORE, Mr Peter Byron, Executive Director, International Association of Public Transport, Australia and New Zealand..... 1

Committee met at 11.05 a.m.**MOORE, Mr Peter Byron, Executive Director, International Association of Public Transport, Australia and New Zealand**

CHAIR—I declare open this public hearing of the House of Representatives Standing Committee on Environment and Heritage for the inquiry into sustainable cities to the year 2025. This hearing is the third for the inquiry and we are tickled pink to have such a distinguished presenter today.

Mr Moore—I am the Executive Director of UITP, Australia and New Zealand. UITP stands for Union Internationale Des Transports Publique. The English translation is International Association of Public Transport.

CHAIR—Although the committee does not require you to give evidence under oath, I should advise you that these hearings are formal proceedings of the parliament. Consequently, they warrant the same respect as proceedings of the House itself. It is customary to remind witnesses that the giving of false or misleading evidence is a serious matter and may be regarded as a contempt of parliament. Would you like to make a brief statement in relation to your submission or some introductory remarks?

Mr Moore—Certainly. UITP was founded in 1885 by King Leopold of Belgium to sell steel railway lines to the world. It has evolved into one of the largest transport associations in the world, representing some 2,200 members in 85 countries. It now has offices in Canberra, Hong Kong, Rome, Moscow, South Africa and South America, so it is a truly multinational group. It is involved in sustainability issues and has a number of working groups in Europe at the moment and is becoming more involved in the Asia-Pacific region, particularly in areas such as China and the emerging developing areas of Korea, Vietnam, India and so forth.

The submission we have put forward today in some essence gives an international perspective on the question of sustainability. We call public transport ‘mass transit’. We do not like the term ‘public transport’—we think that has entirely the wrong connotation—so we like to use the term ‘mass transit’. Another term that is being put around Australia at the moment is ‘passenger transport’. That is trying to create a different perspective on the way the community views public transport.

We have had a number of international groups come to Australia in the last few years—most recently a chap named Hank Dittmar from a group called Reconnecting America. Mr Dittmar worked with President Clinton on the Surface Transportation Act in America in the nineties and was largely responsible for the introduction of that act. When Hank was here we took him to Brisbane, Sydney, Melbourne and a number of regional cities. His overwhelming conclusion at the end was that he felt that Australia was at the point where California was perhaps 10 years ago. California did not take the right options with mass transit and to some extent the community is paying for that. We feel that cities such as Sydney, Brisbane, Melbourne and, to a lesser extent, Adelaide and Perth are in a similar situation, where they have an opportunity to introduce policies that will make a difference to the way sustainability works in our community and perhaps we are not taking advantage of the time we have available to us.

We believe there are a number of opportunities, particularly in the federal, national, policy arena, where we can introduce policies that will have an effect. I will talk about that a little bit today, I would hope, particularly on areas such as taxation, fringe benefits tax and so forth. Although we are a public transport association, we do not see ourselves with the view of car versus bus or train—that is not where we are coming from. We believe there is a balance in this debate but we do not have the balance quite right as yet in Australia.

Sustainability is becoming a huge question. We believe there is now a very strong business case for sustainability. While I was sitting here waiting for the hearing to commence, I was reading through our latest publication. It suggests that the cost of congestion for Europe comes in at around €210 billion, considerably more than the total amount invested in passenger transport. We estimate that the cost of congestion in Australia is over \$12 billion. I am sure you will hear that figure quoted to you many times in the next few months. Quite simply, what they are saying in Europe is that they are spending more on congestion than they are on public transport, and we believe Australia is headed down that same path.

We believe sustainability in public transport and mass transit makes good business sense. We have done a large international study called the *Millennium cities database for sustainable transport*. It strongly suggests that the most efficient cities in the world—and it compared 100 of them, including three in Australia—are those that concentrate on mass transit. There was overwhelming evidence. The study was done by Professor Newman and Jeff Kenworthy in Perth some years ago. It was a very extensive study, and the evidence is now very well accepted around the world that those cities that are the most efficient are in fact those that invest in mass transit. We can certainly make the millennium cities database report available to you, if you so wish. It is an excellent piece of work.

CHAIR—Yes, please.

Mr Moore—In the Australian context, we have a couple of issues that we would like to put before the committee today, because you can be easily overwhelmed with many issues. One issue is the impact of fringe benefits tax on mass transit at the moment. We believe that policy is skewed towards motor cars and encourages extensive use of motor vehicles and that public transport, passenger transport, does not have the same opportunities. We have some ideas, and our submission certainly puts those ideas forward. The overwhelming evidence of what is emerging in places such as the United States and Canada—and in other places—is the introduction of taxation incentives to use mass transit. In America, for example, an employer can give an employee \$US100 a month tax free to use to buy tickets to travel on public transport.

It may not make a large difference, but it creates a different imagine of the way people view public transport and we believe that opportunity exists in Australia. Canada is introducing very similar schemes. As recently as three weeks ago we had what is called the ‘throne speech’ in Canada, where the Prime Minister gave an undertaking to introduce such measures in Canada. The United Kingdom, in the 2002 budget, introduced similar measures. Our submission certainly alludes to those facts, and I would encourage you to look at that more closely. Largely, what we are saying is that we need to regain an atmosphere in Australia around transport that, if you use it, you pay for it—that is, your behaviour relates directly; you pay for what you use, where we believe the opportunity for things such as pricing comes into vogue.

I will mention one final thing, and that is the aspect of congestion pricing. You have probably heard some stories involving the Lord Mayor of London, Ken Livingstone, and how he has introduced congestion pricing. An article dated 15 February suggested that cities throughout Britain and across the world are poised to introduce their own congestion charges after the apparent success of the first year of the groundbreaking London scheme. Edinburgh and Cardiff are furthest ahead. Stockholm is to start a pilot program next year. Barcelona and Milan have shown an interest. In North America, San Francisco is moving that way and, in fact, is openly talking about a congestion charge to complement existing tolls on special fast lanes of highways.

It does not really matter what the technology is or how it is applied; the aspect we are interested in is that, if you use it, you pay for it. We really think that equation has been lost in the way passenger transport is delivered in Australia. Behaviour is not linked to what you are paying. So, if you use your motor vehicle to travel to work in Sydney, although you may not feel that you are paying for certain aspects of that, your behaviour is not reflected in that. We believe there is an opportunity there for what we call the carrot and stick approach, where perhaps we give people some financial incentives to use mass transit and we introduce a pricing scheme so that people's behaviour is linked to the way they use it. That sums up pretty well where we are coming from at the moment. As I said, it is a huge issue in Europe at the present time. The overwhelming evidence, we suggest, is that the business case for sustainability in transport is becoming stronger and stronger and I think that opportunity needs to be exposed to the Australian public.

CHAIR—Thanks. We appreciate that, Peter. Can you characterise the membership base of your organisation—there are obviously transit authorities, government departments and private operators?

Mr Moore—We are a non-profit association. We rely entirely on member contributions. We do a number of large conferences, for example, a world transport congress every two years. In Australia we have 56 members—groups like State Transit, State Rail, Queensland Rail, and some of the large multinationals such as Connex, Vivendi and those sorts of groups. It represents the largest players in the world of public transport. The 2,200 members around the world are similar members—China, India.

CHAIR—In addition to advocacy, do you guys do research projects or analysis for the members? Is that part of what you do?

Mr Moore—It is a large part of it. They have a group in Europe called the Euro Team which takes in retired CEOs who have worked in large groups for a period of time.

CHAIR—That is a good idea.

Mr Moore—Yes, it is an excellent idea. It is something that we can do in Australia.

CHAIR—It is the village elder concept coming into mass transit.

Mr Moore—It is a bit.

CHAIR—You mention those comparisons between cities and those congestion figures in particular. What kinds of externalities are incorporated into the congestion pricing and therefore underpin the business case that you are describing?

Mr Moore—The way the millennium cities database was structured is very similar to the way you see externalities in Europe where we include aspects such as congestion, accidents, safety, pollution—all those issues are encompassed within those particular externalities. The problem I see with a lot of the studies is that they are too complicated. What we tried to do with that study was keep it fairly simple where the community could understand what the effects were. So we are trying to introduce this aspect of—

CHAIR—Where you have stripped out the juicy stuff and—

Mr Moore—That is right.

CHAIR—It is on that body of work so we can track that down and get a closer handle on that.

Mr Moore—It is on that database. I will get you a copy of that.

CHAIR—That would be handy. Related to that though—and I raise this in the context of the Sydney hearings that we hosted—was the link between human wellbeing and more sustainable patterns of settlement in more sustainable city living styles. Are the improved wellbeing consequences of what you are advocating factored in? Is that part of your analysis? I do not know how far you have advanced but it seemed to be an emerging field of inquiry that we certainly found very interesting.

Mr Moore—Quality of life is becoming one of the largest issues in Europe particularly and I think we are going to find that in Australia in the near future. I have had a number of meetings with people over the last few years talking about quality of life issues and how Western Sydney is evolving in certain ways without adequate transport links and the marginalisation of society we see as a result of that. Quality of life is almost becoming the most important issue. For example, at the moment noise is one of the largest problems emerging in European cities. It is a quality of life issue. Certainly that study reflects those issues. One of the most difficult things to bring into this debate is how you measure quality of life. The database certainly brings those aspects into it and we would certainly like to show you that.

CHAIR—You touch on time scarcity. We are hearing about mental health consequences and the like and what I call ‘suburban toil’ when you spend 3½ hours commuting to your place of work and what that does for other aspects of your humble existence.

Mr Moore—Obesity is becoming an issue. The link between health and transport is becoming quite strong. We saw a statistic in the *New York Times* that the number of miles Americans travel on the roads has doubled since 1963. The number of overweight children aged six to 11 has doubled in the last 25 years. The average 11-year-old in America now weighs 11 pounds more than he did in 1973. I think that we will see similar things in Australia.

CHAIR—An interesting thing that was not canvassed to any great depth in your submission—but I am sure that your organisation has done some work on it—was this active

transport idea where you have mass transit elements and then self-propelled elements, whether on foot or on a bike. The integration of the intermodal stuff, which people have talked about for a while, misses the point that if you cannot stick your bike on the train you have a problem. Is there some work emerging out of the practical experience people have—how the rubber hits the road—in trying to behave in the way you are advocating when those really basic things like parking your bike are difficult? Some buses will not let you take your bike on board and the trains are a bit reluctant in some jurisdictions as well. Is that part of your work as well?

Mr Moore—It is a concept we call ‘seamless mobility’. I always say to committees such as this that passenger mass transit will be successful when you do not have to think about how you travel—when it is just there. For example, you hop in your motor car and you drive off. You do not think about it; it is just there. When you use passenger transport, you have to think, ‘How do I get a ticket? Where do I get the information from? Is it on time? Do I have to be at a certain place at a certain time?’ I think that aspect is the most important part of it all.

It is how you introduce that concept of seamless mobility. Encouraging things like smart cards in Australia where you do not have to buy a ticket—where the smart card is just there—means you do not have to think about issues such as how much it costs or where you are going. Smart cards will work—it will tag on and tag off. It will be time or distance based. Any encouragement we can give to introduce smart cards into mass transit will go across the whole community.

CHAIR—Is it like an e-tag toll for cars, but have that transportable model for humans?

Mr Moore—That is right. I think you will find that you will buy your newspaper or whatever with a smart card.

Ms GEORGE—Are there any examples in Australia of the seamless journey actually operating that we ought to look at?

Mr Moore—Queensland is trying with TransLink to integrate rail, bus and so forth. They are about to introduce smart cards and provide information. They are doing it quite well.

CHAIR—Some of their buses have that cargo bay on the front.

Mr Moore—Bike racks.

CHAIR—You can slide your bike up on it. It is like a bull bar without the bulls—a bike bar.

Mr Moore—There is no magic solution to all this. It is all the one percenters that will add up over the next 10 years to make a difference. Smart cards are one of those one percenters.

CHAIR—You sound like Kevin Sheedy.

Mr Moore—Wrong team, but that is what it is all about. Another aspect is better facilities. For example, here in Canberra we are trying to introduce interchanges that are more like airport terminals, where it is a pleasant environment to wait. For example, if you catch a bus in an interchange in Canberra, it is quite intimidating; it is not pleasant. Why don’t we build some decent facilities for people? With passenger transport, we always seem to concentrate on the

minimum. What is the minimum we can get away with to satisfy community demand? I think we would be surprised if we started to put a bit of quality into the system through issues such as information and facilities. The evidence is that it makes good business sense for all communities to do that.

CHAIR—One of the things we are trying to do is highlight and herald the better practice that is going on, and say, ‘There’s no great mystery to this.’ You point us towards Brisbane. Let’s think about your seamless journey. You have fallen out of bed this morning. Where would you like to be if you have to go from A to B, you have got a bike and you want to use mass transit to get to a destination? What cities would you like to be in? What experiences would you value?

Mr Moore—In Australia, Brisbane is one of the better examples at the moment. The busway is probably one of the best in the world. People from Europe have said it is the best example of bus rapid transit in the world at the moment. The people live close to the interchanges, so they either walk up, park and ride, or kiss and ride. When they get to the interchange, it is a pleasant environment to wait in. There is no graffiti. A lot of effort has been put into surveillance on the system 24-hours a day, so it retains that quality about it. When you get on the bus, it has a nice low-floor and you can get a seat. But the one thing that is guaranteed is that, if you get on that bus at 12 minutes past eight every morning, you are in town at 23 past eight every morning, without fail. The reason that BRT works in Brisbane is that people can sleep in half an hour longer because they have confidence about being able to do that every morning. That is a large aspect of it all. The travel into Brisbane city is pleasant. It is a nice new bus. It has television on it. Once they have smart cards and better information, it will bring another aspect into it. It is a very expensive system, but it works very well and patronage has been growing.

Ms GEORGE—Is it run by the city council?

Mr Moore—Yes, it is run by the council. Maureen Hayes has largely been behind this, and it works very well. If you want to see the best example of how to do it in buses, have a look at Brisbane.

Ms GEORGE—On the issue of congestion pricing, your submission makes reference to what is happening in London. It seems to indicate that there is a greater degree of acceptance when the revenue that is raised is hypothecated so that people can see where it is going. Would you like to expand more on that?

Mr Moore—Yes, that is absolutely fundamental. If people are told up front that every penny we collect from this will be put into public transport or new buses, that is the way it works. Ken Livingstone spoke at our world transport congress in London two years ago, just before it was introduced. It was a huge political gamble on his behalf. His whole future was based on that one policy. He said to us in that environment, ‘This will work, because I’ve told people what I’m going to do with every pound. I’m going to put it all into new buses. I’m going to have it audited. I’m going to demonstrate the new vehicles when they’re released and so forth,’ and he has.

Ms GEORGE—And it is working well, is it?

Mr Moore—Yes, it is working. The average speed in London has gone from nine miles an hour to 17 miles an hour. I was in London in the middle of last year, and it is noticeable: the traffic does move. Retailers are accepting it. There is a lot of information—it is misinformation to some extent—that people are frightened by it all, but generally there is greater acceptance of it. That is why other countries are looking at introducing it. Sydney, we think, has an opportunity to do that at the moment. There has been a lot of editorial comment in the *Sydney Morning Herald* in the last few months about pricing some scheme.

I always have great difficulty when I go to cities in Australia like Sydney and Brisbane where it is your God given right to drive down George Street any time of the day or night—and it is free. Behaviour is not shown to be costing you anything. That is the link we are missing at the moment. Our behaviour is not linked to cost: ‘If I do this, it costs me more.’ There is a great example in America at the moment where they have what they call the Lexus lanes. If you travel in a particular lane on the freeway, you pay more. So if you are running late to pick up the kids from school and you think, ‘Oh, I’d like to go in that lane so I can get there on time,’ you pay more. They link behaviour to travel patterns.

CHAIR—Pick Sydney, Melbourne, Brisbane or Perth. In the extent of the application of congestion charging are you primarily imagining the downtown area or are you going out further? I imagine the implication is to have an orbital ring of active transport options. We were in Green Valley the other week. There was that godforsaken railway station between the airport and the city that the train never stops at—it looks like a glorified dunny. Venues like that would be more significant because they are, I imagine, where you would make the swap from a vehicle to public transport. Is that the kind of thing you are imagining?

Mr Moore—It is. It is not hard to do this sort of thing. The difficult part is getting it right so the community accepts it—as you suggest, this hypothecation of funds. If we collect funds, what do we do with them? We need to put them in the right area. I think there is a general acceptance. For example, the study that the Warren Centre—part of the University of Sydney—did a couple of years ago asked the community what they thought was the major problem in Sydney at the time, and 80 per cent of the community said congestion. It is a huge issue in places like that. We are underestimating the acceptance of these sorts of issues being introduced.

Through a chap called Garry Glazebrook, the UITP member in Sydney, we put up a paper on congestion charging a few months ago. It gained immediate comment. The Lord Mayor of Sydney, for example, publicly suggested this was quite a good idea. We feel there is perhaps an opportunity in Sydney to start to do this. When we do it—and it will inevitably happen, I am sure—we need to get the area correct, we need to get the application correct and we need to show the community what we are doing with this. It is not a matter of simply putting pricing into a city; it is a matter of what else we do. Do we take cars out of certain areas? Do we put light rail or buses in that area? It is not simply a matter of pricing. It is a whole gamut of issues.

CHAIR—So with the Brizzie and London examples, are they running services on a commitment to a certain frequency or are they actually trying to stick to a timetable? If they say, ‘At six minutes past eight this bus is going to turn up here,’ people like me think, ‘Where’s the bloody timetable when you need it?’ We have had some submissions saying, ‘Forget nailing a minute in the hour. Do a frequency reliability: if there is not one here now, there will be one in 10 minutes.’ What are they doing there?

Mr Moore—Part of the idea is that you do not want to notice. You do not want to have to look at a timetable. You simply want it there. **BRT**—Bus Rapid Transit—in Brisbane works because if I miss one bus there will be another one in five minutes. There is a dedicated right of way where the bus is not held up, so the issue of timetabling does not arise. The bus can run at 84 kilometres an hour down the right of way and be guaranteed to be at a certain point at a certain time. You are right: you do not really want to go through that situation of asking, ‘Where’s the timetable and what time am I likely to get there?’ If I get out of bed five minutes later, I will catch the next one. That is why that aspect of it works.

Mr JENKINS—You said the BRT is expensive. Was the expense in the start-up infrastructure?

Mr Moore—Primarily, yes. It was built, some might say, as an additional lane on the freeway but somehow we forgot to put other cars on that particular lane. Taxis wanted to be involved in that as well; they resisted that quite well. It is quite hard to do—this is where what we call political will comes into it, and perhaps they stuck their necks out a little bit when they said, ‘All right, we’re only go to put buses on there,’ but the patronage has grown something like seven per cent a month every month since it has been opened. We have done some studies on property values along there that suggest that property values have gone up 15 to 20 per cent along that line, purely related to the BRT. It brings a quality into passenger transport that the community then starts to accept. They see it as a valuable piece of community, and that is important because it has to be seen as part of the fabric of community.

I am consistently perplexed about why we in Australia value schools and hospitals so highly but we do not value mass transit as highly. I have difficulty understanding why that is. I think it is important that we engender an attitude in the community that values mass transit—Brisbane has done it very well—and if it increases your property value by 15 or 20 per cent, sure it becomes a desirable piece of infrastructure to have next to you. It is intelligently done: the technology is there so that noise is not an issue and there are barriers up. Light rail in Sydney is the same.

Ms GEORGE—And the Perth rail extension.

Mr Moore—It was a great idea. Even before it is built you can see property values go up. It brings that community value into it. There is an interesting concept which you may have heard a bit about called the smart commuter mortgage emerging, where you can borrow more money if you live close to a transport interchange. The Americans have done it and we have got groups like Bendigo Bank who are interested in it. Again, that brings a value into mass transit that does not currently exist—people see it as a desirable thing to have within their community. I think engendering that community attitude and showing there is a role for it is almost as important as infrastructure so that perhaps the first choice when you are going to the shops to pick up your milk is: I will not to take the car; I’ll walk or I’ll take the bike, which is public transport, there is no question about that. Or you might say you will catch the bus or the train. It achieves a better balance—

CHAIR—It will not be ‘location, location, location’; it will be a case of ‘locomotion, locomotion, locomotion’. I could not resist the temptation!

Mr JENKINS—Have we got a problem because mass transit is always CBD oriented?

Mr Moore—Yes, it is. We find that people rarely work in one place for more than five years in Australia and they work in dispersed locations. This issue of moving people from home to work is becoming increasingly important in Australia. We need to be more flexible with how we deliver passenger transport. BRT is one of those opportunities where, for example in Brisbane, if the patronage increases quickly enough and high enough, we will put light rail on it. This aspect of community buses, where we can move buses to different routes and so forth is another idea. In Japan for example, they have a great concept where you go to an interchange and then you are picked up by another bus and taken home. I think that flexibility is something that we really do not have here in Australia for at the moment. Part of that is to do with the taxi industry—the deregulation of the taxi industry is a large issue here in Australia, and the availability or opportunity to introduce other forms of transport into that link between home and the interchange or home to work that would be cheaper is not available to us. That is important part of it all.

In Canberra, we work in specific locations such as Russell, where there are a big employment centres. It was suggested some years ago that perhaps we should give those places 12- to 15-seater buses and say, ‘They’re yours,’ so if you live in the northern suburbs of Canberra you organise that amongst themselves to go from there to work. That could be instead of having the large buses that run around Canberra. Those sorts of things have never really been explored in Australia. We have never really even done the studies to suggest whether it is possible not. I do not pretend to have the answer to that but we need to start to think a little more laterally than we do at the moment about how people work and live and move through a community, what they are seeking and how it can be delivered in a better way. That is one opportunity.

CHAIR—In your work, you touch on something we canvassed earlier—that is, most people do not travel just for the heck of it, once you are post pubescent you get over that. But there are important aspects in people’s lives that are being further and further dislocated. Your thesis is of a more compound kind of development where there are not just dormitory suburbs as far as the eye can see but also other economic, social and educational activities in the area. I imagine that would not only reduce the travel need but also create more vibrant centres of activity which, in terms of the satellite and the reach out from the hub of the metropolis, would better support mass transit options because there would actually be something else going on during the day other than school starting and ending. Could you talk about the urban planning issues there?

Mr Moore—Community is one of those big issues. It is one of those 30- or 40-year issues that we have to start to consider at some time. The way we have integrated transport into our communities is usually as an afterthought and in most places, it still is. We see transport as being the link around the outside of the suburb rather than being integrated within the suburb. This is where walking, aspects of pedestrianisation and cycling become all-important. We do not really think of it up front when we design our suburbs. We give lip service to a lot of it by saying, ‘Great idea.’ An example is the way we design cul-de-sacs these days and thoroughfares and so forth—Canberra is an example.

You are right. It is about getting back to this issue of quality of life and what people are looking for in a community these days. They are looking for employment in that community and easy transport links. If they want to go outside that community, there needs to be a fast link,

linking perhaps the outer suburbs of Sydney to the city. There is a fast train link and again, there is a guarantee. If I want to go into the city I can do it in 10 minutes, it is not going to take me an hour and a half. The Warren Centre in Sydney has done some great work on fast rapid transit between nodal links such as Newcastle, Parramatta and those areas. It is 30- or 40-year stuff but we really have to start somewhere.

What we have seen in the last month in Sydney is symptomatic of this sort of issue emerging. The cracks with State Rail at the moment are perhaps the first signs that cracks are really starting to emerge in a metropolis like Sydney. We have had this issue for over 10 years in Sydney; there is an opportunity now to change it. But we are not thinking about it, we are not moving in that direction, we are not even developing any policies that might explore some of those options.

CHAIR—In your submission, you are advocating that the feds could potentially tweak up things like Roads to Recovery and AusLink by saying, ‘You want the lolly, you do the legwork on these things.’

Mr Moore—We are not getting the federal direction nationally that we should have. The states are off trying to keep their public transport systems running day to day but not asking the questions: what do we want to have in 20 or 30 years time and what sort of city are we trying to devolve into?

CHAIR—Sydney 2025?

Mr Moore—Perhaps we are. The idea of this inquiry is to come out with some of that direction. But the states, as I said, are having trouble. For example, Sydney is trying to keep trains on time today, let alone thinking what our cities are going to look like in 20 years’ time. It is a role for national government that is not there at the moment. It needs to create that environment through taxation and those directions that perhaps do not cost a lot but remix what is already there.

Ms GEORGE—You make reference in the Warren Centre’s study to the concept of a city of cities. Can you explain what it has in mind?

Mr Moore—It is this aspect of moving people out of the CBD into Parramatta and those areas where we have large regional centres. But encompassed within that is employment, schools and quality of life within those centres. In Sydney, we have been pursuing a path of urbanisation within the CBD. You see evidence of that every time you go to Sydney these days. We think the infrastructure is being overwhelmed. We really have not thought about the other aspects of security and transport and all those other issues. Transport is just a part of all this. Perhaps we should start to look at how we encourage people and businesses to move out of the CBD and how we think about this 20- or 30-year time span of what we want the city to be. We will take the pressure off the CBD through doing that. In fact, it may become a dormitory; there may be an aspect of reverse commuting where people commute from the city out to Parramatta, for example. We see that emerging in America now. That may be a process we should aim for. There is this aspect of continuing to build more apartments and so forth within the Sydney CBD. We do not have the services and, god forbid, we do not have the funds to put services in there anyway. Governments in New South Wales have little opportunity to put money into transport these days let alone keep health and security going.

We need to think a little outside the square: we have this mix and how do we remix that funding a little better? How do we look for other opportunities to fund that? As you suggest, hypothecation through pricing is one of things—for example, if you were to travel on the M5, perhaps it would cost you \$7 or \$8. We did an interesting study a couple of months ago which suggests that Sydney residents will now accept a toll charge of \$7 or \$8 if it saves them 15 minutes. They pay about \$3 at the moment. That is an interesting result—they are prepared to pay more if they can reduce their travel time. Perhaps we could use some of that as an opportunity to put it into other forms of transit—more buses instead of more freeways, perhaps.

Ms LIVERMORE—You have a lot of positive initiatives, but all of the suggestions relate to local and state areas of responsibility. What do you see as the key one or two things that the Commonwealth can do? What is the Commonwealth's role in facilitating these things or encouraging them to happen?

Mr Moore—It is creating that framework, perhaps not through additional funding but by at least pointing in the direction that we would like to see cities emerging into. That encompasses things like migration policy and its effect on transport, and health policy. For example, we see statistics in America which suggest that 11-year-olds weigh more than they did in 1973. I am sure we would find the same result in Australia, and it is because they are frightened to walk to school. There could be some direction that in fact it is safer to walk to school than it is to be taken in a car, creating an impression, if you like, that we need to change our behaviour and think a little bit outside the square about what we are doing, and the effect that obesity is having on our health budget, for example. There is an opportunity there that we are missing out on.

It is all about perception, really. It is not about more money; it is about the perception you create. I was talking before the inquiry and saying that the impression we give about certain parts of transport is that it works very well—for example, CityRail in Sydney teeters on the edge of collapse every day because we are running at 120 per cent capacity, but to the people on Central Station it looks like it is running okay. Perception is all important in this. Creating the right impression about it all is what the Commonwealth has an opportunity to do, and there are many examples of that.

CHAIR—You made some rather frank comments about FBT in your submission.

Mr Moore—Yes indeed, there is an opportunity there to change the balance on that. We still have to contend with this ridiculous notion that the more kilometres you travel the less you pay. We have debated this for years and years now, through the Ralph review and so forth—it is nonsense stuff. People from overseas coming here cannot believe we still have such a policy here in Australia, where we encourage people to travel more kilometres in a car. If you wish to do that, you pay for it if you can afford to and that is okay. Most people in that situation could afford to pay for it, I think.

The University of New South Wales have done some studies in Sydney which suggest that 40 per cent to 50 per cent of the cars going into the city each day are in fact company cars that have concessions and a free place to park, and their behaviour reflects that. We could start to suggest to companies that they say, 'Let's give some concessions. If you use public transport you can have tax-free dollars to use to buy tickets, and we will finance that by taking off the FBT that we are paying on cars.' I think the community is ready to accept that sort of debate now—again, it is

an opportunity to remix what is already there. As I said, Europeans are totally perplexed by it. When I told him about that particular policy my Secretary-General from Brussels could not believe his ears. It is one of those anachronisms that goes back many years. It is time for a change.

CHAIR—I was pleased to read about your passive green zones in that clapped out farmland with cowpats as speed humps is hardly a great virtue in my mind. You are making the point that we could probably do more with those spaces than just decree their virtue because they are there. Can you talk more about that?

Mr Moore—Indeed. We have an opportunity to integrate green places into cities. We have seen some debate in the last week with Paul Keating's discussion of the harbour foreshore in Sydney. There is an opportunity there to create something within our communities that is available now but will not be there unless put the right policy in place. It is hard to do and, let's face it, these things require great will. It is very tempting to sell off some of these green sites for a lot of money that we desperately need now, and so it requires great political will to do that. But by all means I think the community out there is ready to accept some of these things; we underestimate them. That is a great point.

CHAIR—Thank you, I appreciate your time and congratulations on your submission. We had a mountain of them, and some were more compelling than others. Thank you for yours; it was quite thought provoking. I enjoyed it.

Mr Moore—I will send you the millennium cities database.

CHAIR—Yes, Dr Dacre has a list of things we will follow up with you.

[11.45 a.m.]

McINTOSH, Mr Lauchlan, Executive Director, Australian Automobile Association

METCALFE, Mr John Stewart, Director, Research and Policy, Australian Automobile Association

CHAIR—I welcome representatives of the Australian Automobile Association. Although the committee does not require you to give evidence under oath, I advise that these hearings are formal proceedings of the parliament and, consequently, they warrant the same respect as proceedings of the House itself. It is customary to remind witnesses that the giving of false or misleading evidence is a serious matter and may be regarded as a contempt of the parliament. I now invite you to make a brief introductory statement or some opening remarks.

Mr McIntosh—We appreciate the opportunity to make a statement. For the record, the Australian Automobile Association represents the interests of around six million motorists through its state and territory motoring clubs and associations. We have been involved in a wide range of activities, from reducing the costs to motorists to improving the safety and environmental performance—all of which have an effect on the sustainability of cities. We should say upfront that there is no way that we can address or have the competence to address all the issues of sustainability of cities.

We would note that Melbourne is rated as one of the most liveable cities in the world; so we have a pretty good base in Australia to work from. Whilst we always see a lot of problems, the reality is that, compared to many other cities in the world, Australia is seen to be a very acceptable place to live. One of the important parts about that as we see it—and we see it from our polling of motorists around Australia—is that people have a positive view about their car. They enjoy driving it and they are happy to use it. In fact, we are seeing car usage actually increasing, but we are not seeing people being concerned about congestion as an increasing issue, even though in some parts of the cities we see that as an issue. We would think that is more from a lack of infrastructure rather than they see other issues as being more important.

There has been a rapid improvement in clean technology in motor cars—probably more than we had anticipated. Certainly some of the new European standards which are being encouraged out here—and some cars are actually here—will virtually lead to cars emitting cleaner air than they take in. So we have a very positive opportunity there. The change to fuel quality is happening through the Motor Vehicle Environment Committee. We see that that could be accelerated. We think that there are opportunities for the government to perhaps provide some incentives or rewards for those car companies that went forward with environmental technologies. But, overall, we believe we are on the right track, though it would be nice to be on a faster track.

We would also make the point with respect to sustainability that safety is an important issue as is, to a certain extent, security. People's personal belief is that the car is a safe device to travel in. As we presented last week to the House of Representatives committee on road safety, there is no doubt that we see that there is a lot to be done—but that does not mean to say that it cannot be

done. We think safety is a really important issue with regard to sustainability. With the right type of cooperation between the roads, the drivers and the cars, we can make some improvements.

Having new roads and a lot of roads does not necessarily mean more cars. We see the average motorist still travelling the same distance that motorists did 30 years ago. There is no doubt that there are more motorists but the reality is they are still travelling only about 15,000 kilometres per annum. I do not have the numbers here, but I know that total travel time is fairly steady; there has not been a rapid increase. Information systems in cities are certainly important. As the past president of Intelligent Transport Systems Australia, or ITS, I believe there is a huge opportunity for better route guidance and better encouragement of the use of information systems which would allow people to make better informed choices as they move around. That really relates not only to their travel but to their whole well-being, and that also makes information systems more useful for their transport choice: do they catch the bus or the train or do they drive their car or ride their bike? The more information they have and the more ready access they have to that, the better they will be.

ITS Australia, with the assistance of motoring clubs, has certainly been very supportive of that. We have been working with the department of transport on looking at how we would promote these technologies in Australia. We believe there is a significant opportunity for the Commonwealth to lead in that area by demonstrating the new technologies so that there is a quicker uptake. It is like all of these things: which comes first—the cart or the horse? In much of the rest of the world we are seeing new technologies, such as automated buses and trucks and public transport, or information systems being demonstrated before they are introduced so there can be some acceptance. Quite often people are very nervous about new technologies so the more we demonstrate them the better.

CHAIR—On that point, your intelligent transport systems go beyond the vehicle and into traffic management technology?

Mr McIntosh—Yes, and into information systems: the telephone system, the whole Internet system and the whole business of providing SMS messages about where you might go next. But we do not have in Australia a one traveller information number, for instance. The US are developing a 511 number: you call that if you want some information and you can get it there. We, as we do in Australia, are still deciding whether it is a Commonwealth or a state responsibility and who should manage it.

We have to look at the whole issue of the infrastructure itself. People seem to tolerate congestion on the roads more than they tolerate congestion in other forms of infrastructure. If the lights do not work or it takes a long time for water to come through, people say, ‘This is terrible,’ and want something done. People are prepared to tolerate congestion on the roads, but there is no real market discipline on the roads. Motorists have paid a lot of money in excise, yet we do not seem to be able to keep up with the infrastructure in cities. The Melbourne example is a good case: significant changes were made to the major trunk routes and as a result the city is considerably more liveable; people see that as a significant improvement. There are some changes happening in the big cities of Sydney and Brisbane but generally we are behind in that area. When you compare it with the other services, it is a difficult issue because of market discipline. That would lead us to the issue of congestion pricing or taxation—and I heard the last talk presented here about that—and questions such as: is there a problem with the tax system? It

is always very lumpy but we would argue that if you put the right sort of market discipline on the roads that would be fine, but we would be concerned if we saw that we had to pay 38c a litre on fuel as well. That 38c a litre fuel excise is, to a certain extent, a tax which is a disincentive to use your car. If people are prepared to pay it, that is because they like the car and are prepared to move around. We cannot address all the complex issues but we are pleased to have had the opportunity to make these comments and we are happy to answer any questions.

CHAIR—Is there anything that you would like to add, Mr Metcalfe?

Mr Metcalfe—No, not at this stage.

CHAIR—You made an interesting, strong comment in your submission, on page 2, about the car actually contributing to enhance the sustainability of our cities, not the reverse. It is a bold statement that might not be intuitively in keeping with most people's thinking. Is that driven largely by your infrastructure and technology argument—that it is not so much the car and the infrastructure that we have now but what they could be that would inform that statement?

Mr McIntosh—People continue to buy cars, and they then hold them for a long time. In the polling that we do, we see that people see the car as absolutely essential. In fact, they are very supportive of having a car. There is no doubt we are seeing some changes. We are seeing a situation in the polling where, for instance, 10 years ago young men in Sydney had a car; today they quite often do not, but young women—who never had a car 10 or 15 years ago—now desire to have a car, because they feel security is an important issue. Getting around independently is an important way of doing things. We have seen in the regional areas that there is no option. But, to go back to the cities issue, in the outer urban areas people also feel very strongly about security, independence and not waiting on the time schedule that limited public transport would provide. Equally, you can have door-to-door transport. I think the car does provide it. There are some disadvantages, but they are outweighed by the huge advantages, and I think that is what we see: a lot of people like their cars and are very pleased to have them.

CHAIR—The ideas around active transport or mass transit playing a greater role generally, particularly in the hubs of the metropolis, would not be a vision which is incompatible with what you are talking about. I imagine people like being in their cars when they are moving, and if you can stop—

Mr McIntosh—I think the Sydney Olympics were a good example of where, with the right sort of change management, you can manage different situations. People walked a long way at the Olympics but they walked in big crowds or there were plenty of people to help them, and they were guided as they went. But the roads were also improved, because parking was prohibited, so that you could actually travel from one place to another. In fact, people found that there was actually a significant improvement. People find ways to manage that. It is up to this issue of information—what is happening, what can I do and when can I do it. People do not like not knowing what to do. With the current situation in Sydney, there is a lot of concern about the trains being unavailable; therefore people take another course of action. It is difficult. We have a mix of transport modes. The important thing is to make the best use of the mix.

CHAIR—So the AAA is not hung up—if we look at the George Street example—on whether you hook down George Street or not; that is not really the issue.

Mr McIntosh—There are a lot of ways of changing the pricing. Parking fees are high in some places. I fly to Sydney rather than drive, simply because I cannot park in the city when I get there, and then I use a taxi. Whilst I am a car driver, I use a taxi. The taxis need good roads, of course, as do the buses. There is not much point having a great bus network if we run them on ordinary roads. You see the situation in Brisbane where the new busways have come in. They make them very important. You give priority to the buses. But, as long as there are options and people can see the benefits, it is that information that is really important.

CHAIR—So that compatibility in new infrastructure for passenger motor vehicles is also one of the momentum drivers for infrastructure for mass transit technology too?

Mr McIntosh—And for volume. The other issue that you have to look at is that a railway takes up a huge amount of land space. I have used the example before: in Brisbane, if you stand at one particular point, you can see the large area taken up by two rail tracks, which a train goes along every 20 minutes. Alongside of it, the same amount of space is taken up by a road which has a huge variety of pedestrians, cyclists, trucks and cars, and it is absolutely full. But we have this space. Why don't we let the people walk along the railway tracks? But: 'Oh, no, you can't do that. People might get hit by the train.' That is really silly, because the reality is that the train is not going to leave the tracks but the truck or the car may do, so you would be better off to move the pedestrians or move the cyclists.

But that takes a quantum shift in all our thinking. We have grown up with a view that the train should be fenced in case you run onto the track. We should, in many places, fence the roads for safety—that is part of the safety issue. People make mistakes in all sorts of things. Be they train drivers or bus operators or car drivers, we should put the right protection in place so that safety is improved. They are the things that have to be done, and that will make the cities more acceptable places, but we have to be careful not to waste the spaces.

CHAIR—Would you support the fence for the money that is being made available for transport—whether it be roads, AusLink or whatever—looking for some evidence from state and territory jurisdictions that they have at least put their minds to these kinds of issues and have a forward planning view and an integrated transport vision for their jurisdictions?

Mr McIntosh—We do support the concept of an AusLink or a national transport picture. Every state has one, anyway—not a national one, but they have their own. They go to a lot of trouble to do that, and I guess the federal government, quite rightly, does provide a lot of funds for a range of activities. The question of whether they should fund public transport or private transport or inner city roads is a very complex issue and, unfortunately, we are not having a quality debate on that issue. We need to be assured that what the government is proposing—and it is being proposed by the opposition—for an integrated approach has to be done. We have to be careful not to be so prescriptive that we tell everybody they have to have light rail, or a train. The reality is that all the cities are different, and all the needs are different. John makes the point quite often that what the people want is more important than what we want to impose upon them.

Ms GEORGE—You say in your submission that we need to move away from the current system of fuel tanks to a road pricing system that reflects the costs of road use. Could you elaborate on that and how that would work, and what the framework for that would be?

Mr McIntosh—To a certain extent we have such a system with the tolling in both Melbourne and Sydney, and to certain extent we have it through the fuel price itself. The more fuel you use, the more you travel, the more you pay. But we do not see that being returned to the infrastructure. The busier roads do not necessarily attract the best funding. So we need to develop a model where either through shadow tolling or through ordinary tolling, people can see that they are getting something they are paying for.

CHAIR—A road user charge.

Mr McIntosh—A road user charge. It is not easy. It can be done through a very sophisticated satellite management system, which would probably drive everybody mad, but which in the end may well come as the technology costs come down. But we have to start recognising that roads are at the moment un-priced virtually, and they are only priced really through the fuel cost itself.

Mr Metcalfe—It comes back to a point that Lauchlan made earlier about the pricing mechanism for electricity, gas and water. You have a pricing discipline in those infrastructure industries where you have an access charge and a usage charge. Quite often, when you have congestion in those networks the response is not to say, 'Move off and use another service'; it is actually to increase the capacity. We would like to see that principle applied to the road network, so you have an access charge and a usage charge. At the moment we have a very blunt system of fuel excise collections and a very loose arrangement between the amount of revenue that is collected from the excise and what goes back into the infrastructure. So we would like to see an access charge applied and a usage charge applied. It is important also to let the committee know that we have done some research over the years that shows that motorists do pay their way in terms of the costs of road use—that is, the costs of maintenance and road construction and the external costs associated with crashes and the environmental costs. If you add up all the charges and the excise revenue collected, it more than pays for the costs that motorists impose on society.

We would really like to see a more market-disciplined pricing system applied to the road network. To go back to your George Street example, for example, if it is congested and you have a price that motorists can respond to, then they may be willing to pay that price to still be congested, but we do not know and that is the problem with the current pricing arrangements.

Ms GEORGE—Does not such a system potentially absolve governments of their responsibility for public investment in infrastructure?

Mr Metcalfe—I do not think so. I think you can get a much closer link then between the revenue that is collected and what goes back into infrastructure—and it could be road infrastructure or public transport infrastructure. If there are some benefits in investing motorists' revenue into public transport that makes motorists better off, that is a good decision. I think that, at the moment, there is no link between the collection and the expenditure. In fact, when you go back to some of the systems that we have had in the past—the 3x3 in New South Wales and the bicentennial 1c and 2c grants—motorists actually responded very favourably to both those systems because they could see the link between what they were charged for and what they were getting. I think that is important.

CHAIR—That is a sophisticated argument for the 38c a litre as a general revenue touch-up, and it is only a poopteenth if it comes up to the motorist. What you are saying is that, even when you do cost those things out, the 38c a litre is more a revenue measure than cost reflected.

Mr McIntosh—The other issue is that there are other beneficiaries of the road network. It is not only the motorists who travel from A to B. The landlord, the owner of the land, the businesses—a range of other people—benefit from having good quality roads. If you take the worst case and you did not have any roads, you would have all the houses jammed together and people would not be able to walk anywhere, cycle anywhere or go anywhere. To go back to your point, there is a role for government through the normal taxation system to contribute to the road system; but at the moment we have got a very lumpy sort of system. Hopefully an integrated general overview would help us, but we have got to be careful about being too prescriptive.

The road user charging could be better organised. We pay an access fee—a registration charge—but is sort of a pseudo-tax and not a recognition that you are paying it to drive on the road. People do not think in terms of paying a registration fee of \$500 which gets them on the road and insurance of \$500 for which they get so many miles for free. Alternatively, there are ways around it—paying more once you have done so many more miles or paying more in certain areas and at certain times of the day. That is how the electronic tolling system should work. When the road is empty it suits the operator to have someone on it, so they reduce the price—the same as it is with electricity and telephones. If you want to call in the middle of the night, it is cheap. If you want to drive on the road in the middle of the night, it should be cheap. If you did it on the same basis as telephones, water or electricity, it would change the way we distribute freight; it would make a huge difference to the way the whole transport network works. We have those mechanisms. It is not easy with the car, but we should be having that debate and working through it.

Mr Metcalfe—Lauchlan made the point about the beneficiaries of road investment, and I think it is also important to note that roads can actually improve public transport. Roads are not simply for private travel. Roads are also for buses, for taxis and, importantly, for business use and freight. I think sometimes when we are talking in this debate about liveability in cities and land use and whatever, roads are seen as being for private car users, whereas that is not really the case at all.

CHAIR—In Lauchlan's example, though, if you were driving a Prius, you would pay maybe only \$200 for your car rego, whereas if you are in a Club Sport you might be at \$700.

Mr McIntosh—To a certain extent that happens. Some states do penalise. We should be introducing some sort of incentive to allow the manufacturers to bring cars such as the Prius forward.

CHAIR—Price to market.

Mr McIntosh—In the days when we had a sales tax, there was an opportunity to reduce the sales tax, for instance, on certain cars to encourage them into the market. We have unfortunately reduced the tariff on big four-wheel drives to encourage them onto the market. You could find the ways to provide an incentive for that, but we should do it not only for the pollution; we should do it for the safety as well. We have a situation in Australia now where people are buying,

for demonstration purposes, environmentally friendly cars, but no-one that I am aware of is buying, for demonstration purposes, considerably safer vehicles—vehicles with side curtain air bags—and yet it is just as important for the lives of pedestrians, people and drivers. So we need to make sure that we do not omit the total picture. Sustainability is about integration, it seems to me.

CHAIR—I think you mentioned that the new Subaru Liberty got smacked in the papers yesterday for having only two airbags, which was not thought appropriate for its class.

Mr McIntosh—Yes.

Mr JENKINS—You gave us some stats about the kilometres travelled and suggested it has not been on the increase, but has there been a change in the spread for individuals? I am interested in the context of my representation of an outer urban electorate. During peak hour we have dual carriageway triple-lane roads that are chock-a-block, really because people have to travel so far for employment, education and the like. These are issues that you touch upon regarding urban planning and things like that. Even if we were to move to a usage model, there are potential problems, and to a certain extent CityLink is an example where people, because they live further out, are going to pay more because they just have to do the travel. I accept that that is a problem of the way the sprawl is, but it raises issues about inequity.

Mr McIntosh—I am really not competent to speak about the equity issue, but people only have a certain amount of time in the day. They have to make sacrifices for how they spend that time. I do not have the numbers with me, but I have seen figures reported where, overall, people generally tend to modify their behaviour so that on average they only spend half an hour or an hour travelling. We know that in outer urban areas there is a greater number of shorter trips as well, as people travel from A to B to go to the gym or pick up the kids and so on, but in the end the total vehicle kilometres travelled is still around 15,000 per year—or between 16,000 and 14,000—and it has been that way for 20 years. I think we see, as you say quite rightly, that some people are moving out and get congestion on the major roads, but other people are not; they are moving and working in those places as well, and then making a greater number of shorter trips. There are more people and more drivers and there may be more cars, but the total miles driven per person has not changed much at all.

Mr Metcalfe—I will just make one comment on the equity issue: I think we have to be careful that we do not develop individual road links that are charged. For example, in Sydney there is a number of toll roads and, if you live in the north-west of Sydney, for example, and you work at the airport, you might have to pay about \$12 a day in tolls simply by virtue of where you live and where you work. That is because we have a development of toll roads in isolation rather than in a network sense. We have always been promoting a road pricing scheme that is applied more at the network level.

CHAIR—There is a similar thing happening in Melbourne, where you do not have to pay to use the arterial ring road if you are in the north or the west but you are looking like getting sluggish if you live in the east or the south.

Mr McIntosh—I guess to a certain extent those are the inequities of different building rates—‘We are building this road now so the only way we can pay for it is to put a toll on it, but we

didn't have to put a toll on the one we built at some other time.' And some people suffer as a result. As John says, it is much better to have an integrated plan and an integrated recognition of the network. It is not easy but it would be preferable.

CHAIR—The thing that I find concerning is the distinction, made in some of the planning, between the transport effort where the cargo is a human and the transport effort where it is freight. Yet it struck me that you are using the same infrastructure and that significant changes in one kind of activity will have a profound impact on the other. Are there some observations you want to share with us about that dilemma?

Mr McIntosh—I think that is right. To a certain extent the motorist is an individual rather than a collective and gets treated accordingly. Freight is a business and gets treated as a business. Business is seen as an investor, a cost-driven activity and an employer; therefore it has more interest going for it. We are an advocate for the motorist but we are an advocate for the individual who happens to be a motorist, and there are not as many such advocates around. We do not have the business role and we are not a collective activity. Business is seen, quite rightly, as what brings the wealth of the nation along; but in the end, as you say, it needs this human cargo to get to and from work and to travel around. We think that AusLink, for instance, should have a very important role in recognising the individual transport of the person as opposed to the issue of freight. We talk about the freight task doubling in the next decade or so. We do not know whether the person task will double or not and what we will do about it.

CHAIR—You are in the knowledge industry. Your know-how is the freight, and that it is not arriving on time and not contributing—

Mr McIntosh—The issue of freight also leads to an issue in the city of incompatibility of vehicles. In order to be more efficient, trucks become bigger and bigger. That is something we all think is important, but the infrastructure has not been made to keep up with that. You end up with a B-double because it is so much cheaper for delivering groceries to a major supermarket. You end up down some small lane that might almost be a pedestrian mall and you have to run this huge truck through there. It is not that we should not have the trucks; the question is whether the pricing signals for those trucks are right. At the moment they find that that is the only way to do it. In the end it is we, the people who buy the groceries, who pay; but maybe we have to pay to not have those vehicles on the roads.

CHAIR—The land use planning implications are part of that as well—to envisage the human settlement design with these things in mind. Do you feel that the interests you represent are getting an adequate hearing at the table when those kinds of strategic land use planning decisions are being made?

Mr McIntosh—If we are not it is because we are not doing it.

CHAIR—But you are not shy.

Mr McIntosh—No, that is what I am saying. It is entirely up to us. If we are not doing it, it is our fault.

Mr Metcalfe—I think we get an adequate hearing here, for example. We make representations to the Productivity Commission. We have made representations on behalf of our members to inquiries into urban transport and we had another opportunity to represent our members' interests to the inquiry into privatisation of regional infrastructure. I think there are good opportunities to inject our views, although they might be a bit limited. We do not have expertise in land use planning and design but there is obviously an interaction between that and transport, so we try to at least put forward some views on the costs of motoring and the impact of road investment—the backlog of road projects et cetera.

CHAIR—The active transport lobby has concerns which we saw first-hand when we were driving through bits of Sydney where people would drive on the footpaths if those darn poles were not in the way—the issue of some space for other forms of transport in and around the road network. You were making the point earlier that rail infrastructure tends not to be the zigzag, sexy, cul-de-sac kind of long trip; it is pretty direct and there is some scope there. Do you feel, though, that when the road network and its capacity is being considered—you were talking earlier about expanding its capacity—active transport is a victim? A bicycle lane is first thing to go, if you can widen the pavement and narrow the footpath that is the second thing to go and the third is making it a road only thing. Do you have much discussion with your other agencies around how to make sure there is a bit of space for everybody?

Mr McIntosh—That is an issue of compatibility of pedestrians, bicycles, cars, trucks and buses in the same space. I think all our constituents have a record of working closely with the road authorities in their states on that. To a certain extent we have seen an increase in the number of bicycle lanes, for instance, in some places. We have seen a change to pedestrian areas in others, and pedestrian malls in inner cities. The car has been excluded and we have not stood up and said, 'This is a terrible thing.' The reality is that we have to listen to what people want and find out what makes the best solution.

Keeping the total infrastructure up with the total population is the issue—not only roads but these other facilities. You cannot part plan them. Are we being listened to? I think so. But one of the reasons work is not done is that we always find it difficult to fund. Basically, that is the issue. Everybody says, 'We can't do it. We haven't got the money and we have to prioritise.' The money is probably there. The difficulties sometimes are the regulatory restrictions on how we spend the money and how we invest in these things. We need to revisit the whole debt debate for capital infrastructure. Nobody builds a house without borrowing—or very few people. But we now have got ourselves in the situation where we are saying we can only spend from current expenditure. And the reality is we are building for the future.

CHAIR—It extends 30 or 40 years—

Mr McIntosh—Governor Macquarie used British bonds to fund the building of Sydney. Who is doing that today? That whole business of the liveability of cities requires us not just to build for today but to build for the future. The argument that we do not have the funds has to be addressed. The money is there. I hear that some of our major superannuation people are building tunnels in Korea, for instance, because it is easier to put the money there than it is to put the money in Australia. That sort of picture has to be debated. You will see that we—the motorists—have had that debate. We have published some papers in that area. There are a lot of other people interested in the same debate.

It is not about them or us or whether it is really bad for you; it is about how we fund for the future. The cities will be there. They will not go away. The transport network will be there. It will not go away. It is no good hoping we will make some massive shift. No-one else in the world has made a massive shift in the way their cities are growing. Australia has a good record. We have some very nice cities. But we have to make sure that in 50 years time we still have some very nice cities. Sitting down doing nothing will not get us anywhere.

Ms GEORGE—If there is a policy position on investment in infrastructure it would probably be worth getting. I would be interested in any background papers on the road pricing concept.

Mr Metcalfe—Yes.

CHAIR—One last thing: it was put to us that bicycle helmets are killing people. That was a graphic take on it. The thinking behind that is the requirement to enforce the wearing of helmets on cyclists is a turnoff for their use and that is contributing to obesity and heart disease and all sorts of things. An interesting point that was raised was that really the cyclist is not the problem: someone has run into them. The finger was pointed at the motorists. The argument was that soon we will have pedestrians wearing crash helmets because someone did not stop at a light. Is there more work we can do to have equal partnership and conversation between motorists and other non-active transport users of the infrastructure?

Mr McIntosh—Most motorists are pedestrians—

CHAIR—At some point.

Mr McIntosh—at some point or other. Most cyclists are motorists at some stage or another. I ride a bicycle occasionally.

CHAIR—You look well for it.

Mr McIntosh—I probably do not ride it enough. I am not so sure that there is such a dichotomy. There are some groups of motorists who are foolish and criminal, if you like, and there are, I suspect, some groups of cyclists and pedestrians who are foolish and criminal. The majority of all those people are well meaning. Unfortunately, we make mistakes—all of us make mistakes. As a result, some accidents are caused. What we need to do is to make sure we can separate or put the right sorts of mechanisms in place. Wearing a seatbelt is now accepted as a standard part of driving a car. People said, 'I'll never drive my car again if I have to wear a seatbelt.' Wearing a bicycle helmet seems to be a standard sort of thing, just as wearing leathers for a motorcyclist is of value. The reality is, irrespective of whether someone runs into them, it is likely they will also make a mistake and fall off. In the workplace we do not tolerate an environment that is unsafe. Why should we make the road any different? That is how it seems to me.

Mr Metcalfe—We need to design the road to make sure it is compatible with all users. There is a lot that can be done, in an engineering sense, to the road network—for example, separating traffic flows with wire barriers down the middle, protecting pedestrians with median strips and removing dangerous intersections with roundabouts. A lot can be done through infrastructure investment.

CHAIR—When we were shooting back from Western Sydney into Sydney—I am not sure what road it was; I do not know the city well enough—there were water-filled barriers on the edge, up on the footpath, to make sure that cars did not run into everybody else. On the footpath, the pedestrians, cyclists and skateboarders were all having a sensational time dodging each other. It was quite interesting, but hopefully they will not be hit by a car.

Mr Metcalfe—I think it is important to pick up on the point that Lauchlan made in his introduction about safety. In 2003 there were 1,636 fatalities and half of them occurred in urban areas—that is, largely in cities. The total cost of road trauma is \$15 billion per annum. So a lot can be done in cities in the way of road investment to reduce that fatality rate. When you are looking at sustainability I think it is important that you also consider road safety as an issue and not just the issues of land use, land use development and air quality.

CHAIR—Thank you.

Resolved (on motion by **Ms George**):

That this committee authorises the publication, including publication on the parliamentary database, of the proof transcript of the evidence given before it at public hearing this day.

Committee adjourned at 12.26 p.m.