Chapter 1

Conduct of the inquiry

1.1 The Senate referred the inquiry to the committee on 4 December 2008. The terms of reference are:

> The investment of Commonwealth and State funds in public passenger transport infrastructure and services, with reference to the August 2005 report of the House of Representatives Standing Committee on Environment and Heritage, Sustainable Cities, and the February 2007 report of the Senate Standing Committee on Rural and Regional Affairs and Transport Committee, Australia's future oil supply and alternative transport fuels, including:
>
> a. an audit of the state of public passenger transport in Australia;
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> b. current and historical levels of public investment in private vehicle and public passenger transport services and infrastructure;
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> c. an assessment of the benefits of public passenger transport, including integration with bicycle and pedestrian initiatives;
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> d. measures by which the Commonwealth Government could facilitate improvement in public passenger transport services and infrastructure;
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> e. the role of Commonwealth Government legislation, taxation, subsidies, policies and other mechanisms that either discourage or encourage public passenger transport; and
>
> f. best practice international examples of public passenger transport services and infrastructure.

1.2 The Committee advertised the inquiry in *The Australian* and wrote to many peak bodies inviting submissions. The Committee received 194 submissions (see APPENDIX 1) and held 12 hearings (see APPENDIX 2). The committee thanks submitters and witnesses for their contribution.

1.3 In the Committee's view the inquiry is timely because:

- significant increases in urban public transport patronage in the last few years have focussed attention on the need for improvement;
- recent commitments to reduce Australia's greenhouse emissions have obvious implications for transport policy: public transport is more energy efficient than car transport and should be involved in reducing cities' greenhouse footprint;
- problems of urban traffic congestion and transport disadvantage, though not new, have had renewed attention in recent years - for example, because of

greater awareness of the likely increase in traffic congestion (which cannot be solved only by building roads) under business as usual assumptions;[1]

- the detrimental health effects of inactive, car-dependent lifestyles have had increased attention in recent years as part of the discussion of the 'obesity epidemic'. Public transport and active transport have an obvious place in encouraging more active lifestyles.[2]
- oil supply concerns and the associated rising fuel costs mean there is an increasing need for public transport services in the medium to long term, particularly in outer metropolitan and regional areas where travel distances are greater and transport costs are a higher proportion of income.

Structure of the report

1.4 Chapter 2 provides basic contextual information about public transport in Australia, as relevant to the issues discussed later (terms of reference a) and b)).

1.5 Chapter 3 discusses the benefits of public transport and active transport (terms of reference c)). The Committee agrees that public transport and active transport create community benefits which justify supporting them with public subsidies.

1.6 Chapter 4 discusses a number of issues to do with providing better public transport service (relevant to terms of reference c) and d)). Key issues are:

- the need for stable strategic transport plans, with goals, actions and performance criteria detailed enough to be a basis for monitoring performance;
- the need for best practice institutional arrangements so that the city's public transport service is planned and delivered as a fully integrated network;
- the need to properly integrate transport planning with urban planning more generally. This need is now widely agreed in official plans and policies, but must be continually emphasised.

1.7 Chapter 5 discusses possible Commonwealth actions to improve public transport, and related matters of Commonwealth responsibility, such as infrastructure funding, the fringe benefits taxation of employer-provided cars, and funding of behavoir change programs like 'Travelsmart' (terms of reference d) and e).

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1 Projections of future traffic congestion made in 2007 by Commonwealth's Bureau of Transport and Infrastructure Economics (BTRE) have been much quoted since then. See BTRE 2007.

2 Almost all public transport trips have a walking element, so public transport users are likely to be more active than non-users: see paragraph 3.53ff.

Scope of the report

1.8 The interest of most submissions was 'train, tram and bus services in cities'. Public transport in rural and regional areas raises somewhat different issues, considered from paragraph 4.62. Elsewhere most of the discussion, following the submissions, is implicitly about public transport in cities, since that is where the traffic congestion problems are greatest, and that is where the research on transport disadvantage focusses. That is not intended to downplay the significance of rural and regional transport issues.

1.9 Rural and regional public transport by air was mentioned in a few submissions.[3] It raises different issues which the committee was not able to investigate in appropriate detail and will not try to deal with in this report.

1.10 Information of a statistical nature is brought in from examples mentioned in submissions. A thorough 'audit' was not possible, as that is a research task, assembling mostly state-based information from primary sources, which is far beyond the normal Senate committee secretariat resources. It is a role for the national research agency which the committee recommends (see paragraph 5.28ff).

1.11 The mention of a city in relation to some item of information, in the absence of full comparative information, is not meant to imply anything about whether that city is typical of Australia. The mention of a submission criticising a particular city or state is not meant to imply that that city or state is any worse than other cities or states.

Related recent reports

1.12 The committee notes the recent related parliamentary committee reports mentioned in the terms of reference:

1.13 The House of Representatives *Sustainable Cities* report (2005) recommended:

- the Australian Government should significantly boost its funding commitment for public transport systems, particularly light and heavy rail, in the major cities;
- the provision of Australian Government transport infrastructure funds should include provision of funding specifically for sustainable public transport infrastructure for suburbs and developments on the outer fringes of our cities;
- the Australian Government should review the current fringe benefits tax concessions for car use with a view to removing incentives for greater car use and extending incentives to other modes of transport.[4]

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3 For example, submission 134, Western Australia Local Government Association. G. Hoffman (Local Government Association of Queensland), *Committee Hansard* 3 March 2009, p.33

4 House of Representatives Standing Committee on Environment and Heritage, *Sustainable Cities*, August 2005, p.70,73,77

1.14 The Government has not responded to the committee's report.

1.15 This committee's 2007 report on Australia's future oil supply discussed public transport in context of energy efficiency measures to reduce dependence on important oil. The committee recognised the need for more investment in mass transit and urge the Council of Australian Governments (COAG) to take this up as a national infrastructure priority. The committee acknowledged the concept of peak oil and recommended:

- Australian Government support for 'Travelsmart' behavioural change initiatives should be continued beyond the planned termination date;
- the Government should review the statutory formula in relation to the fringe benefits taxation of cars to address perverse incentives for more car use.[5]

1.16 The Government has not responded to the committee's report.[6]

1.17 The committee draws attention to some other recent related reports:

1.18 The Victorian Competition and Efficiency Commission (VCEC) in 2006 reported on managing urban congestion. VCEC recommended a mix of supply and demand measures including 'suitably targeted road and public transport projects.'[7]

1.19 COAG during 2006 reviewed urban congestion. The report recommended a number of supply and demand measures including more use of public transport. The report noted that the high cost of infrastructure such as new major roads, and environmental concerns, 'has increased the attractiveness of other congestion management measures to augment the efficiency of existing infrastructure.' It noted that the benefits of public transport improvements are greatest 'when part of an integrated package which includes measures such as - supportive land use policies; restraints on car use; traffic management measures; simplified fares and integrated ticketing; and high levels of reliability.'[8]

1.20 The 2008 Garnaut Climate Change Review considered the role of public transport to mitigate transport greenhouse emissions. It said:

> Governments have a major role to play in lowering the economic costs of adjustment to higher oil prices, an emissions price and population growth, through planning for more compact urban forms and rail and public transport.[9]

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5 Senate Standing Committee on Rural and Regional Affairs and Transport, *Australia's future oil supply and alternative transport fuels*, February 2007, p.154, 163

6 For comment on Travelsmart programs see paragraph 5.10ff.

7 Victorian Competition and Efficiency Commission 2006: xxxix-xliii

8 Council of Australian Governments 2006:6ff,48,55

9 Garnaut 2008:504

1.21 Infrastructure Australia, in a 2008 report to COAG, identified as one of its themes: 'increasing public transport capacity in our cities and making better use of existing transport infrastructure'. It also said:

> It is clear that government at all levels, including the Australian Government, needs to provide much greater investment in new public transport infrastructure, in order to expand current transport systems and ensure that existing infrastructure and public transport is utilised effectively and efficiently to mitigate effects on climate change.[10]

A note on terminology

1.22 'Public transport' is mostly used to refer to scheduled services open to the public (as in the aviation term 'regular public transport').[11] Service providers may be publicly or privately owned. In an urban context it is called 'transit' in America.

1.23 Some submitters suggested 'passenger transport', presumably to remove a possible misunderstanding that 'public transport' refers only to publicly owned service providers. However that creates a different possible misunderstanding, since 'passenger transport' could be taken as referring to all transport that is not freight transport. This report will keep 'public transport'.

1.24 'Active transport' refers to walking and cycling. This is not meant to imply that 'active transport' and 'public transport' are opposites. As discussed in chapter 3, the public health goals of supporting active transport are also promoted by supporting public transport, since almost all public transport trips have a walking component. Thus public transport is inherently more 'active' (health promoting) than car transport.

10 Infrastructure Australia 2008:7,37

11 There is some fuzziness at the edges, for example in relation to school buses which are often provided by the same operator and may or may not be open to other riders. A taxi, once it is reserved for the personal use of one hirer, is not 'public transport' in this sense, though of course public transport and taxis have overlapping roles in serving certain transport demands.