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The Secretary
Senate Standing Committee
Rural and Regional Affairs and Transport
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Sir

Inquiry into the investment of Commonwealth and State funds in public passenger transport infrastructure and services

I refer to your letter of December 19 to the Chartered Institute of Logistics and Transport regarding the abovementioned Inquiry.

The Chartered Institute of Logistics and Transport (CILTA) is the national professional institution for individuals employed in the transport and logistics industry. The primary objective of CILTA is to assist Governments and the community in developing the transport and logistics industry and, particularly, through the professional development of the people in the industry.

In past years the Commonwealth Government has neglected the development of public passenger transport on the premise that public transport was a matter for the States. This is despite the fact that approximately two-thirds of our population resides in the urban areas of Australia.

This neglect has led to the various State governments dictating the levels of investment in and service of their public passenger transport systems, the consequence of which has evidenced a varied level of investment and a diversity of service levels.

It is credible, therefore, that the current Commonwealth Government has taken the lead towards co-ordinating the investment and the development of service of public transport. The States will not always have the national interest in mind and their effort to develop public transport will always be a function of available funds and local political interests.

In New South Wales, for instance, there has been no significant investment in public transport in the past 12 years despite the many promises.

In Queensland, the State Government has taken a lead role in developing public transport as has the Victorian State Government. The Western Australian public passenger transport system is a good example of what can be achieved when one has a Government commitment to developing public transport.

Unfortunately, much is to be done in South Australia, a State where little has been done to develop public transport beyond the existing bus system. In the ACT, Tasmania and the Northern Territory where bus transport is the only real option the development process has been relatively static in the past several years.

There is a definite role for the Commonwealth Government to take up the key role in leading investment in public passenger transport holding the States directly responsible for implementing the developments with some uniformity and consistency over time.

The proposed audit of the state of the public passenger transport systems in Australia will reveal the differences in the levels of commitment by the various State governments in the development of an effective and efficient public transport system.

1. Investment

The Commonwealth and State Governments have historically provided significant investment in road infrastructure. In the past 15 years, approximately 75% of Commonwealth land transport investment has been on the roadway network.

While there is no question that the roadway network must have some priority over rail, given the fact that nearly three-quarters of freight travels by road, the past land transport investment has had minimal benefit to public passenger transport systems.

2. Benefits of Public Transport

A principal consequence of an effective public transport system is that more people are encouraged to leave their car at home.

Australian travel is unique in that some 85% of passenger travel is by motor car.

At peak times in the urban areas of Australia public transport carries up to 15% of the total movement, but the motor car is the predominant means of transport.

If we are to encourage more people to travel by public transport, the service must be comparatively convenient in terms of total journey times, frequency, reliability and comfort. People will not leave their cars at home to join a crowded bus or train the timing of which cannot be relied upon.

A major beneficiary of an effective public transport system is the environment. Motor vehicles are responsible for approximately 14% of the carbon emissions in Australia. It follows that if we can reduce the number of motor vehicles on the road, we will improve the environment by reducing the carbon emissions caused by those vehicles.

A most important benefit of an effective public transport service that encourages additional travel is that there is a better use of the limited road resources. An articulated bus, for instance, can carry the equivalent occupancy of 55 cars.

3. Commonwealth Government Options for Improved Public Passenger Transport

3.1 Infrastructure

A key investment in rail passenger transport is the provision of an effective ***signalling system.***

A good example of this shortfall is in the Sydney metropolitan rail system. In this case each of the train movements west of Auburn is managed through the traditionally manual traffic control system. The consequence of this piece of history is that Sydney trains need to operate on headway (timetable spacing) of five minutes. Any less than this headway is likely to result in delays to the train services.

If, for instance, Sydney trains could operate at, say, three minute headways we could create an additional 120,000 passenger spaces at morning peak times alone.

New rolling stock is imperative if the government is genuine about staying in the public transport business. Many of the buses and trains currently operating in New South Wales, Victoria and South Australia are beyond their economic life. They are not only costly to maintain, but they are uncomfortable and their appearance does nothing to attract additional patronage.

Integrated ticketing is a facility that is needed as a convenience of travel on public transport. Why is it that Western Australia and Queensland have in integrated system in place (or on trial) when the bigger States of New South Wales and Victoria struggle to obtain a system that works?

Investment in an effective integrated ticketing system is one investment that needs to be handled in a more uniform way.

3.2 Service

The key element in providing an effective public transport system is ***frequency of services.***

Frequency eliminates the issue of late-running, because if one misses a service there is another following within minutes. In countries like Hong Kong, Singapore, Malaysia, China, Spain, Italy and UK (to name a few) there is no need for timetables because services operate every two minutes at peak times and 4/5 minutes at off-peak times. Frequency is the issue.

Pricing relative to the demand for public transport is relatively inelastic and, therefore, not a real issue towards encouraging (or discouraging) users. However, it is important that the fare and ticketing system is easy and convenient for the traveller. This issue is covered to some extent under integrated ticketing, but the convenience (rather than pricing) of a stored-value ticket (such as the "Octopus" in UK or the "Oyster" in Hong Kong) is a matter of convenience for the traveller.

Comfort of services is another key element of service. Air-conditioning, adequate seating, cleanliness and bright surrounds are basic to comfort of travel. Passengers must feel comfortable when travelling and not crowded in like sardines into a bus/train that is unclean and/or un-serviced.

Bus transit lanes are an imperative if the service is to offer ***comparatively faster journey times and the element of reliability.*** In order to be effective buses must be able to avoid the congestion caused, in the main, by motor cars sharing the same road space but with an average of 1.2 people per vehicle. Bus transit lanes must also include bus bays to enable the non-express buses to move out of the way of express services.

4. Commonwealth Subsidies and Policy

It is important to understand and accept that public passenger transport is a public good. An effective public transport system has benefits for the community at large. Land developers, retail outlets and freight transport operators all derive benefit from a public transport system that people are prepared to use.

A recent study by the Independent Pricing Tribunal (IPART) estimated that public transport benefits the community to the extent that the community should bear approximately 70% of the cost of public transport. IPART concludes that the remaining 30% should be met by the users.

In France, for instance, retail and local businesses pay a premium for the benefits they derive from public transport. This premium along with the user-pay revenue goes a long way to covering the total cost of urban public transport in that country.

One particular subsidy that has suffered abuse is the School Student Travel Scheme (SSTS). At this time, school children in most States are allowed to travel at no cost with the cost of travel being paid to operators from State Government funds.

There is nothing wrong with the theory of free travel for students, but in practice bus operators have been able to claim fares for as high as 100% of all students enrolled at schools they service. In the past several years, the proportion has been reduced (in NSW) to 72% of all students enrolled at the school concerned. This figure is a guess and in many cases represents a subsidy to the operator over and above what is appropriate. In NSW, the cost of the SSTS subsidy is more than $400 million a year.

5. Best Practice Overseas

In countries where public transport is effective, it is for two reasons, mainly:

- It is relatively difficult to travel by motor car
- The Public transport service provides the key elements of
    - Good journey times
    - Frequent services
    - Ease of travel

Seating is not a real issue with most trips taking no more than 20 minutes. In fact, travelling in Hong Kong and China, for instance, one must get used to standing very close to one's fellow traveller.

Countries such as Spain, Italy, France, Germany, UK, China, Hong Kong, Malaysia, Japan, Singapore and USA (to name a few) provide fast urban and long-distance public passenger transport frequently. The rail rolling stock is modern and offers the passenger a comfortable journey. Bus services vary, but the elite is London Buses which in the past few years has added hundreds of new buses directly as a result of the Congestion Charge introduced in 2003.

Bus transit lanes are prominent in France, Italy and Belgium as well as other parts of Europe. Bus transit lanes are also a feature in parts of North America.

In most cases it is not a matter of reinventing the wheel. Many of the opportunities in the development of public passenger transport in Australia have already occurred somewhere overseas.

I submit the above-mentioned advice in some assistance to the Inquiry. Please contact me directly if you have any inquiries.

Yours sincerely

L.J. HARPER
Executive Director