

Additional Comments - Australian Greens

Senator Scott Ludlam, Thursday 20 August 2009

The Australian Greens welcome this report which clearly makes the case for the inherent value of well funded public transport services. The document is a valuable and coherent summary of the many reasons why targeted Commonwealth investment in public and active transport is timely and essential.

Almost all submissions argued that the Australian Government should play a much greater role in promoting [5.18] and providing funding for public transport and active transport [5.23]. In the face of this evidence, it borders on the bizarre that the report does not make a clear recommendation in this respect.

The Committee heard evidence that central governments of nearly all industrialised nations play a significant role in public transport planning and funding [5.21], and that Australia is the only OECD country in which the Federal Government does not have a formal role in funding and supporting public transport.¹

The Australian Automobile Association and the National Transport Commission urged the Australian Government to establish an ongoing funding program for public transport and active transport comparable to its roads programs [5.18 and 5.35].

Two previous Parliamentary Committee Reports² have clearly and unequivocally called for federal funding for public transport and urban mass transit [1.13 and 1.15] and this reflects the more recent recommendations by Garnaut (2008) and Infrastructure Australia (2008).

The Government is yet to respond to the previous Parliamentary inquiries; it is hoped that this report may play some role in focusing Government attention on the urgent need for a systematic re-prioritising of transport funding.

The Committee also recognises that building more roads does not alleviate congestion, but actually encourages growth of traffic and entrenches patterns of urban development that create high car use [3.11]. Despite this fact, the Commonwealth

¹ Submission 34, Prof. G. Currie, p.5

² House of Representatives Standing Committee on Environment and Heritage, *Sustainable Cities*, August 2005 and Senate Standing Committee on Rural and Regional Affairs and Transport, *Australia's future oil supply and alternative transport fuels*, February 2007.

continues to fund roads, thus worsening congestion, and refuses to institutionalise targeted funding for public transport measures that will alleviate that congestion.

The report takes a contradictory position in the executive summary and at [5.43], implying that public transport remain solely the financial and planning responsibility of the States, while then going on to persuasively argue the case why this should change.

The report notes that the Committee "agrees that the demand on public transport infrastructure will continue to rise and require an expansion" [5.43] however refuses to take the next logical step to recommend that the Commonwealth allocate any funding for this task.

As such, the Greens propose the following recommendations replace recommendation 4 in the committee report:

Recommendation 1

The Commonwealth make infrastructure funding available for public transport, subject to strict merit-based criteria.

Recommendation 2

Proposed Commonwealth funding for public transport be subject to an objective assessment of the broad community and economic benefits and the degree to which the sponsoring state or territory government has adopted an integrated, inter-modal, best-practice approach to transport planning and management.

Travelsmart

In recognition that 'Travelsmart' can reduce car use by up to 15 per cent and is more cost-effective than capital intensive public transport infrastructure projects, it is strongly recommended that Commonwealth funding of 'Travelsmart' be continued³.

Recommendation 3

The Commonwealth recognise the cost-effectiveness of the 'Travelsmart' behaviour change program and reinstate its funding, building on the valuable work undertaken in this programme to date.

³ Evaluation of Travelsmart projects in Western Australia found a community benefit of \$30 for every \$1 invested.

Fringe Benefits Tax

The Committee's recommendations relating to fringe benefits tax outline sensible interim measures for assessing the benefits of the way this tax is applied to cars. However it may be that in the light of the data and policy advice obtained as a consequence of Recommendation 8 (which queries the purpose of the tax and the way it is applied), the concessionary tax treatment of cars as a fringe benefit should be abolished altogether.

Senator Scott Ludlam

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