

## SUBMISSION NO. 86

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1 June 2006

Environment and Heritage Committee  
House of Representatives  
Parliament House  
CANBERRA ACT 2600

TTF Australia (Tourism & Transport Forum) welcomes the opportunity to provide the following comments to the House of Representatives Standing Committee on the Environment and Heritage Inquiry into a Sustainability Charter.

TTF Australia is a national, member-funded CEO forum, advocating the public policy interests of the 200 most prestigious corporations and institutions in the Australian transport, property, tourism & infrastructure sectors. TTF Australia's Membership includes the major operators and investors across tourism, transport and infrastructure.

TTF Australia strongly advocates for the development of a sustainability strategy for the sectors that we represent. Moreover, TTF Australia supports the Committee's proposed establishment of an Australian Sustainability Commission and Australian Sustainability Charter to co-ordinate action between the Commonwealth and the States & Territories towards the creation and promotion of a 'blue-print' for sustainable development in Australia.

### Tourism

The benefits to the Australian economy of tourism are significant. Tourism is Australia's largest export industry constituting 12.1%, or \$17 billion of all Australian exports. Tourism is a \$75 billion industry and employs over 550 000 Australians<sup>1</sup>, many of whom live in regional areas.

Sustainable tourism is the development of an internationally competitive, ecologically sustainable and socially responsible tourism industry based on an integration of economic, social and environmental objectives and constraints<sup>2</sup>.

According to the Commonwealth Government's Tourism White Paper (TWP), tourism's input to the economy was greater than agriculture, forestry or fishing, communications services or electricity, gas and water supply in 2002. The TWP made a commitment to the future sustainability of the tourism industry and a number of programs are being implemented with environmental and social goals, as well as measures to improve the economic yield of the industry. However, some issues critical to the future of the industry sit outside the realms of the White Paper funding package.

Sustainability for tourism means adopting an ethos that underpins all aspects of tourism in both destination development and destination marketing. The marketing of destinations should take into account the social and community values of sites and the visitor

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<sup>1</sup> Tourism Satellite Accounts – Australian Bureau of Statistics, 2006

<sup>2</sup> Tourism White Paper p42 Australian Government 2003

management strategies in place, right through to the procedures and practices followed by accredited guides while presenting Australian visitor experiences.

It is crucial that sustainable tourism is included as a key element to be reported on in the proposed Sustainability Charter.

Australia's unique natural and cultural environment and heritage items enhance the amenity and attractiveness of many locations and continue to be a major drawcard for international and domestic tourists. The tourism industry therefore has a critical role to play in ensuring that this environment is sustained, particularly given the projected growth expected in the industry it is crucial that protected areas are managed carefully.

There are extreme risks that non sustainable approaches to development like those which do not properly acknowledge the necessity of conservation or preservation of these areas may contribute to their destruction or depletion. These areas or items potentially constitute assets upon which economic opportunities might be leveraged. Non sustainable development would lead to ultimate loss of such opportunities.

Governments at all levels should be taking firm action to ensure that Australia's tourism assets are preserved and maintained in the longer term and that development opportunities should be segregated and controlled to ensure that natural attractiveness and amenity is retained. Such controls should contribute to the sustainability of tourism enterprises which rely on the preservation of the elements which constitute the attractiveness of an area.

TTF Australia has a strong history of raising issues of national significance for the future of tourism, transport and infrastructure. One area of concern is the long-term sustainability of the industry. We conceptualise sustainability in a "triple bottom line" sense, as meeting the present and future economic, environmental and social needs of Australia. TTF Australia seeks to position tourism as the 'advocate industry' for sustainability given its strong reliance on natural attractions.

In April 2006, TTF Australia launched the Natural Tourism Partnerships Initiative (NTPI), a fully integrated campaign designed to put the spotlight on the opportunities to forge sustainable alliances and business opportunities between parks, protected areas and tourism. The first phase of the Initiative involved bringing together key stakeholders from the parks and tourism sectors at our inaugural Natural Tourism Partnerships Forum in Melbourne.

The areas discussed at the Forum involved cooperative marketing opportunities, the development of the visitor experiences and public/private partnerships. All of these areas are closely linked to the concept of sustainable tourism and should be considered in the development of an Australian Sustainability Charter.

Sustaining the growth of the tourism industry is a challenge. The history of tourism indicates that demand will decrease should a destination fail to keep itself in the public domain (marketing), lose quality or fail to meet expectations. In effect, the predictions of growth will only be realised if there is a continued effort in maintaining a positive profile of Australia as a destination and if supply is capable of meeting demand.

Marketing of Australia in this manner has been a function of governments, with the Australian Government recently playing a more prominent role. Marketing by governments is "brand building" or generic marketing which necessitates an unbiased approach to demand generation for Australia. State and Commonwealth governments will need to continue to play

a lead role in marketing if there is to be international demand growth. Effective marketing must be viewed a key to a more sustainable future.

Tourism underpins all of the components of the terms of reference which include transport, the built environment, water, energy, and ecological footprint. For the proposed Sustainability Charter to be effective, consideration must be given to tourism across the board to ensure it remains a key economic driver for Australia.

### Transport

TTF Australia advocates for the provision and promotion of efficient and effective public transport via a co-ordinated and integrated approach to transport infrastructure planning and operation towards achieving a more sustainable balance between private vehicle use and other transport options.

Strategic road infrastructure is vitally important for the tourism industry, particularly to encourage regional dispersal of tourism.

The increased use and efficiency of the transport infrastructure needs greater integration across different modes and in particular developments of efficient inter-modal links between ports, roads, rail terminals and airports<sup>3</sup>. Appropriate access to major airports, seaports, and rail and inter-modal terminals is an important element of efficient tourism operations. This should allow for a more integrated, efficient transport network that provides for greater passenger movement capacity and more reliable services that link between transport modes<sup>4</sup>.

Strong regional and interregional transport infrastructure and transport systems are critical in ensuring that tourism continues to play a significant role in the economic future of Australia.

### Vital nature of public transport provision

TTF Australia acknowledges that public transport infrastructure provision impacts on the quality of life of communities and that it is closely linked to patterns of settlement.

Insufficient provision of or access to adequate public transport limits community options for and opportunities to work, education, and health and community services. It encourages private vehicle usage at a cost to the environment, to road infrastructure and road users and disadvantages those people without cars or access to them.

Suburbs without adequate public transport infrastructure have long term impacts on 'both the local natural environment and ultimately, social and economic impacts for residents'<sup>5</sup>.

Access to efficient and co-ordinated transport systems encourages interaction between communities and individuals and serves to attract 'more skilled workers, improving links between townships and encouraging employed communities'<sup>6</sup>. Increased transport options increases opportunities for people and businesses commercially, environmentally and socially.

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<sup>3</sup> Tourism White Paper p46 Australian Government 2003

<sup>4</sup> Tourism White Paper p46 Australian Government 2003

<sup>5</sup> City of Newcastle, Submission 147, p.4 cited in Sustainable Cities Report: Transport House of Representatives Environment Committee September 2005

<sup>6</sup> Regional Cities Victoria, Submission 98, p.6 cited in Sustainable Cities report: Transport House of Representatives Environment Committee September 2005

Provision for transport infrastructure in developments, particularly urban fringe growth areas.

TTF Australia urges that as part of the planning approval process there must be requirements for state governments/developers to include the provision of transport infrastructure in new and particularly urban fringe developments. This is crucial particularly in areas on urban fringes that are expected to be areas of high growth.

TTF Australia acknowledges the difficulty in anticipating corridors of travel demand, however it is essential that provision is made for such corridors in the early stages of developments so that they can be utilised if required.

### Congestion

Growing congestion in our cities is a visible reminder of the increasing reliance on private vehicles and the inadequacy of current transport options.

TTF Australia supports moves towards achieving a more sustainable balance between private vehicle use and other transport options via the provision and promotion of efficient and effective public transport.

TTF Australia urges that initiatives be implemented to enhance transport infrastructure to shift people away from private vehicle usage and onto public transport.

A decrease in congestion has benefits for the environment, society and the economy. These include:

- improvements to air quality. The Bureau of Transport and Regional Economics 2000 (BTRE) estimates 40 per cent of fuel used in Australia's six major cities is the result of interrupted traffic flows accounting for 13 M tons of green house gas emissions annually,
- economic cost savings for business and drivers (petrol, time, vehicle operating costs)
- improvements to mobility, increasing opportunities and access to work, education and services.

TTF Australia acknowledges the large costs involved in the upgrading and construction of new transport infrastructure and urges the consideration of the involvement of the private sector in this task.

### Fringe Benefits Tax

TTF Australia recognises the unintended effect of some Australian Government policies in encouraging car usage. Fringe Benefits Tax (FBT) concessions in particular gives people the incentive to increase their vehicle kilometres travelled. Currently 'over \$750M per annum is spent on subsidizing car use'<sup>7</sup>. Effectively this whole system is 'skewed towards car use'<sup>8</sup>.

TTF Australia supports a review of current regulations regarding salary packaging of cars and FBT concessions, and acknowledges the scheme as a distorting tax opposed to public transport use. TTF Australia is in favour of initiatives to have FBT concessions removed from cars, removing the incentive for increased car use, and instead extending incentives to other modes of transport.

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<sup>7</sup> Dr Gabrielle Kuiper, Bicycle New South Wales, Transcript of Evidence, 27 January 2004, p.10 cited in Sustainable Cities report: Transport House of Representatives Environment Committee September 2005

<sup>8</sup> Dr Gabrielle Kuiper, Bicycle New South Wales, Transcript of Evidence, 27 January 2004, p.10 cited in Sustainable Cities report: Transport House of Representatives Environment Committee September 2005

An Allen Consulting report on tax reform released by the Victorian government estimated that scrapping the statutory formula for assessing FBT on cars would save more than \$1B<sup>9</sup>.

## Rail

Approximately 85 per cent of the population are now residing in capital cities or other urban areas.

TTF Australia advocates for the expansion of both heavy and light rail networks and the acceleration of current rail plans.

The sustainability advantages of rail are often not taken into account in infrastructure investment decisions despite it being the safest form of land transport and also the lowest contributor to greenhouse gas emissions.

TTF Australia advocates for a significantly boosted commitment to the upgrade and expansion of fixed public transport systems<sup>10</sup>.

The public transport system requires a significant funding commitment by the Australian Government, particularly in light and heavy rail in major cities where there is no designated Commonwealth funding programme for urban railway infrastructure similar to those for freeway construction.

TTF Australia recognises the North-West and South-West Rail links as priority projects to connect greater Sydney's new growth areas to the city's rail network. These links will play an important role in encouraging residents to exchange their cars for trains to commute to the city, however with completion of these links not due for at least a decade TTF Australia urges the fast-tracking of these projects.

TTF Australia strongly advocates development of light rail in the central Sydney area where congestion is currently a major economic cost and a detrimental impact on amenity. The current bus based transport system in the central Sydney area already suffers from congestion. Short and medium term enhancements to increase bus services will only contribute to existing congestion. The bus based transport system is unsustainable in the longer term and the light rail alternative should be immediately progressed through planning and development stages to meet longer term sustainability objectives.

TTF Australia has also urged the NSW State Government to consider the viability of light rail infrastructure between Parramatta and Bankstown and through Sydney.

## Increasing the efficiency of Public transport

TTF Australia advocates for the provision of safe, efficient and reliable public transport networks and recognises the importance of long term and integrated transport strategies at federal, State and local government and community level.

For a sustainable city, transport infrastructure must exist to facilitate interconnecting community travel along with a range of public transport systems which are complementary, safe and affordable<sup>11</sup>. Transport planning and provision must take into account both the

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<sup>9</sup> Breusch, J Financial Review 13/9/06

<sup>10</sup> Planning Institute of Australia, Submission 168, p4 cited in Sustainable Cities report: Transport, House of Representatives Environment Committee September 2005

<sup>11</sup> Sustainable Cities: Transport p.60 House of Representatives Environment Committee September 2005

needs of business and industry along with the community and individuals to service the city and manage the transportation of incoming and outgoing goods.

To aid in the effective provision of public transport services TTF Australia has urged Government to consider the privatisation or outsourcing of government managed public transport systems or components of these systems. The private sector can significantly increase the efficiency and reliability of transport operations and free up government funding for other vital portfolio areas.

Further advantages to private sector participation in the provision and operation of public transport are their 'international capital and technical expertise to implement the world's best practices, and do so cost competitively'<sup>12</sup>.

It is important that Public Private Partnership (PPP) arrangements incorporate sustainability principles.

#### AusLink

The role that transport plays in supporting economic growth and community needs should not be underestimated. It is imperative that transport infrastructure is efficient, reliable, safe and secure, particularly given the dramatic growth in the passenger and freight task expected over the next two decades.

TTF Australia strongly supports AusLink, the nation's national transport infrastructure plan.

TTF Australia acknowledges the vital role that AusLink has in achieving better national land transport planning, funding and investment decisions in response to the challenges presented by the transport system over the next 20 years.

Despite achieving an improved sustainable pattern of growth in Australian cities, sustainable urban transport has not been a funding priority for the Commonwealth Government under AusLink. Instead responsibility for efficient, safe and environmentally responsible transport infrastructure and services in urban areas has been given to state, territory and local governments and the private sector.

TTF Australia supports the broadening of AusLink's scope to include urban passenger transport and projects for funding being 'subject to independent sustainability assessment – the triple bottom line assessment'<sup>13</sup>.

#### The Built Environment

Sustainability requirements and standards for the built environment have largely centred around environmental sustainability objectives and the reduction in resource dependence and usage.

The business costs associated with attaining such standards should not be so onerous that compliance is unsustainable for businesses. Governments need to ensure an environment which is conducive to investment. This means that sustainability measures should be

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<sup>12</sup> The Middle Way Pty Ltd, Submission 32, p.22 Cited in Sustainable Cities report: Transport House of Representatives Environment Committee September 2005

<sup>13</sup> Brideson, L Conservation Council of Western Australia cited in Sustainable Cities report: Transport House of Representatives Environment Committee September 2005

practical and include direct incentives to encourage compliance, for example via grants, concessions or tax relief. It would be appropriate for governments to provide incentives for businesses to comply with sustainability objectives and standards to ensure a shift away from a short term cost minimisation approach, toward a longer term, sustainable approach to development. Approaches such as mandatory requirements for compliance with upgraded environmental standards is a blunt instrument which is inequitable in that it creates an unlevel playing field between new and established development; such approaches may have a chilling effect on new investment.

#### Conclusion

TTF Australia applauds the Australian Government on this initiative to take a leadership role on sustainability. A benefit of this approach should be a nationally consistent approach to standards to ensure that business costs are minimised and compliance is straightforward.

TTF Australia supports the establishment of an Australian Sustainability Commission and an Australian Sustainability Charter to encourage the Australian Government to take a leadership role in Australia's move towards sustainability.

Yours sincerely

A handwritten signature in black ink, appearing to read 'C. Brown', with a long horizontal flourish extending to the right.

CHRISTOPHER BROWN  
Managing Director & CEO