



Australian Government

Department of Infrastructure, Transport, Regional Development and Local Government

Michael J. Taylor AO
Secretary

File Reference: 09/2092
Contact: Carolyn McNally

Ms Jeanette Radcliffe
Committee Secretary
Senate Standing Committee on Rural and
Regional Affairs and Transport
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Dear Ms Radcliffe

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

Thank you for your invitation of 19 December 2008 to make a written submission to the Senate Standing Committee on Rural and Regional Affairs and Transport's (the Committee) inquiry into the investment of Commonwealth and State funds in public passenger transport infrastructure and services.

The Department of Infrastructure, Transport, Regional Development and Local Government (DITRD LG) provides a range of infrastructure, transport, regional and local government services and information to, and in partnership with, government, industry and the broader community. Over the last 13 years, the Department's role in policy development and investment in relation to public passenger transport (PPT) infrastructure and services has been limited. The 2004 AusLink White Paper noted that public transport is primarily a state and territory government responsibility and state and territory governments are best placed to deal with the metropolitan and local complexities of public transport¹. Brisbane City Council is the only local government in Australia to provide a major public transport service.

The Terms of Reference for the inquiry do not define PPT and the meaning does vary slightly amongst jurisdictions. For the purpose of this submission, PPT is taken to mean any of the following vehicles used to transport members of the public - a bus; a ferry; a taxi; a fixed track vehicle; an aircraft providing a regular public transport service; and a limousine providing a hire car service.

There has been no explicit Commonwealth funding of urban public transport since the termination of the Urban Public Transport program which ran for three years 1990–91 to 1992–93 with expenditure of \$221.6 million. The primary aim of the program was to encourage motorists to switch to public

¹ AusLink White Paper 2004, p.9.

transport, and was designed to benefit commuters in various locations, especially the outer suburban fringes of major cities. In addition, the Building Better Cities program from 1991 to 1996 also saw some funding flowing into urban public transport².

Whilst the Commonwealth Government does not currently provide direct funding for PPT infrastructure and services its investments through the AusLink program provide some indirect support for PPT. Current levels of Government investment for 2008-09 for Australia's road and rail network is \$3.2 billion.

The Committee may be assisted in its assessment of the benefits of PPT by the work of special interest groups or organisations such as the Australian Bicycle Council, Bus Industry Confederation and Australasian Railway Association.

The Department's role in directly or indirectly encouraging PPT is through its administration of legislation and other mechanisms as listed below.

1. *AusLink (National Land Transport) Act 2005* the objective of which is to assist national and regional economic and social development by the provision of Commonwealth funding aimed at improving the performance of land transport infrastructure.
2. The Remote Air Services Subsidy Scheme (RASS) subsidises weekly passenger and freight air transportation for approximately 9,000 people living in 239 remote communities.
3. The Bass Strait Passenger Vehicle Equalisation Scheme (BSPVES) was introduced in September 1996. The aim of the scheme is to reduce the cost of seagoing travel for eligible passengers by assisting in the cost of associated with the transportation of passengers across Bass Strait.
4. *The Australian Land Transport Development Act 1988* which is administered by the Department allows the Minister to declare urban public transport development projects and allocate monies.
5. The Department has also participated in inter-governmental exercises which have examined aspects of the role of PPT, for example:
 - the COAG Review of Urban Congestion Trends, Impacts and Solutions (2007), which commented on PPT and congestion management; and
 - development of the Australian Transport Council's National Guidelines for Transport System Management in Australia (2006), notably Volume 4 on urban transport, which includes PPT economic appraisal guidelines.

The following cities are often cited in various publications and websites as having aspects of best practice public passenger transport systems:

- Toyko (<http://www.kotsu.metro.tokyo.jp/english/index.html>)
- London (<http://www.tfl.gov.uk/>)
- New York (<http://www.mta.info/index.html>)
- Paris (<http://www.ratp.fr/>)
- Vancouver (http://www.translink.bc.ca/About_TransLink/default.asp)
- Singapore (<http://www.mot.gov.sg/landtransport/publictransport.htm>)
- Hong Kong (http://www.td.gov.hk/transport_in_hong_kong/public_transport/index.htm)

² Parliamentary Research Service: Research Paper No. 12 1994 *Rail and Urban Public Transport: Commonwealth Funding and Policy Issues*, p. 13

However, the Department has not undertaken a comparative analysis of any of these systems against best practice criteria.

The following publications may also assist the Committee in their inquiry into Commonwealth's role and funding in public transport.

1. Infrastructure Australia - December 2008 report to the Council of Australian Governments – *Advising Government on Australia's Infrastructure*
2. BTRE Working Paper 51 – Regional public transport in Australia: long-distance services, trends and projections (BTRE 2003) <http://www.bitre.gov.au/publications/09/Files/wp51.pdf>
3. BTRE Working Paper 54 - Regional public transport in Australia: economic regulation and assistance measures (BTRE 2003) <http://www.bitre.gov.au/publications/07/Files/wp54.pdf>
4. BTRE Working Paper 71 “Estimating urban traffic and congestion cost trends for Australian Cities” (2007) has a whole section on estimates of the size and growth of PPT in the various cities <http://www.bitre.gov.au/publications/49/Files/wp71.pdf>
5. BITRE -Working paper 74 - *Moving urban Australia: can congestion charging unclog our roads?* http://www.bitre.gov.au/publications/80/Files/BITRE_WP74.pdf
6. Information Sheet 14 - Urban Transport: Looking Ahead (<http://www.bitre.gov.au/publications/30/Files/is14.pdf>)
7. Parliamentary Research Services – Research Paper No. 12 1994 – *Rail and Urban Public Transport Commonwealth Funding*
8. Dept. of the Parliamentary Library – Current Issues Brief No. 14 2002-03 *Commonwealth City Commuting: the Federal Role in Urban Transport Planning*
9. Dept. of the Parliamentary Library – Research Paper No. 13 1999-2000 *Commonwealth Road Funding since 1990*
10. Parliamentary Library Research Paper - 1995 *Towards Sustainable Cities: Urban Transport and Land Use Planning*

I trust this outline and suggestions for further consideration will be of assistance to the Committee in its inquiry.

Yours sincerely



Michael J. Taylor
SECRETARY

19 February 2009