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Official Committee Hansard

**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, 13 May 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 Barresi, Mr Billson, Mr Cobb, Ms George, Mr Jenkins 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.

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RAYNOR, Ms Kathryn, Manager, Policy, Australasian Railway Association 1
STANLEY, Mr John Kenneth, Director, Bus Industry Confederation 1

Committee met at 11.14 a.m.

APPS, Mr Michael, Executive Director, Bus Industry Confederation

LUCAS, Mr Stephen, Chairman, Bus Industry Confederation

STANLEY, Mr John Kenneth, Director, Bus Industry Confederation

NYE, Mr Bryan, Chief Executive Officer, Australasian Railway Association

RAYNOR, Ms Kathryn, Manager, Policy, Australasian Railway Association

CHAIR—Welcome. Although the committee does not require you to give evidence under oath, I advise you that these hearings are formal proceedings of the parliament and consequently 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. I invite you to make a brief opening statement or some introductory remarks.

Mr Nye—The debate about sustainable cities and transport's involvement in that has not really occurred in Australia; we are a long way behind. The transport industry takes some responsibility for that. Until quite recently, the railway industry certainly have not got their act together and spoken with one voice, nor have we tried to work with the other transport sectors to get this on the agenda. We realise that if we do not get it on the agenda and start increasing public debate on the issue, nothing will be done about it. That is our view, and history will bear that out. That is certainly what has happened overseas. You have to get it out into the public arena and make the public more aware of it. You cannot have a sustainable city without a sustainable transport policy to go with it. You cannot do that on a state-by-state basis; you have to have some kind of plan.

With that in mind, we propose the establishment of 'Transport for Australians', an alliance that would include core groups like BIC, UITP and the ARA as well as the conservation movement, automobile associations and vehicle associations to look at directions for transport. Using a term that is often used overseas, we want to form a ginger group to start raising the public debate. We are not here to tell governments what to do; we are here to work with governments to propose some solutions. We have a long way to go in that.

We are well aware that the government has established AusLink. Our concern about the AusLink process is that it is dealing with a national land transport plan but it stops at the edge of the cities; it does not really want to go there. You cannot really have a national land transport plan unless you deal with urban planning issues. For example, everybody knows that the amount of freight coming into places like Port Botany, Port Kembla and Newcastle is increasing. That is fine, but how do you get that freight out of the cities to inland terminals—or to terminals at all; we do not have terminals at the moment—and distribute it to the economy? The impact on the economy and on cities if we do not get that right is quite dramatic. We have been keen for the government to extend the AusLink process and the national land transport plan, which we solidly support—to take it further and talk about urban planning as well. We are talking about good planning.

We are also talking about the integration of public transport. At the moment we tend to focus on bus routes, train routes or freeways without looking at them all as one linkage. Quite often, when a new freeway is built all it does is put more cars on the road and take people off the trains. We really do not have integrated planning sorted out at all. We want to work with you and help to demonstrate how we can do that. There are lots of overseas examples. We believe Canada is one of the world leaders in this. I have recently been to Canada. We have opened up a whole series of dialogues with them to get that information. We have looked at what they have done in Europe and the UK. Their circumstances are a little different to ours. It is very hard to translate to Australia what they do in the UK.

CHAIR—But the Canadian experience is not. Canada is very similar. Their national government had a bunch of great ideas—a good piece of work—but they fell over on how to implement them, because they have a federal structure not dissimilar to ours. Did you have any insight into that while you were over there?

Mr Nye—One of the issues was that the industry worked very closely with the federal government in Ottawa but did not try to work and sell the message out there. In the UK, they have lobby groups and have built up the initiative, but Canada did not have that. They did not try to bring along the public and bring in the conservationists—the green movement—and the urban planners, right across the country, into that debate.

CHAIR—We will come back to that. I have distracted you from your introductory comments. You were on a bit of a roll there, Bryan.

Mr Nye—No, I am quite willing to go on here. We have to show some passion in the way we go forward. Governments cannot do it. It has to be done in a partnership. We have a role in bringing state governments forward and bringing the issue forward. But overall, just going back, you need a national focus on it. You need an urban plan for it—a national plan. That is what is missing. We do not have a national plan.

CHAIR—The bus combo?

Mr Lucas—We tend to philosophically agree with the ARA and today is no different. I would like to briefly go through the salient points of our submission or perhaps paraphrase them. The context of our submission is that transport is effectively the glue that joins people and activities in our cities, which is why we are all here and why we are talking about this stuff. Sustainable cities need sustainable land transport systems, and building a sustainable land transport system is the focus of what we have been about in this regard.

From our perspective, a sustainable land transport system is one that pursues three basic goals. They are the ones that we people in transport are always talking about: economic, social and environmental goals. The economic goal that we talk about is one that ensures that personal travel needs are met efficiently and in a manner that supports a dynamic economy. From the social perspective, we believe that the transport system should ensure basic access to people, with an acceptable safety margin. From the environmental perspective, we need to manage our emissions to meet air quality goals and Kyoto targets. It is clear from our perspective that our city transport systems are failing against these goals at the moment.

The key findings in our submission to you were that our transport systems are failing, as I just said. The two key issues that are most in need of attention are the huge costs of traffic congestion and also the transport disadvantage experienced by some of our citizens, especially in outer urban areas. We are winning to some extent on the safety and pollution aspects. Greenhouse gas emissions in transport need to be reduced but in general that area is not of huge concern. But improved sustainability requires reduced reliance on the private car and more of a focus on cycling, walking and public transport—even from a health perspective, that all makes sense.

CHAIR—Your submission points to the car use costs not being fully carried by the user—

Mr Lucas—That is true.

CHAIR—and that that represents a huge disincentive. That is a view that has been put to us quite a lot. There is not a lot of objection to that. It is rather what the mechanics—

Mr Lucas—The question is, ‘How do you measure it?’

CHAIR—and the metrics are and how you factor those price signals in. You talked about a different road pricing methodology.

Mr Lucas—We think there are three key levers and that road pricing is one of those. Unless we use all the levers that we can find in concert, we will not actually change what is happening to our land transport systems and they will not become sustainable.

CHAIR—Okay. Are you still on a roll?

Mr Lucas—Yes. I will actually get to those levers. From our perspective, particularly the issues of congestion and social equity are of national significance and they require leadership from the Australian Transport Council, which currently is not happening. I would also like to say that Australia is the only major Western country without any semblance of a national public transport policy. How do we move people? The Commonwealth is silent on that.

In our submission, the key proposal that we had was that we believed this committee should recommend the development of a new intergovernmental agreement on land transport. I take you back to what Bryan said and the Canadian experience. One of the reasons that we agree that it is a very good parallel is that Canada is probably a couple of years ahead of us. One of the reasons that their reform process failed was the lack of a suitable intergovernmental agreement across the board. They had the strategy but did not carry all the players with them.

Even though AusLink is not an intergovernmental agreement, we have them on the road. They tend to deal specifically with freight, but we believe that moving people is just as important, and we need some support to define exactly how we are going to do that strategically. We also believe that the Commonwealth should establish a sustainable infrastructure fund to show leadership in the pursuit of a sustainable city. That infrastructure fund would be used for infrastructure to improve the sustainability of land transport. It does not matter about the mode; whether it is bus, rail, walking or cycling is irrelevant.

I will go over those three levers we talked about before. Effectively, the levers are: improved public transport service levels, which means better frequency and better on-road priority; better land use and transport integration—which is a huge failure in this country and has been forever; to reduce the need for travel and to facilitate more travel by low-impact modes; and road pricing reform—we believe road users should be made accountable for the more than \$20 billion that they are currently not funding.

CHAIR—Before we get into questions specifically about your submissions, we have travelled widely but we would appreciate a crayon-drawing, potted summary of your perceptions of what is happening across the continent. The Western Australian budget announced some rather substantial outlays to expand their rail networks. We have heard there are changes in service levels in northern New South Wales. In Victoria we have not seen much of fixed rail for a long time and there is an effort to expand bus activity in outer Melbourne. What is your sense of what is going on at a state and territory level? Who is doing well and why?

Ms GEORGE—This has nothing to do with Scoresby Freeway, has it?

CHAIR—No, no.

Mr Lucas—We can talk about that.

CHAIR—It was not actually aimed at that.

Ms GEORGE—That's a change.

CHAIR—I can go that way, because we have no fixed rail out there, and you need the pavement to run a bus on.

Ms GEORGE—I am joking.

CHAIR—What is your sense of what is going on?

Mr Nye—This is my personal view and not a policy view. Western Australia has put in an immense amount of effort. They have combined transport and planning under one minister. They have certainly done some homework with what they are doing there with their rail corridor down to Mandurah. All of the states are showing some leadership, and they are doing a pretty good job of it.

CHAIR—They are having a crack at the bus network around the city too.

Mr Nye—They are doing a lot. I take my hat off to Minister MacTiernan. She is doing a good job over there, trying to do it independently of—

CHAIR—That is my impression as well. I was just curious what yours was.

Mr Nye—She is doing well. South Australia really has not done much and we really have not got a plan in place yet. But part of it is a lack of funding and a plan to do that.

CHAIR—There is an issue with patronage too. I hear they are struggling to keep what they have got.

Mr Nye—Adelaide does have some problems with those types of things. One of the problems is the difference between the broad and standard gauges within the city. We have to resolve some of those issues. Federation has not helped rail around Australia, as you are probably well aware. In Victoria, their privatisation program did not work, and they are now trying to recover from that. Probably the best example of good public transport is what Yarra Trams has done. The CEO there is excellent. Their route 109 has demonstrated—

CHAIR—What is that?

Mr Nye—Where does it go from? It goes from the city north to—

Mr Stanley—Mont Albert to Port Melbourne—or Box Hill to Port Melbourne.

Mr Nye—They have had a lot of problems with the state transport authority trying to stop the one tram. It has more people on it than the number of cars at lights, so it should have priority. Other issues have been raising the platform to make it easier for people to get on and doing away with timetables so there is one every 10 minutes.

Ms GEORGE—Is it light rail?

Mr Nye—Yes, it is light rail. It is a tram. Some of those types of things have been successful.

Mr BARRESI—In relation to that extension, I am just wondering whether that is the way you would see it going in the future. One of the criticisms of that extension from Mont Albert to Box Hill is that, where the platforms are allocated, there has been a narrowing of the roads for the cars. While the roads have not decreased in size, certain sections have been reduced. So, in fact, that makes it even more congested for cars. Is that deliberate, as a way of trying to encourage people to get out of their cars and onto the trams?

Mr Nye—It was not done that way. They were trying to get a very efficient tram line link or a light rail link to demonstrate the ability of an efficient light rail link. The planning consideration of trying to make it more difficult for cars was not part of the debate. They were trying to establish and demonstrate, quite clearly, that, if you had a very efficient light rail link, you could move more people. I think they have done a pretty good job, but they are fighting for it.

Mr BARRESI—I think you could argue though—

CHAIR—We will keep going; we will come back to that.

Mr Nye—From a rail perspective, New South Wales certainly has a problem. Of all the states, New South Wales has had a rail infrastructure backlog and a lack of investment in infrastructure. In relation to what you are seeing around Sydney at the moment, it is crucial that they overcome that. We have some major concerns in New South Wales. In relation to the communication network, its systems are a long way behind the rest of Australia, but they do not tend to view it that way. In Queensland, the Queensland government has put an immense amount of money into

the rail system, and it has a pretty good rail system. So that is my snapshot of where we are coming from.

Mr Lucas—From a bus perspective, the states are disconnected, even though the ministers sit on the Australian Transport Council. There is no overarching policy. Therefore they are all at sixes and sevens.

CHAIR—Is the approach to it reactive to local conditions?

Mr Lucas—Where departments deal autonomously within their own state, in their own city, they tend to focus on the capital city, except for perhaps Victoria, which has a better overarching view of the world. Generally, the states where planning and transport are together—which is the portfolio of Minister White in South Australia and Minister MacTiernan in Western Australian—have a better outcome. From our perspective, the difficulty is that the states do not actually have a focus on outcome at all. They are trying to exist within their current budgetary constraints and doing more or the same with the money they have.

CHAIR—Is it provider driven expansion in services primarily?

Mr Lucas—No. There is not a lot of expansion of services; it is mainly concentrated in the inner-city of the capital cities.

Ms GEORGE—Is the Unsworth review going to ameliorate the situation in a state like New South Wales?

Mr Lucas—Not in my opinion. I think a lot of good stuff came out of the Unsworth review, but by the look of how it is going to work out in the end, with the legislation that is about to be tabled, that is not the way forward.

CHAIR—What is the good stuff that came out of the review?

Mr Lucas—They had a strategic focus on the passenger and on actually dealing with the system as a whole, looking at, strategically, where they wanted to go. But, unfortunately, when it comes to the nuts and bolts of getting to that and putting in some enabling legislation, the legislation becomes draconian and starts getting back to the idea that the department is in charge, rather than a partnership arrangement, which is what we have been talking about for years.

Ms GEORGE—On what basis are decisions made by governments about where buses will be publicly provided, as opposed to private operators? My whole area has just privately operated buses, and that really gets up people's noses in Wollongong. They do not have a public bus transport system there.

Mr Lucas—For its own reasons, the government supports the State Transit Authority—the STA-run buses—and does not support the private bus operators at all. To the customer, that effectively means that the customer gets a lesser level of service and tends to pay more in fares than in the STA-operated system. That is understandable, and I think the Unsworth review went some way towards rectifying that situation. But the private operation has been there for donkey's years, and they are attempting to change that.

CHAIR—In other states, what helicopter view would you have on other things going on?

Mr Lucas—Queensland is moving—they are not static. Victoria is probably the leader in our mode, certainly, except that the disaster of the privatisation meant that they are under severe budgetary pressure and therefore cannot fund the extra services and the increased frequency that is required, especially in the outer urban areas. Western Australia and South Australia I have already spoken about. Tasmania is looking to follow the lead set by Victoria and is probably moving in the right direction. It is a matter of whether they can find the funds to do the things they need to do for their fleet, because they have a very old fleet.

CHAIR—So what is that lead? How would you characterise that lead from Victoria?

Mr Lucas—They recognise that the only way forward for them is to come up with a fleet replacement program which is government funded, deal sensibly with their private operators—they are all private except for the Metro in Tasmania—and go forward in a partnership arrangement, setting out what outcomes they really want to achieve.

Mr Stanley—One of the difficulties in city transport at the moment is that all levels of government are involved to a greater or lesser extent—the Commonwealth, for example, through major road project funding, which has its benefits. Scoresby, which you mentioned previously, will generate a lot of—

CHAIR—Mad objecting, which I am grateful for!

Mr Stanley—I did all the economic impact work on Scoresby in the EES stages, and it will obviously be a major boost to the south-eastern suburbs, but, if you do not get substantial public transport improvements in place before the freeway opens, it will accelerate suburban sprawl and it will contribute to an unsustainable outcome. But there is no means of bringing these sorts of things together at the moment, so there is no dialogue between the Commonwealth and the states, it seems to me, in terms of—

CHAIR—But your work also focused on the land use planning issues.

Mr Stanley—Very much.

CHAIR—The Western Ring Road told us that you can ignore them and get suboptimal outcomes, or you can have that front and centre on the transport planning tasks.

Mr Stanley—Absolutely. That is right. And I think there is a need to really get all the levels of government involved because local government also is a very important player in the sustainability of our cities. For example, at the micro level, an urban design level, the way they design the residential layouts of their streets can be friendly towards public transport or it can make life a lot more difficult.

CHAIR—Guys love those speed humps—the chicanes.

Mr Stanley—That is right. We think that the role of an intergovernmental land transport agreement should take a step forward, bringing all three levels of government to the table in this

one process. I think that the intergovernmental agreement that set up the National Road Transport Commission has shown that you can do a lot of successful work by bringing the Commonwealth and the states together, and we think that local government has a very important role to play in needs identification. Local accessibility, particularly in the outer suburbs, is one of the two critical issues that most need to be addressed, and local government really needs to be a partner in the process of resolving those issues.

So the intergovernmental agreement needs to add passenger movement to the freight movement which is the focus of AusLink, but it also needs to bring local, state and federal governments together. The only way that is going to happen is if the federal government shows some leadership in the process. The Australian Transport Council meeting in 2002 set out a number of tasks that needed to be done to try and enhance the sustainability of transport systems. Is anything happening? No. There is a lot done on paper but not a lot happening out in the real world, so it is really time for some leadership.

CHAIR—Thanks, John. Phil was talking about service expansion challenges.

Mr BARRESI—Actually, I have partly touched on it in a few questions. Putting aside the contractual nature of what took place in Victoria—I can only talk about Victoria—with the privately run public transport, do you envisage that public transport of any nature can be run by private providers?

Mr Stanley—Do you mean out of the fare box alone?

Mr BARRESI—Yes, without support. Is it possible, for either bus or rail?

Mr Stanley—No.

Mr BARRESI—It cannot be done?

Mr Lucas—No, definitely not with rail. That is not being nasty; it is just a fact of life. We do not have the numbers—it is not Japan—and we have long distances.

CHAIR—You do not have a continuity in numbers either.

Mr Stanley—Or density in settlement patterns.

CHAIR—There might viability but the timetable has to run for the rest of the day as well.

Mr BARRESI—Is that the case in any state?

Mr Lucas—Anywhere in Australia.

Mr BARRESI—In Western Australia it really impresses me every time I go up the Mitchell Freeway and see the railway line straight down the middle there.

Mr Stanley—But it is going to run at a substantial loss.

Mr BARRESI—Is it?

Mr Stanley—Absolutely. The social benefit of these things comes in the congestion cost savings. It comes in the easing of transport disadvantage and it comes in cleaner air and safer travel.

CHAIR—It is also the opportunity cost, because you effectively extend the longevity of the existing road infrastructure if you can get the load off it and handle the movement of humans and freight. I am not sure that that always comes into the calculations—the foregone need for additional investment.

Mr Lucas—I might add that it is not actually a payment to the rail operator or the bus operator, as far as we are concerned. It is more a subsidy for the passenger, because the passengers are generally paying very low fares.

Mr Nye—There are railroads, railroads and railroads. Long-haul rail, transporting freight, will make money. You cannot look at railways without putting that side of it.

CHAIR—The Stoney Point line makes a mint out of BHP.

Mr BARRESI—Boutique railway lines.

Mr Nye—We have not seen the short-haul railway and regional railway model in Australia, but I think we will see more of that. As the private sector takes over the long-haul sector, we will probably see more regional railways here. But passengers will be on those lines as an added bonus; the lines will not be sustainable just for passengers. In the inner cities there is not one passenger network paying its way anywhere in the world. Look at Japan. The Japanese railways do make money, but the fact is that they did not have to pay the original capital investment for their system and the land prices or anything. They were given it. You have to look at things like that. It is very hard to compare. You have to look at the size of the population. Some figures I saw said that for every 50 Australians we have one kilometre of rail track. America has 150 people for every kilometre. Japan has 6,300 people for every kilometre. India has 170,000 people for every kilometre. They have many more people to make the profit margin on one kilometre of track. We have to look at our unique circumstances here.

CHAIR—We get close to it on the Gold Coast.

Mr BARRESI—They are great statistics. Thank you, Bryan. That actually leads to my next question: are we beating ourselves up over something which we can never change? Not only is it a matter of commuter behaviour but also the population numbers will not sustain it. I refer to the 109 line that you just mentioned. What evidence is there that people do use long public transport links? They might use public transport for short distances. Would people in Mont Albert or Box Hill travel by tram to Port Melbourne to go to work? What are the numbers? Harry and I were just talking about the Vermont extension, which has been in the planning for yonks. If the line goes all the way to the Knox shopping district, will people go all the way into the city? Not only do we have numbers to consider; we also have commuter behaviour.

Mr Nye—In Australia, because of some of our policies, we have actually made it more attractive to drive your car. You have to drive your car more than 25,000 kilometres to get fringe benefit tax.

Mr BARRESI—Petrol is almost \$1 a litre. People still pay that and use their cars.

Mr Nye—People will still pay it. But we make it attractive. If you as an employer provide public transport benefits to your employees you cannot get that as a tax deduction, but if you provide a car park you can. We have not really given the leaders to make it more attractive. The government can do something. They are the types of issues that are reasonably important. They have done that in Belgium. In Canada they have done that in some of the cities. They are federal government issues in the tax area that can make an impact. You cannot just pick one little element. You have to say, ‘Are we serious about it?’

Mr Apps—Also, the focus is on sustainable cities by 2025. What we have now is not necessarily the issue; it is what we want to have in the future, I would have thought. The reality is that the states at the moment do not deliver good public transport services. We are doing a job, but the reality is that we are a very car-centric nation that is, and has been for a long time, focusing on people moving from A to B via car. We are not providing what I would call viable and attractive alternatives and putting in place a range of policies and initiatives that actually change people’s behaviour over a period of time. The focus of this inquiry, I would have thought—I am not trying to predetermine where it is going—is to look at what current behaviour is, what the issues and the problems are that we have with our cities in relation to congestion, how we better integrate land use and transport planning in the next 20 years and how we better work with Commonwealth, state and local governments to deliver an outcome that ultimately delivers the sustainable answer for our cities.

The reality is that our cities are the dynamic drivers of our economy. They are the knowledge centres, and if they are getting strangled then the economy in 2025 is not going to be anywhere. A lot of what we are talking about is not the Box Hill line now but what it might be in 2025 and what kind of Commonwealth initiatives and policies should be put in place to take states down a path. The reality is that at the moment they all operate in an ad hoc way, in isolation, in relation to public transport. We have typically all the problems you have with the federal structure. We see the Commonwealth having a real role in taking a leadership role and taking us down the path of saying, ‘We’ve got AusLink. We’ve got a moving freight strategy. Where’s the moving people strategy for 2025?’

Ms GEORGE—So would you use a COAG process to try and get that better integration?

Mr Stanley—That is the process you would use to set up an intergovernmental agreement on land transport. It needs to be signed off at a heads of government level to get the commitment to it. I spent eight years as the deputy chairman of the National Road Transport Commission. The support they had at the highest level was really important in assisting in generating productive outcomes. This is all about outcomes, not words. We have had heaps of words and we have not had the outcomes. If you get that sign-off at the highest level you are going well down the path of getting the results.

CHAIR—An argument has been put to us, which I have some sympathy for, that there is quite an amount of cash circulating in the system under a range of different banners. We can pick AusLink. It is not necessarily freight-centric. It could be. We are hoping it is not. In dealing with freight transport issues, there are some complementary gains that can be made to deal with human movement. There are some arguments about requiring states and territories to provide an integrated land transport plan before resources are made available so that we are certain they are not being sprayed all over the place. A similar argument has been put to us around Roads to Recovery, where local councils need to come forward with at least some program that has some relationship to local transport demands. It was suggested that we should talk about active transport as being part of that. In Roads to Recovery there is \$200 million a year for strategic projects. Those guidelines are still being written. There is scope, I would have thought, to put forward some of these as attractive project selection criteria that need that foundation work to push off from.

Mr Nye—One of the things that it would be very helpful for the committee or the Commonwealth to come forward with is the development of a set of sustainability principles. What is sustainability? What are the sustainability principles that you would be looking at in any approval for and any investment in land transport infrastructure? We do not have any at the moment. There needs to be something that says, ‘There is the set of principles, so if you want to get approval for a grant’—and the federal government does give a lot of grants—‘you must comply with some of these principles.’ That is one step that could happen very quickly to start focusing people on that being important.

CHAIR—A bolder suggestion was modelled something like the National Competition Council and the incentive payment arrangement, where you embrace sustainability and have payments available for project performance, of which a subset would be the kind of infrastructure fund you guys are talking about.

Mr Nye—‘Sustainability’ is a big word and it means everything to everybody else, but you could say, ‘Look, this is what to do. Here are the principles that should be applied before you actually get some funding.’

Ms GEORGE—Explore the funding of it.

Mr Nye—That is something that I think would be of great assistance, because it means that we could argue in a different way for some of the things that we need to move forward.

Ms GEORGE—In terms of the proposal about the sustainable infrastructure fund, I guess there would be competing arguments about whether you try to integrate sustainability principles across a range of federal government outlays or you set up a stand-alone national infrastructure fund.

Mr Stanley—I think that the highlight of having a fund is that it draws particular attention to it and says, up there in flashing lights, ‘This is a major priority of this government.’ That is the way the Canadians have gone under their urban program. In the last three years they have set up a sustainable infrastructure fund and it is a really important way of providing a focus. It need not be only transport—it is a much broader focus than that—but transport would be one of its key

elements. But, at the same time, on the first point you raised, you need to integrate those principles right through the range of government programs.

CHAIR—On the tax issue that you have been talking about, obviously FBT on cars is a tricky one. It is a popular one.

Mr Lucas—The effective life.

CHAIR—A range of arguments have been put forward for what to do about that, like scratching it and upsetting everyone in the car industry and all of those kinds of things. What is your sense of that? Is it more that, if the FBT treatment is going to remain in some fashion, it should not at least be disadvantaging active transport alternatives or are you looking to clear the deck?

Mr Lucas—It is not just one thing. It is a confusion of what the government's policy actually is.

CHAIR—Or what it is trying to achieve.

Mr Lucas—Yes. On the one hand, there is a range of areas where they impact upon rail, bus and all of us, where they have legislation or regulation which impacts on the way we do business and therefore on the way people travel on our services, but on the other hand they are saying, 'No, public transport has nothing to do with us.'

CHAIR—Of those confounding issues, which are the main ones?

Mr Lucas—I mentioned the FBT. Another one would be Commonwealth funding for transport under HACC, Veterans' Affairs and the Aboriginal and Torres Strait Islander department—

CHAIR—Where there are more buses than you guys have!

Mr Lucas—But it is all siloed. The DDA impacts on how we do things. On the one hand, the government will say, 'No, we do not have any connection with public transport,' but then all of this DDA stuff comes along, and fuel excise and the road legislation—a whole range of things that impact on us every day.

Mr Stanley—I do not think you are going to solve the issue of FBT unless you take the broader view of the pricing issue. Our submission talks about \$20 billion worth of unrecovered costs that road users impose on the rest of the community. I think that is the level at which this issue needs to be looked at. You have to go back to the first principles of pricing and ask what costs are created and what sorts of incentives, if any, do we want to put into the transport system because we think there might be some additional benefits from particular forms of transport. I think the only way to deal with FBT is to put it as part of that much bigger picture and ask, 'What is the right approach to transport pricing and our whole land transport system?' That is probably an ATC issue.

CHAIR—Mr Apps, did you want to add something?

Mr Apps—No, I was thinking about it.

CHAIR—I thought you were about to launch off there at some moment about the bus infrastructure—

Mr Apps—I could launch—

CHAIR—that is held up in the HACC provision—about how many of them just sit there—

Mr Apps—You know that is one of my pets.

CHAIR—You have chewed my ear about that before!

Mr JENKINS—I want to ask about something different, which is the issue in the ARA submission about the outer urban intermodal interchanges. It seems such an obvious thing. I cannot work out why it does not happen.

Mr BARRESI—It seems like a no-brainer.

Mr Nye—Western Australia certainly has one out at Kewdale, so that is quite good. It is coming to the east coast corridor. You have the one in Dynon Road in Melbourne which is intermodal. How much growth has that got: not much. It is almost at saturation now. The real key to it is: what has Sydney got? Where is an urban intermodal terminal in Sydney? The problem is that there have been local councils and local planning bodies that have all said, 'Not in my backyard,' so there has never been one.

Part of what we have asked for—and we are pretty confident that it will be in the AusLink process—is future terminal requirements on the east coast. The Commonwealth does have the ability. It owns defence land. Holsworthy is a good example. The Army has moved out. It has gone north. We have been encouraging exactly the same thing in Queensland with Greenbank and in Victoria with Puckapunyal, near Seymour. That is defence land. Most of the major operators there have gone to the Northern Territory. But if we really want a long-term plan the Commonwealth can actually do something about that. It owns the land. It can actually designate it and say, 'Let's have the urban plan. Let's designate some areas.' Then we can get some freight corridors, as they have elsewhere in the world.

I do not know if you know much about the Los Angeles Alameda Corridor. There is the port—an incredibly modern port—getting all the containers off. They have taken the rail link 50 kilometres inland. What they have done is buried the train line and so there are no level crossings. They buried it and it goes down there, so it is very quiet. They took it 50 kilometres inland to where they had some space and built an intermodal terminal. Then they started the distribution system.

Take the cities now—for example, in Victoria. You come out of the port into Dynon Road. You either take it out by rail through one track—it is a congested track and you cannot double-stack it, so it is not efficient in the first place—or you take it out through the city by trucks. Botany is even worse. We are talking about doubling the capacity of Botany, but how are you going to get the containers out of there? They have to go through the urban environment by truck, but they

cannot use the train line during daylight hours because passengers have priority. We do not have a plan.

We want to be part of a solution and not give up. So we are saying, 'Let's sit down and have some really long-term planning solutions. Let's work out where we are going to put some terminals.' Sydney does not have much land. There are some other areas. We should go back from there. If Port Kembla is going to be the port of the future—

Ms GEORGE—What is going to happen to the Maldon-Dumbarton line? Is that ever going to be built? Is it all going to go by truck?

Mr Nye—It is just a crystal ball. If you did make Port Kembla a very good container terminal then you need a very good rail link to take it somewhere. You have to have a tunnel or something to resolve the track issues to take it up. Holsworthy kind of lends itself to that. That can give it some focus. But somebody needs to have the national plan because you cannot do it state by state. Every state government tells me that their port is the port of the future. Victoria says Melbourne is the port of the future—

CHAIR—Once they scrape the channel out.

Mr Nye—and Brisbane says it is the port of the future.

Ms GEORGE—Could you just give us some of your views about the prospects for very fast train services ever being created—say in terms of a Canberra-Sydney and beyond link? Is that feasible? Is the MagLev operating well in China?

Mr Nye—The MagLev is not up and running yet. The first MagLev is in Thailand. As a user of very fast trains, we are probably a third-world country. Most Asian countries are moving very quickly. But the fact is we do not have the passengers to move around. You have to make it economically viable. But our railway infrastructure is old. It has not been invested in. So you would have to straighten it up and spend lots of money on it. That is a government decision. You would have to straighten it and do that.

We will get fast trains. The airports will reach capacity and so we will have to have other ways of moving people around. If you think about Sydney to Canberra, 15 per cent of air terminal traffic is coming out of Canberra. That is 15 per cent of the traffic in and out of Sydney. In time, a fast train link between Sydney and Canberra is viable. But you have to make sure that although it is not economically viable today you have the land planning usage right to enable it to go ahead in the future. It would not economically stack up today. But today is not what we are talking about. We are talking about 2025 and we need a plan. And we do not have one.

Mr BARRESI—I noticed that in the budget handed down on Tuesday night there is provision to straighten the railway line between Sydney and Brisbane.

Mr Nye—I can talk more about that if you like.

Mr BARRESI—Go on. You were talking about straightening railway lines, so what are your thoughts about that? That is a Commonwealth initiative. I do not know what involvement Carr and Beattie have in it.

Mr Nye—The state governments of Victoria and New South Wales have not invested in their rail infrastructure. Most of the signals in New South Wales date back to the 1860s. The track is for old steam trains—very short trains. It has lots of curves, so you really have to get the speed down. If you are going to compete with the road transport you have to get the speed up and the time taken to cover the distance between the terminals, Sydney and Melbourne, down.

CHAIR—So you have to speed up the travel time.

Mr Nye—You have to speed up the travel time. You have to take out some of those curves. The trains could then travel at an average speed of around 30 kilometres per hour.

Mr BARRESI—My comment is that there is some movement on what you are talking about—as recently as last Tuesday night.

Mr Nye—Yes, but how do you get the containers out of Sydney and onto that train line?

CHAIR—Once they are there, they are humming—but they have to get there.

Ms GEORGE—From the port through the city.

Mr Nye—But how are you going to get through the cities? That is the real issue for us. You can have the fastest track you like between Melbourne and Sydney, but what use is it if you cannot get it through the cities? At the moment, in Melbourne they have to stop loading a train at two o'clock in the afternoon, even though working hours finish at six o'clock, to get it out of the Dynon Road gate at four o'clock to enable it to get through to Sydney at five o'clock the next morning, because there is a curfew and you cannot take a freight train through Sydney during passenger hours. There are moves to change that, but these are some of the national planning issues that go beyond state governments.

CHAIR—Melbourne is talking about deepening its channel to cope with 4,500-box container ships. There are already 6,000-box ships plying the oceans, and the problem you are alluding to is going to get even worse. If the bigger capacity ships come in, there will be even greater demands to squeeze them out. Are you saying that the horizon of assessment and decision making on key investment decisions is too short, or that it is kept within the port itself, and outside the gate is someone else's problem?

Mr Nye—In Victoria, they are trying to improve and deepen Port Melbourne. It is a great port, but it is not going to survive unless they deepen the channel, because of the size of the international vessels that will be coming there.

CHAIR—They are targeting the 4,500-box container ships. There are already 6,000-box container ships.

Mr Nye—There are 8,000-box container ships. The world is moving towards deep ports. Otherwise, Australia will have to pay a premium to get their containers on the ships. If the port is deepened, it will be a great port. It is fine having a great port, but how do you get the stuff out of there?

CHAIR—You would go to Westernport Bay.

Mr Nye—I am not going to tell you where they should go. But what I think somebody has to do—and it cannot be a state government—

Mr BARRESI—You get it to Darwin and use the new railway line!

Mr Nye—is ask, ‘What is our land transport plan?’ AusLink is intercapital but it stops at the edge of the cities. I say you have to have a bigger discussion.

CHAIR—Why does the bus rapid-transit concept work in theme parks and airports—where the bus experience starts from a shopping centre almost; it is a lovely environment and it is terribly well organised and straightforward—but we cannot mirror that quality of experience in what we are doing out there. Your idea is a good one, but it seems there would be scope for that anyway. They did something like that at Box Hill railway station where there is a modal interconnect. What is stopping that?

Mr Lucas—We fit within the current road system, and it is designed for cars.

CHAIR—In Brisbane they have tried to give you some space. In Western Sydney they have the goat track through Green Valley, which the bussies hate because it does not go anywhere near where the people are, and the cabbies cannot understand why they cannot use it. Why is it so hard? It does not seem to be all that complicated.

Mr Apps—There is a practical example where it worked—the Sydney Olympics. There was a whole of community approach to how transport should be managed and planned. The community became accustomed to it because a variety of policies were implemented about parking, curfews and so on. They did not just say to people, ‘Bring your cars into work today.’ They said, ‘If you want to take your car to the Olympics you will pay \$50.’ So people decided to catch the train and get the bus. The system and the timetable were managed and the frequencies were high. The people were educated about it, and it was used. It is about putting in place a series of initiatives that make people think about it. At the moment, in every state, the situation is that people do not think about their travel choice because they know they can just jump in their car and pay the toll and do it the way they have always done it.

CHAIR—So we need as much effort on behavioural changes as we do on hard infrastructure, pricing and those other things to make it seem like a logical thing for people to do.

Mr Lucas—Public transport has to compete, effectively, with the car. Unless we offer something that is going to give people a comparable outcome, we are wasting our time.

Mr Stanley—What is going to happen in Melbourne is that the focus will be on designating corridors where public transport will get priority—for example, trams along route 109 or buses

along Springvale Road or Blackburn Road. We have had a 20 per cent increase in bus patronage on those roads with the smart bus initiatives. We will get to the point where there are designated roads where freight has priority, others where cars have priority and some where buses and trams are given their head. It is going to take some political courage to get to that point, but I think that is the way it is heading.

Mr BARRESI—You said that public transport has to compete with cars. Are you saying that we have to make the use of the car more expensive or the use of public transport even cheaper than it is at the moment?

Mr Lucas—Not particularly. For a start, the car will be the dominant mode for as long as we all live—there is no question about that. To make our land transport system more sustainable we need to encourage people to move across to other modes, whether that is train, bus, walking or cycling.

Mr BARRESI—Competition has to be on certain criteria.

Mr Lucas—It does. It needs to be timely, reliable—

Mr BARRESI—The cost of travel—all of those things.

Mr Lucas—It needs to have frequency, so you if you miss the vehicle or a train you do not have to wait two hours.

CHAIR—So you do not have to do origami with the train timetable.

Mr Lucas—You have to have all the information out there. There are a whole range of things that we need to do as a community to enable people to have that other choice.

Mr Apps—I can put it in one word: convenience. It has to somehow equal the convenience of the car. ‘Convenience’ can be defined as a whole range of things, but we all know what it is like to get in the car. It is a non-thinking activity; you just walk out the front door, you are in it and you are there. Passenger transport and other travel choices have to become almost second nature. In the same way that we have developed a car culture in the country, we have to develop a public transport culture or an alternative travel choice culture that gets people thinking in a different frame of mind. Our country is different so it is hard to make comparisons with Europe and countries with those densities. Canada is a close example. They are moving down a path where the federal government has actually said that they do have to take a leadership role and they are trying to put in place some of these kinds of changes.

Mr BARRESI—I can give you a practical example of having to compete. This occurred to me earlier this year in terms of the obstacles involved. My son went to secondary school for the first time this year. I live in a location which is at a distance from a railway station. Because I was motivated by this—and I am sure that many others would be as well—I had to surf the Net until I finally found the web page that linked all the different bus routes from various locations to the two railway stations that were closest. You could catch a bus to the railway station, catch a train to Box Hill, and hop onto another bus from Box Hill to go to school—three public transport uses. It took me a long time to do this and then simplify it for my son so he could use it on

return. That is ease of use. You could market that; you could go to schools and say: 'These are where your students are. This is a blueprint for public transport locations.'

CHAIR—That was last Wednesday. We found him in Broadmeadows, and he will be in school tomorrow!

Mr BARRESI—He did miss the Box Hill jump-off and went to Camberwell at one point.

CHAIR—On that point, the TravelSmart initiative in Perth, an intelligent transport system that worked into what you wanted to do, was a public transport ally that said, 'Here is an option for you.' That seemed to be a good pay-off for modest funds.

Mr Lucas—It is, but it is only one part of the total package. There is no point having the best information system in the world if you are giving information about a service that people do not want.

Mr Stanley—If there is an hour and a half frequency on the service and there is nothing at night time and nothing at weekends then it is not going to work. TravelSmart is good in the inner and middle suburbs, but not much further out. Our big problems really are in the fringes of the cities. That is really where the service levels are far and away the worst.

Mr Lucas—And our connection with the other modes is a huge problem for us.

CHAIR—As to all of these urban containment land use planning measures that are being put about—and there is some focus on the transport corridors for activity—I just wonder why the modal interchange, the beginnings of the sexy bus experience that you are talking about and the interconnect with the rail are not a focal point for some of the land use rejuvenation proposals as well as a starting point for different kinds of services. My city, Frankston, is a mega-commute from Melbourne. If you get an express train from four stations up near Toorak, you think that is great. But I am told that six kilometres of rail are needed and you could have a Frankston flyer train from there to Melbourne. That would knock 20 minutes off the trip. Again, it seems like a bit of a no-brainer. Surely that would make things more attractive at a very modest cost.

Mr Stanley—That is true. In some corridors, though, you could run into major problems. I guess the railway guys could talk more about this than I. In the Dandenong corridor there are major track capacity issues—

CHAIR—Yes, Sydney has some problems with capacity.

Mr Stanley—that will put constraints on how much you can grow the business. There is just not enough space on the track to get all the trains through that would carry those heavier loads.

Mr Nye—But, picking up the point about the smart technology and the ticketing technology, every state government is still trying to do it on its own with its own solutions. We have not really helped ourselves overall. We have different ticketing systems—the bus ticketing system does not work on the train ticketing system. I spoke on that this week. No matter where in the world you go on an aeroplane, you use the same ticket. It is the same shape and the same kind of

thing. You know what you have to do. There is no difference, no matter where you are. But we just cannot sort it out amongst ourselves. It is frustrating.

CHAIR—It is interesting, too, that your point extends to management of the system. The puddle hopper aviation services from regional centre to regional centre and the intercity nodes and international traffic all talk to one another. I could imagine the national freight network running into domestic rail line management and traffic problems and they would not actually ever talk to each other about what their problems are. Is that something you have seen?

Mr Nye—Yes. It would frighten you. To give you a simple example of how difficult it is, the Indian Pacific train leaving Sydney to go to Perth has eight radio sets in it. Three of those are to get through the New South Wales network. There are 345 kilograms of radio equipment.

CHAIR—That is appalling!

Mr Nye—But that is because of the way in which we built these silos. It was almost like tribes that would not talk to each other.

Mr BARRESI—Called states—they still do not.

Mr Nye—That is what we are trying to do now.

CHAIR—It is like the Balkans.

Mr Nye—We are trying to get one communications system in. Federations, unfortunately, create a big problem—work cannot be done.

CHAIR—A great thing—it seemed like a good idea at the time.

Mr Apps—Interestingly, the solution is that you now have an intergovernmental agreement on rail, which is the process that has been put in place to try to address those particular issues.

Mr Nye—It is not easy.

Mr Apps—What we have been putting is that you have an intergovernmental agreement on rail, you have an intergovernmental agreement on heavy vehicles, but you do not have an intergovernmental agreement on moving people or on passenger transport. That is why we say there is a missing link in the package that works through the Australian Transport Council.

CHAIR—Mr McArthur is our resident rail expert. He can tell you about spending \$120 million to save 3½ minutes on the straightening of the track between Melbourne and Geelong or something like that. Are there any further comments?

Mr BARRESI—I would say—and I made this comment to the cycling people—that, as to that anecdote I gave you, something as simple as that would make it so much easier for your average mum and dad if they knew just what was available, what was closest and whether it could be done easily. It could simply be you guys and the state departments working with the

education department to begin with, then with pensioner groups or whatever it may be so that they know.

CHAIR—Yes, to build up the public transport culture a bit.

Mr BARRESI—Through ease of use.

CHAIR—If you have any supplementary or new ideas, please feed them in. We are always interested in those things. I appreciate your time, your thoughts and your collaborative efforts.

Resolved (on motion by **Mr Barresi**):

That this committee authorises publication of the proof transcript of the evidence given before it at public hearing this day.

Committee adjourned at 12.15 p.m.