



SUBMISSION BY THE AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION

TO

AN INQUIRY BY THE SENATE STANDING COMMITTEE ON RURAL AND REGIONAL AFFAIRS AND
TRANSPORT

INTO

THE INVESTMENT OF COMMONWEALTH AND STATE FUNDS IN PUBLIC PASSENGER TRANSPORT
INFRASTRUCTURE AND SERVICES

FEBRUARY 2009

EXECUTIVE SUMMARY

The Australian Rail, Tram and Bus Industry Union is a union of employees that represents employees in, amongst other things, public passenger transport in the cities, towns and regions of Australia. Over the years, the Union and its members have watched public passenger transport and, in particular, rail based transport, fall victim to a community and government fetish for the motorcar. This has been compounded by a determination by various governments of all political persuasions to reduce the cost of providing public passenger transport. This has had a self-perpetuating effect. The running down of public passenger transport has caused people to drive cars. This has in turn meant an increase in road expenditure. And, as road expenditure increases and more people use them public passenger transport falls or stagnates prompting government to spend less money on it. The game begins all over again.

In recent years, though, things have begun to change. There is an increasing recognition of the benefits of public passenger transport and the fact that it has been run down significantly over the years. This recognition has been driven by a number of factors – social, economic, and environmental.

The need to move more people and goods more efficiently, traffic congestion in the cities, rising pollution levels, social exclusion (particularly on the city fringes), climate change and the demands for more liveable cities are driving the community and policy makers to turn their attention to safe, accessible and effective public passenger transport. At the same time, the election of Federal Labor Government in November 2007 brought with it a recognition that Australia's infrastructure is increasingly falling into a state of disrepair. The Government made a commitment to invest billions of dollars in upgrading or replacing or constructing new infrastructure. Public passenger transport is seen as an integral part of this infrastructure.

This submission urges the Committee to further impress upon the Australian Government the multi-layered benefits of a public passenger transport system to the Australian community. It urges that the Australian Government move beyond the consideration stage into actually reaping the benefits that will flow from a safe, accessible and effective public passenger transport system.

INTRODUCTION

The Australian Rail, Tram and Bus Industry Union (RTBU) welcomes this opportunity to contribute to the Inquiry by the Senate Standing Committee on Rural and Regional Affairs and Transport into the Investment of Commonwealth and State Funds in Public Passenger Transport Infrastructure and Services.

The RTBU is a federally registered Union of employees with a membership of some 35,000 members. The constitution of the RTBU provides that employees in the following areas are eligible for membership:

- Employees employed in or in connection with the railway industry
- Employees employed in the tramway industry
- Employees employed in parts of the public bus industry

An important and integral part of the “rail, tram and bus industry” is the provision of public passenger transport. In that regard the RTBU has members employed in the provision of:

- Urban heavy rail
- Urban trams and light rail
- Regional and interstate passenger trains
- Urban bus operations

Members of the RTBU perform a range of functions – operations, maintenance and administration. The work performed is done in both the private and public sectors. With respect to employees in public passenger transport by rail, tram or bus, the RTBU is the union with the largest membership.

In addition to passenger transport, RTBU members are also involved in the movement of freight by rail. The RTBU also has members employed in the construction and maintenance of railway and tramway infrastructure.

As the representative union of most employees in public passenger transport by rail or tram/light rail or bus, the RTBU has a vital interest in ensuring that public passenger transport can provide for safe and secure employment. In addition the RTBU seeks to ensure that our members are rewarded for their labour by decent wages and conditions of employment. For those reasons, the RTBU has an interest in ensuring that public passenger transport by rail or tram/light rail or bus attracts and retains the level of patronage to sustain a viable industry. An

important part of this is to ensure that the industry receives sufficient funds to construct and maintain and operate the services as the required level. Simultaneously, the RTBU is conscious that the provision of public passenger transport is more than an economic service. It has an important social and community dimension that assists in the development and maintenance of a vibrant and fulfilling community.

The RTBU and its members have long involved themselves in the broader issues of public passenger transport. Over the years the RTBU has done much lobbying and engaged in many public debates on the role of public passenger transport. The RTBU is a strong advocate for public passenger transport.

This submission is part of that ongoing and important community discussion on the many dimensions of public passenger transport. In our submission, after many years of neglect, public passenger transport has come back into favour. As we shall see, there are a number of reasons for this seeming renaissance.

To address the issues raised by the Senate Committee in the reference it received from the Senate the RTBU commences this submission with a brief discussion of what has happened to public passenger transport over the past 50 years or so. This discussion sets the canvas upon which the rest of the submission will sit and helps the reader to see the submission in its proper context.

The Committee's terms of reference make particular reference to the 2005 Report of the House of Representatives Standing Committee on Environment and Heritage into "Sustainable Cities", and the 2007 Report of this Committee into Australia's Future Oil Supply and Alternative Transport Fuels. Both of these reports in their own way address issues relevant to public passenger transport. This submission treats those reports as the stepping off points to address the contemporary situation on public passenger transport infrastructure and services. As such, the submission provides a summary of the pertinent points in those reports.

There is no doubt that in recent times, and in contrast to the last half of the 20th century, public passenger transport is receiving considerably more attention from the public in general and the policy makers in particular. Importantly, the attention is in a positive direction. There is strong public support to expand the provision of public passenger transport and in particular, rail based transport. This growth in support for public passenger transport is not based on altruism. There are serious social and economic reasons for this support; reasons that can be seen in an assessment of the benefits of public passenger transport. The submission provides a summary of those benefits.

The assessment of the benefits of public passenger transport leads us to inquire about what is actually happening. As we will see there is plenty. Much of the action has been stimulated by the decision of the current Commonwealth Labor Government to address the infrastructure deficit in Australia. With respect to public passenger transport it has also been stimulated by the decision of the Commonwealth Labor Government to become involved in the investment in public passenger transport. This contrasts with the predecessor Howard Government that saw public passenger transport as a responsibility of the respective State Governments. This submission takes a look at the contemporary situation. In doing so, it addresses issues such as the needs and priorities for public passenger transport and the role of the Commonwealth as a facilitator and funder of public passenger transport.

As we shall see, much is being said and much is being promised but much needs to be done. Many of the arguments in favour of increased levels of public passenger transport are not new as the two parliamentary reports testify. It is laudable and necessary that the Senate Committee conduct this inquiry. The RTBU sincerely hopes that this report will urge the Commonwealth Government to raise the tempo on the need to develop and expand public passenger transport throughout the community.

THE BACKGROUND

In recent years, various parliamentary committees have addressed issues relevant to public passenger, usually as part of a larger exercise. This Committee's terms of reference list two specific reports – a report by the House of Representatives Standing Committee on Environment and Heritage titled "Sustainable Cities"¹ and a report by the Senate Standing Committee on Rural and Regional Affairs and Transport titled "Australia's Future Oil Supply and Alternative Transport Fuels"². There are further reports of relevance to a greater or lesser degree.³

The two reports specifically mentioned in the terms of reference address certain issues that are critical to the provision of public passenger transport, namely how to sustain our cities by ensuring it has a transport system that can move their citizens safely, efficiently and expeditiously and the impact that the future supply of oil may have on the provision of public passenger transport and transport in general.

The Sustainable Cities report makes a number of important comments about public passenger transport. In summary form⁴:

- It paints a picture of an urban transport infrastructure that has been developed to satisfy a fetish for the private motor vehicle.
- It identifies a number of negative consequences for the various communities, be they economic, social or environmental.
- It identifies merit in an integrated and comprehensive transport system.

¹ House of Representatives Standing Committee on Environment and Heritage, SUSTAINABLE CITIES, Commonwealth of Australia, Canberra, August 2005

² Senate Standing Committee on Rural and Regional Affairs and Transport, AUSTRALIA'S FUTURE OIL SUPPLY AND ALTERNATIVE TRANSPORT FUELS, Commonwealth of Australia, February 2007

³ For example, see Senate Education, Employment and Workplace Relations Committee, WORKFORCE CHALLENGES IN THE TRANSPORT INDUSTRY, Commonwealth of Australia, August 2007; House of Representatives Standing Committee on Communications, Transport and the Arts, TRACKING AUSTRALIA: An Inquiry into the Role of Rail in the National Network, Commonwealth of Australia, Canberra, November 1998; and House of Representatives Standing Committee on Communications, Transport and the Arts, BACK ON TRACK, Commonwealth of Australia, Canberra, April 2001

⁴ Sustainable Cities, op. cit. chapter 5

- Whilst it identifies various federal funding programs such as Auslink and Roads to Recovery, it notes that the Auslink program is not designed for “sustainable transport”⁵.
- It notes that the then Commonwealth Government did not invest in urban transport whilst it provided funds for the construction of roads and freeways.
- It identified a number of advantages for the use of urban public transport over the use of the private motor vehicle.
- It raised the issue of a congestion tax.
- It saw a need for the relevant authorities to anticipate and plan for future infrastructure needs and in particular the needs of those people who reside on the fringes of cities.
- It noted the high cost of road infrastructure maintenance.
- It raised the issue of public/private partnerships
- It raised the issue of the bias in the fringe benefit tax rules and the tariff on imported four-wheel drive vehicles towards road transport and increasing car dependency.
- It saw the merit of “active transport” not only as an alternative means of commuting but as a means of increasing the general health levels in the community.
- It urged further work on fuel efficiency.

Chapter 5 of the “Sustainable Cities” Report contains 7 recommendations. In summary the recommendations urge the Commonwealth Government to open up road funding programs to other transport modes, impresses upon the Commonwealth the need to fund urban public transport and in particular light and heavy rail and in the suburbs and outer fringes and in ways that promote “active transport”; advocates the removal of private car tax incentives, and addresses the need to lower emissions from road vehicles.

The report of the Senate Committee into the issue of the demand and supply of oil raises important transport issues. As transport vehicles rely in one way or another and to a greater or lesser degree on oil, the demand of transport vehicles for oil is a critical concern to the

⁵ Ibid. p. 62

community. Chapter 8 of the Senate Committee report focuses on the demands of transport for oil. The report makes a number of pertinent comments⁶:

- It emphasises the need to improve fuel efficiency, noting that a general improvement had stalled recently with increased use of four wheel drive vehicles.
- It identifies a “rebound” effect with fuel efficiency i.e. the actual fuel saving will be less than the improvement in fuel efficiency due to induced demand from the lower cost of fuel actuated by the efficiency improvement.
- It notes that traffic congestion leads to increased fuel usage.
- It notes a number of externalities associated with car use, namely, noise, pollution, greenhouse gas emissions, accident costs and health effects.
- It notes the interest in congestion charging.
- It advocates increased transport integration with walking, cycling and public transport in cities
- It urges the integration of transport and land use planning.
- It advocates increased use of rail in long distance freight transport.
- It identifies the bias in the fringe benefits tax provisions as a problem.

Chapter 8 of the report makes 5 recommendations. The recommendations involve urging the Commonwealth Government to progress fuel efficiency measures (including, if necessary, a mandatory code), inquiring into the advantages and disadvantages of congestion charging; support for active transport systems such as TravelSmart; that corridor planning take into account the need to reduce oil consumption; and a review of the fringe benefit tax advantages for the use of “company cars”.

A common theme emerges from both of these reports – the need to reduce the reliance on the private motor vehicle for transport by increasing the availability and accessibility of urban public transport. This requires meeting a number of prerequisites. They include the need to increase investment in public passenger transport, the need to encourage people to use it, and the need for involvement by the Commonwealth Government

⁶ These comments are taken from chapter 8 of the Report.

THE DEMAND FOR PUBLIC PASSENGER TRANSPORT

There are a number of forces at work that are driving the push for increased public passenger transport. In our submission they fall into 4 key areas

1. Congestion

Ask anyone who ventures onto our suburban roads in the major cities for their view of the traffic situation and it is most likely that the response will be that it is bad and getting worse. Building more roads is not the solution – building more roads simply attracts more vehicles. As the Public Transport Users Association has stated:

“The bulk of road infrastructure expansion is also driven by the perceived need to cater for expanding traffic volumes. Whether such expenditure is framed as improving productivity of freight transport or improving road safety, the inescapable reality is that low-occupying passenger vehicles dominate use of that infrastructure ... road capacity has been proven to encourage additional passenger and freight traffic and consequently increase transport emissions.”⁷

The road systems in the various cities have expanded greatly over the years. The Bureau of Infrastructure, Transport and Regional Economics was able to say recently:

“Total travel in Australian urban areas has grown ten-fold over the past 60 years. Private road vehicles now account for about 90% of the total urban passenger task (up from around 40% in the late 1940’s).”⁸

The Bureau goes on to estimate the current avoidable costs of congestion at approximately \$9.4 billion in 2005 and increasing to \$20.4 billion in 2020. Even though it acknowledges the difficulties of calculating accurate figures, the Bureau states that “.... it will be challenging to avoid escalating urban congestion costs, given the rising traffic volumes expected within the Australian capital cities.”⁹

⁷ Public Transport Users Association, CLIMATE CHANGE AT THE JUNCTION: The Role of Transport in Preventing Dangerous Climate Change, Public Transport Users Association, Melbourne, 2008, p.4

⁸ Bureau of Infrastructure, Transport and Regional Economics, ESTIMATING URBAN TRAFFIC AND CONGESTION COST TRENDS FOR AUSTRALIAN CITIES, Working Paper 71, Commonwealth of Australia, 2007, p.xv

⁹ loc.cit

The Bureau has noted the challenge on urban congestion. The Australian Government recognizes the challenge. In the context of freight transport the Parliamentary Secretary for Regional Development and Northern Australia has stated: "If we are to reduce the impact of freight growth on urban congestion, rail simply has to play a more prominent role"¹⁰ And the Minister for Infrastructure, Transport, Regional Development and Local Government has also commented: "We cannot address climate change and unclog our cities without addressing the sustainability of our urban transport networks."¹¹ The elimination or any serious reduction in urban road congestion means that improving public passenger transport is essential.

2. Green House Gas Emissions

Transport is the third largest contributor to greenhouse gas emissions in Australia. Of the total transport emissions, 89% come from road transport, 6% from rail transport and 5% from shipping. Emissions from private motor vehicles account for 54% of transport emissions. With respect to the transport of freight, road vehicles contributed 87% of emissions in 2006.¹²

A modal shift of freight and passengers from road to rail will not only alleviate congestion but contribute to the carbon pollution reduction effort. The Australasian Railways Association has estimated that one freight train takes 150 trucks off the road, saves 45,000 litres of diesel and saves 44 tonnes of greenhouse gases.¹³

There is a respectable argument to be made that climate change is the most pressing problem facing the world community. Certainly the Commonwealth Government gives the distinct impression that it does not misunderstand its importance. The first thing the Labor Government did upon being elected was to ratify the Kyoto Protocol on Climate Change. It has created a ministerial portfolio for climate change with a seat in the

¹⁰ Speech by the Hon. Gary Grey to the Australian Rail Summit 2008, Sydney, 23 July 2008, www.minister.infrastructure.gov.au/gg/speeches/2008/GS14_2008.htm

¹¹ Speech by the Hon. Anthony Albanese to the National Press Club, DRIVING HIGHER PRODUCTIVITY AND GREATER PROSPERITY THROUGH INVESTMENT IN INFRASTRUCTURE, 20 February 2008, www.minister.infrastructure.gov.au/aa/speeches/2008/AS01_2008.htm

¹² Total Environment Centre, THE CONTRIBUTION OF FREIGHT TRANSPORT TO AUSTRALIAN GREENHOUSE GAS EMISSIONS AND OUTLINE OF STRATEGY, Total Environment Centre, Sydney 14 July 2008

¹³ Australasian Railways Association, The Green Paper Completely Ignores Rail, PRESS RELEASE, Australasian Railways Association, Canberra, 20 July 2007

Cabinet. It has produced a Green Paper and White Paper on a carbon pollution reduction scheme within 12 months of coming into government. It has engaged people like Professor Ross Garnaut to address issues going to a carbon pollution reduction scheme. It may be that not everyone agrees with the position that has been taken by the Commonwealth Government, but that is a different issue to saying that it is not serious about climate change.

With transport as the third highest emitter of greenhouse gases – behind agriculture and power generation – it has a major role to play in any strategy to reduce those emissions. Public passenger transport, and in particular rail based transport, will be a key player

3. Oil Depletion

There is much debate amongst experts about the state of the world's oil supply. Some say the supply has peaked and is now on the downside of the bell curve; others disagree.¹⁴ Whilst this debate may be somewhat esoteric, there is no doubt that the world's oil reserves are not inexhaustible and issues associated with its scarcity will need to be dealt with sooner rather than later. Further, as the burning of hydrocarbons is a major contributor to greenhouse gases, the use of oil – scarce or otherwise – is a major consideration for the future.

As noted above, transport is a major user of oil. Road transport stands out in this regard. It is also noted above that the transfer of freight transport from road to rail leads to significant reductions in the use of oil (in the form of diesel) and consequently in the emission of greenhouse gases.

Thus the role of the public passenger transport system is an important consideration when seeking to address the question of the demand and supply of oil.

4. Social Exclusion

When one reaches the fringes of our major cities, one recognizes that there remains a fair distance to travel before reaching the central business district. The suburban sprawl seems to go on and on and on. And much of it is of recent origin.

¹⁴ See Senate Committee, Australia's Future Oil Supply etc. op. cit. pp.19-58; Dunlop I., Peak Oil – The Trigger for Global Sustainability, OCKHAM'S RAZOR, Transcript, ABC Radio National, 27 July 2008, www.abc.net.au/rn/ockham'srazor/2008/2313512.htm

Unfortunately one of the features of these new suburbs is often a lack of public passenger transport of any form let alone a rail system to other parts of the city. Simultaneously, many of the people moving into these areas come from lower socio-economic circumstances. If they can afford a car, the relative “tyranny of distance” adds to their cost of living. This can bring with it consequences that should not be acceptable in 21st century Australia. The Sustainable Cities report notes the impacts of social isolation, economic stratification and reduced access to public transport.¹⁵

All members of the community, regardless of where they live, are entitled to a proper passenger transport system to be able to participate and enjoy the activities of that community. It is, in our submission, a right for the citizens of any community. Thus, once, again, a public passenger transport system plays an important role.

There is mutuality between these issues. A well developed public passenger transport system can “kill more than one bird with a single stone”. It has the benefit of reducing congestion, of reducing greenhouse gases, of reducing our reliance on oil and of reducing social exclusion. In anyone’s book these are not minor issues. For Australia these benefits are real and significant and in many cases can be quantified.

There are further benefits to the community associated with the increased availability and use of public passenger transport.

As the use of the private motor vehicle in aggregate is a major contributor to greenhouse gases so is it a major contributor to other forms of air pollution and to noise pollution. It is axiomatic that less vehicles on the road means less burning of hydrocarbons which means lower levels of air pollution. At present the current contribution of the private motor vehicle to pollution per se is exacerbated by the congestion problem. It follows that the greater the use of public passenger transport as a substitute for the private motor vehicle the cleaner our communities are likely to be. The same logic applies to the issue of noise pollution.

It is also our submission that the Senate Committee should not regard increases in fuel efficiency as a panacea for the problem of the various form of motor vehicle pollution. There is no doubt that it can make a contribution but it is a contribution that should not be overstated.

Firstly, there is the rebound effect. This is where an energy efficiency improvement leads to an increase in demand. According to studies identified by the Public Transport Users Association, a 10% increase in fuel efficiency will only reduce emissions by 8% due to an increase in the

¹⁵ Sustainable Cities, op.cit. p. 59

number of vehicles¹⁶. A recent paper by the National Transport Commission states that the rebound effect can vary widely from a 10% to 50% offset in fuel savings with the mid-range being around 20%¹⁷.

Secondly, increases in fuel efficiency will do little to address the problem of congestion on our roads. Indeed, it is more likely to exacerbate the problem as the cost of fuel per kilometre decreases.

Thirdly, and this is another benefit of increasing the availability and use of public passenger transport, an increase in fuel efficiency will do nothing to address the problem of car accidents and their impact on the people involved (and their families), the cost to the health system and to the community in general, nor can it assist in increasing the general health of the community.

Whilst measuring the costs to the community of road accidents is notoriously difficult – and of course some costs cannot be quantified – some estimates have been attempted. The Bureau of Transport and Regional Economics did an estimation in 2000 based on 1996 data and concluded that the “total losses to the society and economy due to road crashes was nearly \$15 billion a year or \$41 million a day in 1996 prices.”¹⁸ A study by the Centre of National Research on Disability and Rehabilitation Medicine in 2006 concluded that the cost was \$17 billion per year.¹⁹ Whatever the true figure, there is no doubt that a greater focus on public passenger transport can assist in reducing it.

On the issue of general health, it is noted that the Senate Committee in the “Sustaining Cities” Report expressed an interest in this subject²⁰. The contribution of public passenger transport to increased levels of public health is based on the simple proposition that the more time people spend undertaking physical activity the healthier they are likely to be. Public passenger transport requires increased levels of exercise relative to use of a private motor vehicle. For

¹⁶ Public Transport Users Association, op. cit. p. 12

¹⁷ National Transport Commission, DISCUSSION PAPER – Freight Transport in a Carbon Constrained Economy, National Transport Commission, Melbourne, 2008, p. 29

¹⁸ Bureau of Transport and Regional Economics, ROAD CRASH COST ESTIMATION: A PROPOSAL INCORPORATING A DECADE OF CONCEPTUAL AND EMPIRICAL DEVELOPMENTS – A STAFF PAPER, Commonwealth of Australia, Canberra, 2008, p. 1

¹⁹ \$17billion annual bill for road trauma, UQ News Online, www.uq.edu.au/news/index/html?article=9863

²⁰ Sustainable Cities, op. cit. pp. 78-81

example, people walk the railway station and from the railway station to work. When public passenger transport infrastructure is taken to include the infrastructure for cyclists and pedestrians, the level of physical exercise increases. In other words public passenger transport can help to overcome the adverse health impacts of a largely sedentary life.

Taking the health benefits a step further, it should also be noted that there are health implications from transport emissions. According to a recent study by the Bureau of Transport and Regional Economics: "This study estimates that in 2000 motor vehicle pollution accounted for between 900 and 4500 morbidity cases – cardio-vascular disease, respiratory disease and bronchitis – and for between 900 and 2000 early deaths."²¹

Whilst the report recognizes the methodological problems in quantify this cost it goes on to make an estimation of the economic costs as between \$1.6 billion and \$3.8 billion.²² Again, regardless of what one may think of the methodology used there is no doubt that the cost is substantial and that an increase in the availability and use of public passenger transport can make a positive contribution to reducing the incidence of health problems and their associated costs to individuals and the community.

In our submission the abovementioned benefits of increase availability and use of public passenger transport are neither marginal nor hypothetical. The benefits are significant and in most cases, quantifiable. Simultaneously it addresses more than one important policy consideration – congestion, climate change, oil depletion, pollution, road accidents and health. It is acknowledged that there are costs associated with making public passenger transport more available but in our submission those costs are more than outweighed by the benefits. And in some cases, in our submission, there is no choice – it's either a decent public passenger transport system or a dysfunctional transport network with all its attendant problems.

²¹ Bureau of Transport and Regional Economics, HEALTH IMPACTS OF TRANSPORT EMISSIONS IN AUSTRALIA: ECONOMIC COSTS, Working Paper 63, Commonwealth of Australia, Canberra, 2005, p.xii

²² Ibid. p.xiv

THE CONTEMPORARY PUBLIC PASSENGER TRANSPORT SYSTEM

There is no doubt that much is currently happening in the sphere of public passenger transport. It is being motivated by a number of developments – some of which have been noted above.

On the demand side the problems of road congestion in the major cities and the increasing cost of fuel are enticing people to substitute the use of their private vehicle with public transport. There is no doubt that passenger numbers are increasing. V/Line passenger in Victoria, for example increased its regional patronage by 23% between 2006/07 and 2007/08²³. And according to the Age Newspaper, 20% of Melbourne commuters had taken up public transport in response to the increase in petrol prices in mid 2008.²⁴ In New South Wales, the patronage of Railcorp – the operator of the Sydney urban rail system – increased 5.2% in 2007/2008²⁵.

In some cases, the passenger numbers are increasing to such a degree that the rail systems are having difficulties coping with the numbers. In Melbourne, for example, where an additional 100,000 Melbournians per day have taken up public transport in a period of 123 months, it has been reported that: “Metlink figures for an average weekday show 1.5 million commuters jam trains, trams and buses, with packed out peak times dragging out to almost six hours a day”²⁶. Similar experiences have occurred in other major cities such as Sydney. Clearly the public passenger transport systems are not at a point where they can absorb any significant increase in demand for their services.

In addition to these issues, the public passenger transport issue has gained some prominence as a result to the Commonwealth Labor Government’s decision to upgrade and expand and modernize Australia’s infrastructure stock. This includes transport stock. The creation of bodies like Infrastructure Australia and the Major Cities Unit has increased the focus on these issues. Simultaneously, the pursuit of modern infrastructure has a serious economic dimension. With respect to transport it is vital that freight and people move around the country (and overseas) in an efficient manner.

²³ v/Line Annual Report shows 23 per cent jump in patronage, MEDIA RELEASE, V/Line Passenger, 30 October 2008, www.vline.com.au/media/news/MediaReleases/VlineAnnualReportshows23percentjumpinpatronage.html

²⁴ Dowling J., 20% dump car for public transport, THE AGE, July 29, 2008, www.theage.com.au/national/20-dump-car-for-public-transport-20080728-3mb6

²⁵ Railcorp, ANNUAL REPORT 2007/08, Railcorp, Sydney, 2008, p.4

²⁶ Bolling M., Commuters’ fit of peak as Melbourne trains fill up, THE HERALD SUN, August 28,2008, www.news.com.au/heraldsun/story/0,21985,24258720-2862,00.html

Much of the work being undertaken – with respect to passenger transport – has focused on the demands and priorities. In recent months Infrastructure Australia has released a report raising the issue of infrastructure priorities²⁷. With respect to public passenger transport, the report lists 18 urban rail/bus or urban rail/road projects as priorities²⁸. The various projects are spread across the various capital cities. The report also contains a rail freight project that will also assist in facilitating a more efficient public passenger transport network in Sydney. This project is the Northern Sydney Rail Freight Corridor²⁹. The work undertaken by Infrastructure Australia involved studying some 1,000 proposed infrastructure projects received in over 600 submissions³⁰. The projects mentioned in the report from Infrastructure Australia are to be the subject of further work and refinement with a smaller list of priorities to be presented to the Commonwealth Government in March 2009.

In addition the various States are conducting their own investigations. We take Victoria as an example. Between 2006 and 2006, the Victorian Government has released 3 major reports on the transport infrastructure needs in that state, including public passenger transport³¹. Other states have also identified their needs – whether it be to Infrastructure Australia or in other forms.

Thus, if one wants an audit of Australia's public passenger transport needs, then there is a host of material available. We are not aware, however, if this material has been consolidated into a readily accessible form. Nevertheless, policy makers will not want for a lack of ideas and proposals for public passenger transport infrastructure.

Perhaps more important than the decision of the Commonwealth Government to upgrade, modernize and expand Australia's infrastructure is its decision to invest considerable sums of money in the exercise. With respect to public passenger transport this is a significant change as this form of transport has traditionally been regarded as a responsibility of the States. Thus, as

²⁷ Infrastructure Australia, A REPORT TO THE COUNCIL OF AUSTRALIAN GOVERNMENTS, Commonwealth of Australia, Canberra, 2008

²⁸ Ibid. p. 68

²⁹ loc. cit.

³⁰ Audit of the Nation's Infrastructure Released, JOINT MEDIA STATEMENT, THE HON. ANTHONY ALBANESE AND SIR ROD EDDINGTON, 19 December 2008, www.minister.gov.au/aa/releases/2008/December/AA205_2008.html

³¹ State of Victoria, MEETING OUR TRANSPORT CHALLENGES, State of Victoria, Melbourne, 2006; Eddington, R., INVESTING IN TRANSPORT: East West Needs Assessment, State of Victoria, Melbourne, 2006; State of Victoria, THE VICTORIAN TRANSPORT PLAN, State of Victoria, Melbourne, 2008

long as the States maintain and even increase their funding, the additional funds of the Commonwealth can be used to greatly improve the public passenger transport system.

It needs to be recognized that at this stage, whilst much is being said and much ink being spilt, there is little of substance to show. Given the circumstances, this is understandable – it is not meant as a criticism. Indeed, the Commonwealth Government has done a lot in the period since the election, and it has been left with an unfortunate legacy. But the time is drawing to a close when the actual infrastructure must begin to become manifest.

Given the advantages of public passenger transport there is, in our submission, a need to remove, where possible, any disincentive to the use of public passenger transport. As noted above, the use of road transport brings with it a number of externalities – costs associated with the use of motor vehicles on roads that are not paid for by the owner/operator of the motor vehicle. They include the costs of pollution, congestion, greenhouse gases, motor vehicle accidents and health. Whilst so ever those costs are borne by others they will act as a disincentive to public passenger transport that does not have the capacity to externalize its costs to that degree.

In this context, it should be noted that funding for public transport has been ad hoc at best and absent at worst. Recurrent expenditure is constantly under pressure as a mechanism to reduce overall budgetary expenditure. This, in turn, adversely affects the quality and level of service to the public and is ultimately counterproductive. This merely provides justification for further cuts – and the game begins again.

There is no Auslink for public passenger transport³². There is a need for the Commonwealth and State Governments to address the issue of long term funding of public passenger transport so as to provide certainty to the public that their public passenger transport system will satisfy their reasonable demands.

A recent decision of the Commonwealth Government has further disadvantaged public passenger transport relative to the private motor vehicle. This disadvantage is particularly apparent when it comes to rail based transport.

The decision was part of the establishment of a carbon pollution reduction scheme (CPRS). The Commonwealth Government has determined to offset the cost impact of a CPRS on fuel for motorcar drivers (including taxis) for a period of at least 3 years and for heavy road vehicles for a period of at least 1 year. The offset will apply through a reduction in the petrol/diesel levy

³² Whilst Auslink does provide some funding for rail it is marginal. Auslink is essentially a road-funding program.

equal to any increase in costs of those fuels consequent upon the introduction of the CPRS. Whilst the offset will apply to road vehicles it will not apply to diesel locomotives or trains whether used to transport freight or passengers³³.

What this means is that whilst the CPRS will increase costs for rail-based transport it will not for road-based transport. This can only act as a disincentive to use rail transport at the very time its use is being advocated by the various governments. On the freight side, it can only advantage the road freight industry resulting in more trucks on the road, more congestion, increased levels of pollution and so on.

An added irony of this decision in the context of a CPRS is that it favours the use of high carbon emission forms of transport over low carbon emission forms of transport. This is a policy decision where objective and practice are opposing forces.

The RTBU has brought this issue to the attention of the Commonwealth Government but to no avail. In our submission to the Green Paper on the CPRS the RTBU, after highlighting the unfairness of the position stated:

“The RTBU wants to ensure that any decision taken by the Australian Government does not place the sector that employs our members at a disadvantage relative to other sectors in the transport industry. What this means is that the Australian Government should apply the notion of the ‘level playing field’. From the perspective of maximizing the reduction in carbon pollution gases from the transport industry, this would mean the removal of any exemption. On the other hand, if the Australian Government believes that, at least initially, it would be too blunt an instrument and decides to opt for some form of exemption, then that exemption should operate in a manner that is fair and equitable to all who will be affected by it. The RTBU could accept either approach but not some midpoint that disadvantages the industry that employs our members. It is hard to comprehend why, as a result of the introduction of a scheme to reduce carbon pollution one sector of the transport industry should be placed at a disadvantage to another. It becomes even more incomprehensible when it is considered that a CPRS will give advantage to the sector of the transport industry which makes the greatest contribution to carbon pollution over these sectors which can make a significant and positive contribution to reducing carbon pollution.”³⁴

³³ The Adelaide urban rail passenger network currently uses diesel-powered trains.

³⁴ Australian Rail, Tram and Bus Industry Union, RESPONSE BY THE AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION TO THE GREEN PAPER OF THE AUSTRALIAN GOVERNMENT ON A CARBON POLLUTION REDUCTION SCHEME, Australian Rail, Tram and Bus Industry Union, Redfern, September 2008, p.12

Unfortunately it is a view that, to date has fallen on deaf ears.

On the issue of government based costs, the RTBU notes that both the Sustainable Cities Report and the Future Oil Supply Report comment critically on the application of the fringe benefits tax to “company cars”³⁵. In effect the fringe benefit tax concessions for “company cars” not only encourages the use of motor vehicles but the greater the use the better. The critique in the parliamentary reports is complemented by Kenneth Davidson who has stated:

“The fringe benefit concession encouraged the demand and local production of six-cylinder cars in defiance of environmental realities as well as making the benefit proportional to mileage. The more you drive the more you get. Crazy.”³⁶

This comment by Kenneth Davidson has become more apposite in recent times in the context of criticism of certain automobile manufacturers who have focused their attention on the production of four wheel drive vehicles and other large vehicles at the expense of four cylinder small vehicles and are now paying the price.

Despite this criticism the situation still exists and the RTBU is not aware of any proposals to change it.

The current operation of the fringe benefit tax on company cars also runs at cross-purposes with other Government policy. In recent months the Commonwealth Government has determined to contribute billions of dollars to the vehicle industry to help promote a four-cylinder hybrid vehicle that is more fuel-efficient. Surely this position must sit uncomfortably beside the operation of the fringe benefit tax.

In addition to the fringe benefit tax both reports also raise for consideration the notion of a congestion tax³⁷. In this context the Future Oil Supply Report raises the issue of varying tolls on toll ways during various times of the day. It is noted that such a scheme has recently been introduced on the Sydney Harbour Bridge. At this point it is a little too early to tell what effect it is having on congestion.

³⁵ Sustainable Cities, op.cit. pp. 75-77; Future Oil Supply, op.cit. pp. 160-162

³⁶ Davidson K., Trains, Trams and Automobiles: getting our priorities right, THE AGE, August 14, 2008. www.Theage.com.au/opinion/trains-trams-and-automobiles-getting-our-priorities-right.html

³⁷ Sustainable Cities, op.cit. p.67; Future Oil Supply, op.cit. pp. 148-150

On the broader congestion tax such as the tax in the City of London, the RTBU in its submission to the National Transport Commission on freight in a carbon constrained economy stated:

“On an urban congestion tax, it is certainly worthy of further attention. It does appear, however, that any implementation of such a tax would be some way off. The tax in the City of London for example relies on the existence of an efficient and effective public transport system. As we read it the public transport systems in Australian cities are not at the point where they could be seen as a positive in pursuing an urban congestion tax.”³⁸

Accordingly, whilst we believe that conceptually a congestion tax has much merit, it requires a complementary infrastructure for it to achieve its objective and to be politically viable. This position only highlights the need to update our public passenger transport infrastructure.

The RTBU urges this Committee to recommend to the Commonwealth Government:

- To fast track the modernization and expansion of Australia’s public passenger transport infrastructure with a particular focus on the use of heavy and light rail and strategically focused bus infrastructure that separates it from other road users.
- Together with the respective State Governments to derive a funding model that establishes certainty and adequacy of funding to meet the reasonable demands of the public for a safe and accessible and efficient public passenger transport system.
- To focus attention on the public passenger transport needs in the “new” suburbs on the fringe of Australian cities and other areas where its availability is poor.
- To fast track the separation of rail freight trains and public passenger transport in urban areas.
- To remove the disadvantage to rail based transport inherent in the CPRS
- To remove the fringe benefit tax advantage to “company cars”
- To create the environment where the advantages of congestion charging/tax would be beneficial to the community.
- To take into account and promote active transport methods.

³⁸ Australian Rail, Tram and Bus Industry Union, COMMENT BY THE AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION ON THE NATIONAL TRANSPORT COMMISSION DISCUSSION PAPER – “FREIGHT TRANSPORT IN A CARBON CONSTRAINED ECONOMY”, Australian Rail, Tram and Bus Industry Union, Redfern, August 2008, p.7

SUMMARY AND CONCLUSION

For the past 50 years or so, public passenger transport – in particular rail – has not had too many friends. Respective governments perceived public passenger transport as a “black hole” absorbing funds for very little return – economically, socially or politically.

The motorcar became the Holy Grail. The focus of passenger transport budgets became roads; more and more and bigger and bigger roads. When funding was scarce public/private partnerships became attractive in the form of toll ways.

In the meantime, public passenger transport, with few exceptions, was left to wither on the vine. The number of rail expansions could be counted on one hand. Railways systems and their operators were put in a position of constant rationalization driven by cost cutting agendas. The Commonwealth Government ignored public passenger transport by claiming it was a state matter, whilst simultaneously lavishing funds on road expansion projects.

Long term planning of transport needs and the environment in which such needs would be delivered appeared to matter little. If there was a problem, the solution was to build another road. But when 21st century pressures made themselves known, it became apparent that the era of the motorcar could no longer continue. Climate change, congestion, pollution, health and other problems are in varying degrees products of the contemporary transport system with its focus on the motorcar and road transport in general.

It follows, in our submission, that public passenger transport that focuses on reducing reliance on the private motorcar is essential for the health and economic and social well being of the Australian public. As mentioned above, the use of public passenger transport provides a number of important benefits to society. In our submission, those benefits outweigh – and as time goes on the benefits will increase exponentially – the costs of expanding public passenger transport. This point is made in the full knowledge that the construction or expansion of public passenger transport is not cheap and cannot be done overnight. In many respects, we have reached a position where it is not a question of choice if one wants to tackle contemporary economic, social and environmental issues. A failure to invest in public passenger transport can only lead to an exacerbation of climate change, congestion etc.

It appears that this position is being increasingly recognized in the various public policy making bodies and the community in general. But that does not guarantee that anything will happen.

In the previous chapter of this submission, the RTBU has endeavoured to describe the benefits of public passenger transport, the need for funding and has recommended a number of steps that it urges this Committee to take up with the Australian Government. Prior to that our

submission describes what is currently happening in public passenger transport in Australia. The juxtaposition of those two chapters reveals that there is a real possibility of a renaissance of public passenger transport, particularly in the form of heavy and light rail. But in our submission, at this point the notion of a renaissance remains in the realm of “possibility”. It is not guaranteed. As noted above there has been a lot of talk and a lot of ink spilt lately – the nature of the problem and the need to tackle has seemingly been recognized if various statements from representatives of the government are anything to go by. There is a need to move to the next stage. In that context the RTBU urges the Committee to report to the Australian Government that developing and expanding our public passenger transport system is vital to the future of our society and that there is little time to waste.

There is no want for ideas; there is no want for community support. It comes down to a question of commitment and priority amongst our parliamentary representatives. In this context, and particularly in the current environment, the RTBU recognizes that the Australian Government confronts a number of serious issues. We also recognize there is a time lag between decision and operation (but not construction). In our submission, however, the capacity for people to move around the country and its urban areas in a safe and effective manner and in a way that advances our economic, social and environmental future should place public passenger transport issues as issues of priority. Given the history there is a lot of catching up to do.

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