1. Introduction

Transport is essential for connecting communities and businesses. However, motorised travel has environmental and other costs: it consumes significant amounts of non-renewable resources especially fossil fuels, and produces air pollution and greenhouse gas emissions. Transport also has noise, visual and other impacts on the urban environment and leads to traffic congestion and accidents. There are important linkages between motorised transport use, air pollution and health. Increasing use of public transport, walking and cycling are likely to have a dual benefit: reducing air pollution as well as factors for cardiovascular disease, diabetes, cancer and osteoporosis.

An increased reliance on private cars by the population results in greater infrastructure requirements (roads and parking), Other economic costs associated with motor vehicles include accidents, congestion, noise, costs from human health, pollution control and repair, and the costs of having to manage climate change in the future. Reductions in the level of motor vehicle use can free up financial, energy and land resources for other activities.

The overarching goals for Sydney's transport network are:

- Improved productivity by reducing traffic congestion and improving travel in inner Sydney supporting business
- Improved sustainability by providing alternatives to the single occupancy privately owned motor vehicle
- Better social outcomes through improved liveability, increased accessibility and support for health and well-being outcomes arising out of active transport

North Sydney Council has stated in its 2020 Vision that we will work to ensure that alternatives to car use are well promoted and supported. Council has committed to pursue improvement and expansion of sustainable transport options and encourage the use of alternative modes of transport to the private car for a healthy, flexible, reliable, accessible and sustainable transport system. Council wants to ensure that public transport users, pedestrians and cyclists enjoy easy and safe access throughout North Sydney and beyond into other areas of Sydney.

The North Sydney Traffic and Transport Strategy states in terms of equity that, "vehicle users should pay for the costs of works associated with making their journeys compatible with these principles". It aims to reduce the negative impacts of the motorcar on safety and amenity in North Sydney. The aim is to reduce internal and external car trips, reduce traffic generation from development and encourage greater use of public transport and alternate modes of transport such as cycling. Shorter trips in particular can be achieved comfortably by sustainable transport modes.

2. Transport in Sydney

Since the 1980s the NSW Government has been pushing the build, own, operate and transfer public-private partnership that has seen a number of large tollway road infrastructure projects built such as the Cross City Tunnel and the Lane Cove Tunnel

Project. This capacity to tap into new sources of finance to fund road building increases the pressure on the NSW Government to give in to the roads lobby and defer adequate transport planning which meets the needs of the existing and future populations, particularly within urban areas. If the large scale urban growth envisaged in the Metropolitan Strategy takes place through urban consolidation, despite enormous spending on road infrastructure, these systems will essentially fail.

In contrast funding for public transport, which has the potential to meet the expanding population, is woefully inadequate and has seen rapid decreases in the reliability, service and safety of the existing public transport network and insufficient funding for new services. For example, during the morning peak rail services entering the City centre are typically 120 per cent of seated capacity (CityRail, Compendium of Statistics, 2006). Inner Sydney is suffering substantial transport congestion issues as trains and buses arrive at Inner Sydney stops already full, and passengers are forced to wait for later services.

In addition to public transport, there is a need to take cycling and walking as modes of transport more seriously. It is noted that bicycle facilities have been provided with the large road projects such as the Lane Cove Tunnel. However, unfortunately this was built immediately adjacent to the new road and does not extend into North Sydney for connection into the regional network and then into the Sydney CBD.

Without improvements to the public transport system and travel demand measures, additional road capacity provided by major road infrastructure will ultimately be taken up and will lead to further congestion downstream. Once road capacity has been improved and congestion and travel times reduced there will be less incentive for people to change their mode of travel to public transport. The only effective way to manage this is to incorporate an efficient mass public transport system with any proposal to increase road capacity.

Council has recently noted with horror that the NSW Government intends to abandon its plans for the North-West Metro and severely limit the South-West Metro. Residents in outer suburbs of Sydney continue to be left with no other transport option other than to jump into their car and continue to add to Sydney's congestion and pollution problems.

North Sydney has an existing population of 62,000 and it is a major employment centre in Sydney with a net working population of 51,000. The Metropolitan Strategy aims to increase the number of dwellings in North Sydney by 5,500 and create 15,000 new jobs. This increase in population is predicated on improved transport infrastructure. However, inadequate funding is being spent on public transport networks which actually have the capacity to carry these volumes of passengers.

Just one example to highlight the capacity of public transport is the Harbour Bridge. The bus lane on the Harbour Bridge can transport 13,000 people per hour. One car lane on the harbour bridge transports can carry 1,600 people per hour. Therefore one bus lane carries more people per hour than all seven general traffic lanes combined. That is, you need more than seven times the infrastructure to carry people by private transport compared with public transport. Trains are even more efficient, carrying 20,000 to 30,000 passengers per line per hour.

Central to the residential and employment targets contained within the Metropolitan Strategy were the infrastructure commitments made in the State Infrastructure Strategy (SIS) which were to be provided to enable targeted growth through urban consolidation. Sydney Councils increasingly feel that they have delivered their side of the planning agreement, that is, they have increased housing densities. At the same time, the NSW Government continue to renege on their side of the agreement, which is to provide the infrastructure necessary to support these growing populations. This includes schools, hospitals and of course sustainable transport networks. The NSW Government has yet again failed to deliver on its promises to the people of NSW to sort out Sydney's transport problems.

North Sydney Council agrees with the conclusions of the NSW Government Infrastructure audit submission to the Infrastructure Australia June 2008, which says, "Given Sydney's significance to the national economy, addressing the city's urban congestion and other capacity constraints is a national priority. Due to its flexibility, road transport has been favoured over rail transport. This has contributed to the suboptimal use of the transport network, and escalated broader impacts such as urban congestion, noise and greenhouse gas emissions." Improved public and sustainable transport is needed to reduce the pressure on the road network.

No single action will achieve the transport goals for Sydney. Rather a variety of alternatives to the individually owned motor vehicle are required. In summary, North Sydney Council believes the following public transport improvements are required in Sydney:

- Duplication of the rail line between St Leonards and the City to provide much needed additional capacity on the North Shore line
- Construction of the North-West rail line OR North-West metro
- Construction of the Epping to Parramatta rail line
- Construction of the Arthur Street and Alfred Street North bus stops at the Warringah Freeway to provide a transport interchange for North Sydney
- Greater consideration given to freight transportation which is expected to grow substantially over the next decade
- Installation of bus priority measures along major transport corridors to ensure that travel times are at least equal if not better than private motor vehicles
- Creation of transport interchanges, particularly between bus and rail links
- Consideration of "park and ride" facilities in the outer suburbs near the major transport corridors
- A general increase in NSW Government funding for the upgrading of existing public transport systems and the construction of new public transport services throughout Sydney

3. Funding and Taxation Incentives

The trend for the northern suburbs and for the whole of greater metropolitan Sydney is for the volume of traffic to unavoidably grow to unmanageable levels. As road usage approaches the capacity of a road, additional vehicles slow traffic significantly

and fuel consumption is around twice that under free-flow conditions (Productivity Commission, 2005).

The cost of congestion in the Sydney Region from 2005 to 2020 is estimated to increase from $3.5 to $7.8 billion a year (BTRE, Estimating urban traffic and congestion cost trends in Australian cities, Working paper). Competition between economies is constant. People, businesses and technologies can be moved around the world to the most desirable location. The ease of access to Sydney's opportunities and its quality of life are important elements when competing with other city economies. Transport contributes substantially to this quality of life. There is a real risk that traffic congestion and inadequate transport infrastructure will become limits upon Sydney's economic performance with national economic consequences.

Investment now in transport infrastructure will assist in reversing the decline in Sydney's economic performance comparative to other Australian cities and internationally; and stimulate further employment and investment activity.

Funding is a key issue in addressing the transport needs of Sydney. Given the current State financial predicament and global credit crisis, innovative solutions are needed. However this should not mean there is a deferment of public and sustainable transport solutions. As outlined above, the strong economic value of Sydney rests on a workable transport system.

Currently public transport users subsidise private motor vehicle usage, whether this is measured in real dollar terms or time. Consideration needs to be given to financially addressing this inequality, as it has been done in some European cities. Beyond a certain level of traffic, every vehicle entering a road space imposes congestion costs on *all* other vehicles using that road. To explain, say it would take 30 minutes to drive from A to B, or 60 minutes on the train. If all or even some of those people travelling on the train were to decide to drive, the congestion on the roads would increase, and it may now take 45 minutes to drive from A to B. Conversely, if some of the motorists were to catch the train, then congestion would be reduced on the roadways and it may now take 15 minutes to drive from A to B.

The most effective way to address this inequality and to bring about behavioural change in motorists is a carrot-and-stick approach. That is, to not only improve public transport services, but also to ensure equity in the way tolls and parking levies are implemented on motorists using the road network. This money could then be spent on building faster, regular, more efficient, more reliable and clean public transport.

Further, if triple bottom line analysis was undertaken, the environmental and health cost imposed by private motor vehicles users on the community as a whole is unsustainable when compared with the lesser impact of public transport and active transport usage.

There are a number of methods to improve the equity of private motor vehicle transportation and improve cost equity between private and public modes of transport:

- Standardised parking levy across the Sydney metropolitan area
- Standardised tolling (cost per kilometre) for toll roads
- Removal of FBT incentives to drive greater distances

- Greater equity with polluter pays policies

Parking Space Levy

North Sydney Council generally supports the objectives of the Parking Space Levy in Sydney to reduce commuter-generated traffic and improve public transport facilities.

North Sydney Council is concerned that the recent increase in the Parking Space Levy to a staggering $2,000 in North Sydney and Milsons Point is an inequitable tax that heavily impacts upon only a few business areas of Sydney. North Sydney Council strongly objects to this flat rate Levy.

The Parking Space Levy was originally set up in order to achieve three objectives:

- To discourage car use in major commercial centres
- To encourage the use of public transport
- To improve air quality

North Sydney Council believes the Parking Space Levy is inequitable because it is applied only to a small section of Sydney. However, it has a large impact upon the profitability of those few businesses to which it is applied.

The Parking Space Levy should be applied across the wider Sydney basin area, on a graduated basis. That is highest in the Sydney CBD, and reducing as you get further from the city. A diminished return on investment caused by the Parking Space Levy works actively against future investment by developers and businesses in centres such as North Sydney, compared with other locations exempt from the Levy. That is, this tax results in increased development expansion, by pushing developers and businesses away from already established central business districts. This is contrary to State policies including the Metro Strategy, which encourage development within existing centres and policies for nodes of employment and transport. In contrast, this Levy has no impact on large business parks built in the outer suburbs with potentially hundreds of parking spaces and poor links to public transport.

A Levy applied throughout the wider Sydney basin area, based on annual income will be more equitable for:

- Businesses in North Sydney and Milsons Point who are finding it difficult to compete with businesses in other areas
- Businesses located on the peripheries of a central business district area
- Businesses located in different areas of Sydney
- Businesses who do not use the parking space for the entire year

The current inequitable Levy substantially increases the cost of doing business in North Sydney and Milsons Point. Businesses in North Sydney and Milsons Point are finding it difficult to compete with businesses located in other areas. This is particularly of concern with the growth in the number of business parks being constructed in outer Sydney.

North Sydney Council believes that the inequitable, arbitrary implementation and increase of the Levy, means it is unlikely that businesses are currently able to transfer the full liability of the Parking Space Levy onto their staff, the commuters. This is

largely because of competition with adjacent centres that are not subject to the Levy and because of high administration costs. If the commuters are not paying the Levy, there will be no sizeable modal shift away from the car to public transport. The Levy will therefore achieve nothing more than diminishing the commercial viability of each of the businesses.

The Parking Space Levy was established to fund public transport facilities. In order for the Levy to be effective, there must be a highly visual connection between the Levy charged and an improvement in public transport facilities. However, to date, the vast majority of projects funded from the Public Transport Facilities Fund are in areas that are not subject to the Parking Space Levy.

North Sydney Council is concerned that the Ministry of Transport has not provided any substantial facts to demonstrate that the Parking Space Levy has been effective in reducing traffic congestion since its introduction in 1992.

Levy money is being collected in the inner city areas and spent in the outer suburbs. The recently announced $56 million which is to be spent on additional commuter parking will not be spent in North Sydney or Milsons Point.

North Sydney Council believes there must be more transparency in the government's justification in the projects that are chosen for funding. For example, in Perth where a similar Levy exists, the introduction of the Levy coincided with the improvement to public transport in the central area where the Levy was applied. That is, there was a clear nexus between the Levy and positive highly visible improvements to the transport alternatives to the car.

Congestion Tolling

North Sydney Council generally supports the objectives of congestion tolling or demand management tolling to decrease the level of congestion, ensure a more efficient use of the road resource and to increase average travel speeds resulting in vehicles running at closer to their optimum level, decreasing fuel consumption and reducing the amount of air pollution created.

However, North Sydney Council is concerned that the use of congestion tolling on just one toll road in Sydney is an inequitable tax that heavily impacts upon only residents of the North Shore. North Sydney Council strongly objects to the introduction of congestion tolling on only the Harbour Bridge.

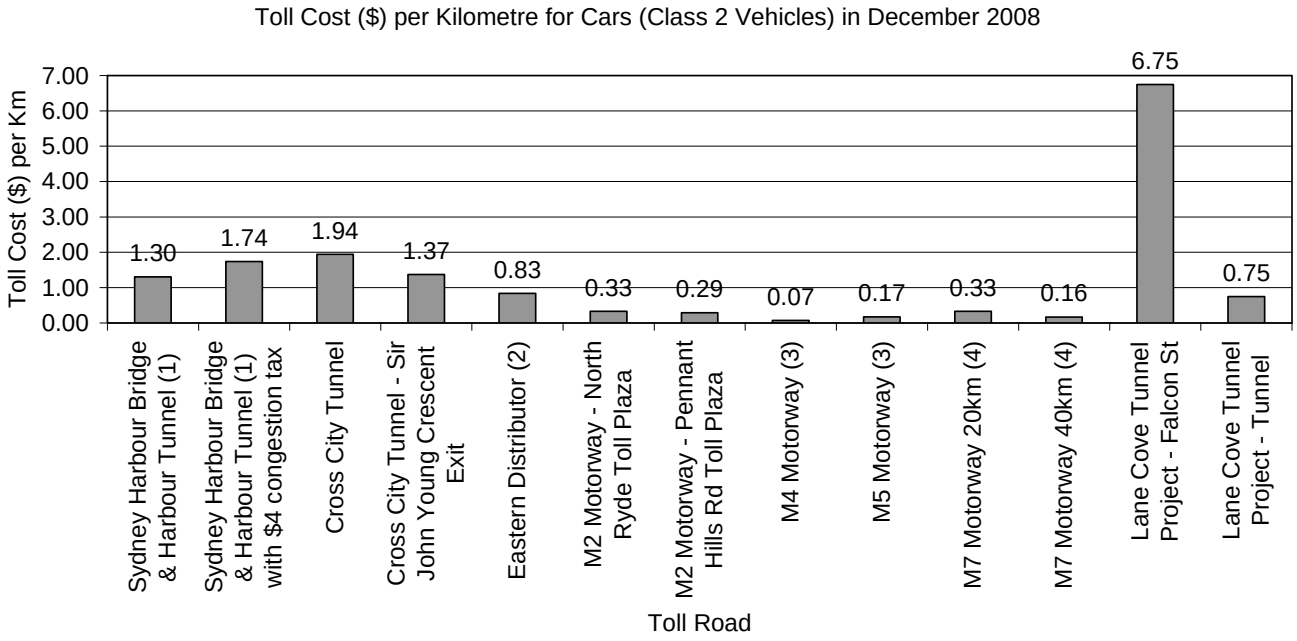
The most efficient means to reduce the number of private motor trips and to spread the hours of peak travel is to introduce demand management tolling. Congestion is greatest during peak hours, when increasingly the “supply” of roads cannot meet the “demand” for roads. The introduction of demand management tolling, where a greater toll is charged during peak hours would have two impacts. It would increase the person to vehicle ratio and it would reduce the “peak” of vehicles, and encourage the spread of demand throughout the day.

In 2006 in Sydney, the average vehicle occupancy rate for trips to work was just 1.10 persons (Sydney Household Travel Survey, Ministry of Transport, 2008). This has

remained stable since 1999. This gives a clear indication that there are a large number of vehicles being used to inefficiently transport just one driver. The increase in car driver trips between 1991 and 2006 was highest at 8am (39%) and 5.30pm (37%). This indicates that demand for roadways that are already under strain is continuing to increase in the peaks.

The imposition of tolls results in different patterns of behaviour, and can therefore be used for the management of private motor vehicle transportation. However, if congestion charging is to have its desired impact and bring about changes in travel behaviour, it must be introduced on an area basis and/or to all toll roads. The best example of this form of cost equity is probably the Congestion Tax in London, which applies to a 21 square kilometre area in central London. The flat fee charge applies between the hours of 7am and 6.30pm Monday to Friday. The funds collected from this are then spent on public transport. A similar scheme to this could easily be implemented on NSW roads, making use of the e-tag system. The greatest positive with regard to this scheme is it only taxes motorists who choose to use congested roadways.

There must also be standardised tolling (cost per kilometre) for existing and new toll roads. It is evident from the graph below the huge inequities in tolling throughout Sydney when compared on a cost per kilometre basis. The Harbour Bridge is already the third most expensive toll road, after the Cross City Tunnel and Falcon Street ramps. The State Mini-Budget just further increases this inequity to residents of the North Shore area.



Other major Sydney roads such as the Pacific Highway, the Princess Highway, the Great Western Highway, the Hume Highway, etc., for historical reasons do not attract a toll at all. Further, the M4 and M5 have a cashback scheme in place.

Tolls on existing motorways and new toll roads should be imposed on a per kilometre basis, such as that for the M7 motorway. Further, tolls should be imposed on a

consistent and regular basis. Any introduction of congestion charging should be on an area basis and/or to all toll roads. Tolls and congestion charging should not be seemingly randomly applied to one toll road and not to other major roads.

To put this discussion into perspective, consider for a moment the Sydney train and bus networks. If public transport were the equivalent of Sydney's road network, then for example the Illawarra train line would be free to travel on and the northern line would attract a fare of $10. Further, the short distance of the northern line between Sydney City and North Sydney would be $8 and the much greater distance between North Sydney and Berowra would be just $2. The public transport system could not operate on this basis. This example highlights how the inequitable imposition of fares/tolls is unacceptable to the travelling Sydney public.

Fringe Benefit Tax

Australia currently has a fringe benefit tax which actively encourages employees to drive greater distances to derive tax benefits. These minimum driving distances provide incentives for people to drive solely for the reason of building up greater mileage in their cars. This of course increases the negative impacts associated with motor vehicles in terms of congestion, air pollution, environmental and health impacts.

This illogical taxation system for cars must be entirely overhauled particularly given the community's increasing environmental concerns and the recognition that Australia and other developed nations must be at the forefront of reducing carbon emissions to minimise the long term irreversible impacts of global warming.

Polluter Pays

In order to foster behavioural change, the Government needs to ensure greater equity with polluter pays policies for motor vehicles that have a greater impact on the environment.

To encourage the use of low energy vehicles, North Sydney Council charges different fees for its resident parking permits, based on the environmental impact of the vehicle. The fees are based on the fuel consumption, greenhouse rating, and air pollution rating of the vehicle as measured by the Federal Government's Green Vehicle Guide (www.greenvehicleguide.gov.au). Thus, smaller low-fuel consumption vehicles are charged a lower fee for resident parking permits, and larger vehicles with higher fuel consumption, are charged a higher fee for resident parking permits.

The objective is to highlight to residents the environmental impact of their motor vehicle. The variation in fees will help to discourage residents from owning vehicles which have a greater impact on the environment, and encourage residents to own vehicles which have a lesser impact on the environment.

North Sydney would like to see the Federal Government introduce other incentives to encourage motorists to purchase and utilise low energy vehicles. Similarly to the North Sydney resident parking scheme, taxation benefits on registration and insurance could be applied to those vehicles which receive a rating of 3.5 stars or more on the Federal Government's Green Vehicle Guide website.

Additional Income for Public Transport

The money raised from standardised tolling on toll roads, the parking levy, removal of the FBT incentives and greater equity with polluter pays policies can be transferred directly to the upgrading of existing public transport systems and the construction of new transport services.

4. Bicycles

One of the strengths of inner city living is the ability to access many services locally, by using healthy and low impact transport modes such as walking or cycling. There is potential to increase the proportion of two to five kilometre trips made by bicycle by providing safe and well connected networks.

Walking and cycling has tended to be marginal to transport thinking—which has focussed mostly on road and public transport alternatives. Current environmental and economic challenges mean that walking and cycling should be mainstream travel options. Though it is the responsibility of local councils to develop local infrastructure, most councils do not have sufficient resources to build high quality and extensive cycleway networks, particularly off-road networks. To achieve national goals of improving health by increasing physical activity, and reducing emissions to meet international obligations, the State and Federal Governments should be providing funding for this infrastructure.

City of Sydney Strategic Bicycle Network

North Sydney Council supports the City of Sydney Strategic Bicycle Network plans that are currently being developed. This is a radial and orbital cycling network for Sydney created by improving the utilisation of the existing road network to provide safe access for cycling. The City of Sydney is aiming to achieve a 10% mode split for cycling. In collaboration with the 15 surrounding Inner Sydney Councils, 245 kilometres of additional travel lanes have been identified which can be created within the existing road corridor. This includes 160 kilometres of separated bicycle roads and 70 kilometres of upgraded shared path.

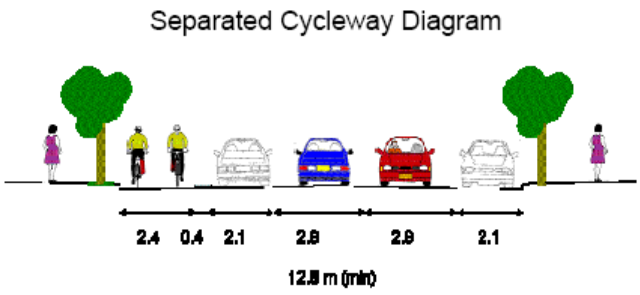


Diagram: The type of bicycle facilities the City of Sydney is proposing

The City of Sydney have outlined that the addition of 235 kilometres of extra travel lanes within the existing road corridor is very cost effective and improves utilisation of the existing infrastructure. Bicycle trips replacing car trips will reduce road congestion and bicycle trips replacing public transport trips will help with capacity problems on overcrowded Inner Sydney public transport.

City of Sydney have undertaken the following infrastructure cost analysis. The Anzac Bridge was opened to traffic in 1995 at a cost of $80m (1995 dollars) connecting Victoria Road to the Sydney CBD. It now carries 12,100 (2005 volumes) vehicles city bound between 7 and 9 am and is growing by 2% per year (average growth 1996-2005). By diverting 10% of car occupants across this bridge to bicycles or approximately 730 cyclists per hour (2005 volumes), the life of the current bridge configuration can be extended by approximately 8 years – a saving of $46 m based on the $143m (2007 dollars) construction cost for the bridge.

The above saving, based on postponing one bridge, when applied across the Inner Sydney Bicycle Road Network, can result in significant infrastructure cost savings and efficiency gains from existing infrastructure.

5. HarbourLink

Council would particularly like to highlight one project to the Inquiry and that is the HarbourLink proposal.

The HarbourLink project comprises a 3% grade elevated shared path, spanning approximately two kilometres from the deck of the Harbour Bridge, along the Warringah Freeway corridor at North Sydney, beneath Ridge Street overpass, then to St Leonards Park, then to Falcon Street and the regional cycleway and pedestrian routes. The path will bypass the road level issues of steep topography, complex routes and congestion and will link the City's South, East and West with Northern regional cycleways and pedestrian routes.

A diagram of the proposal is attached.

HarbourLink is a vision for the future of active and sustainable transport. The project is currently at concept stage and development is dependent on obtaining funding for construction of the project.

This HarbourLink proposal would then link to the north via the underpass at Falcon Street/Military Road and overbridge over the Warringah Freeway, north of Falcon Street which is currently under construction by the RTA.

Ultimately Council is aiming to link into the 7km bicycle path provided with the Lane Cove Tunnel Project, which links Willoughby and Naremburn to the north-west of Sydney. There is an obvious gap left in the regional bicycle network, between Naremburn and Ernest Street, Cammeray.

This cycleway gap is identified in the NSW Government's Bike 2010. The RTA have prepared a design for the section between Naremburn and Ernest Street, Cammeray as

part of a proposal to install a bus layover area on the Freeway. This cycleway would be located on the eastern side of the Warringah Freeway road corridor, adjacent to the Cammeray Golf Course. At this stage, it is understood that there is Ministry of Transport funding for the bus layover area, however the RTA have not yet committed to funding the bicycle path.

The HarbourLink project is currently at concept stage and development is dependent on obtaining funding for construction of the project. The entire project has been estimated to cost $30 million. However, the project could also be completed in stages.

City of Sydney, in conjunction with North Sydney and 13 other Councils applied for funding from Infrastructure Australia for a regional network of bicycle paths and facilities, including the HarbourLink project. Unfortunately, Council has been advised that this project was unsuccessful in obtaining this grant funding. North Sydney will continue to apply for other grants as they become available.

6. Conclusion

Transport is an essential component of cities. North Sydney Council believes greater long term consideration must be given to planning sustainable transport networks in conjunction with population growth. Council urges the Federal and State Governments to increase its funding commitment to the upgrading of existing public transport systems and the construction of new public transport services throughout Sydney.