



Representing one million residents as the Eastern Transport Coalition

EASTERN TRANSPORT COALITION

Report on the Feasibility of Federal Funding for Urban Public Transport

Commissioned: August 2007

Mission Statement: The Eastern Transport Coalition will advocate for sustainable and integrated transport services in the Eastern region of Melbourne which focus on the travel needs of the community and reduce the level of car dependency

Eastern Transport Coalition

Greater Dandenong, Knox, Manningham, Maroondah, Monash, Whitehorse and Yarra Ranges Councils

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Executive Summary

Urban public transport is important to the economy, the environment and serves as an important tool in moving people safely and efficiently to access employment, training and recreational opportunities.

National governments in all OECD countries fund urban public transport infrastructure in partnership with local and regional state governments – Australia is the only exception. For example, in the U.S, the national government is contributing to over 100 public transport projects in partnership with the states, and it provides approximately 50% of capital funding for public transport projects.

Whilst it is acknowledged that running public transport services is universally considered a state responsibility, most developed nations recognise that part of the costs required to establish infrastructure projects is met by national governments.

The Australian government is empowered by the Land Transport Act (Commonwealth) to fund public transport projects, and has done so in the past.

The Eastern Transport Coalition calls federal political parties to develop a policy framework that facilitates the assessment and funding of public transport infrastructure projects in partnership with the states.

The development of such a process and then allocated funding to resource it, would demonstrate a strong national commitment to sustainability and international competitiveness of our major cities.

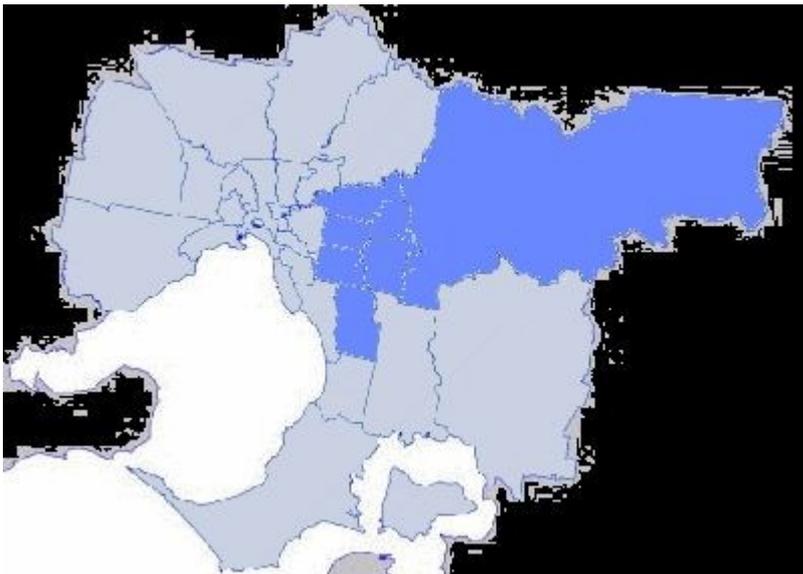
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Introduction

The Eastern Transport Coalition (ETC) consists of Melbourne's seven eastern metropolitan councils:



- City of Greater Dandenong
- City of Knox
- City of Manningham
- City of Maroondah
- City of Monash
- City of Whitehorse
- Shire of Yarra Ranges

Figure 1: Councils represented within the Eastern Transport Coalition

Combined, the Eastern Transport Coalition represents approximately one million residents.

The ETC advocates for sustainable and integrated transport services to reduce the level of car dependency to secure the economic, social and environmental wellbeing of Melbourne's outer east and aims to work in partnership with Federal and State Governments to ensure the future sustainability of eastern Melbourne.

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1.0 Economic Benefits

The federally funded Auslink 2 program announced in the 2007 / 08 budget, allocates some \$22.3 billion, predominantly to support road projects that aim to enhance financial efficiency in transporting products to essential markets.

A small fraction of funds either diverted from or added to Auslink 2 funding, could go to support public transport infrastructure development in major cities and centres.

This would achieve a major impact on reducing the substantial costs of lost productivity due to road congestion, which is estimated to cost the Australian economy some \$20 billion annually – of which approximately \$4 billion is attributed to Victoria.

Federal funding for improved public transport infrastructure will serve to protect the competitive advantages enjoyed by Australian cities and centres. The freeing up of bottlenecks will increase the capacity of both our local and national economies.

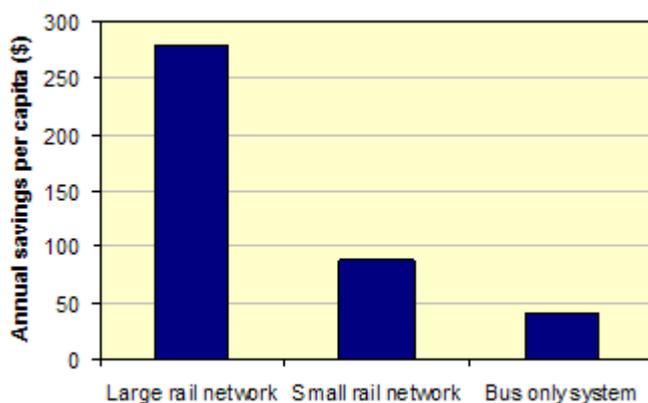


Figure 2: Annual per capita savings through investing in public transport

Source: Litman, T. 2005, *Rail Transit in America: A Comprehensive Evaluation of Benefits*, Victoria Transport Policy Institute

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Other mechanisms the Federal Government can use to assist in reducing the economic, environmental and social consequences of congestion include:

- The addition of Fringe Benefits Tax (FBT) concessions for the purchase of public transport tickets. Currently, over \$1.1 billion is spent on FBT concessions annually for company vehicle use; and
- The removal of GST on public transport tickets.

Both of these mechanisms would ensure greater cost competitiveness, whilst costing the Federal Government only a fraction of the cost it already spends of FBT concessions for company vehicles, and the income generated through taxation on public transport tickets.

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2.0 Health and Social Benefits

Social isolation is a growing issue in Australian society. Public transport often represents the only means for isolated people to interact with others in the community.

Given the expected doubling in the number of people aged 65 and over (according to Census data released on 27 June 2007) within the next 20 or so years, infrastructure designed to reflect the needs of a changing society must be at the forefront of planning for the future.

According to the Australian Bureau of Transport and Regional Economics, pollution from cars may be prematurely killing as many as 2000 Australians each year. A further 2000 people annually are believed to suffer serious asthma attacks as a direct result of traffic pollution.

Replacing some car use with walking, cycling and public transport use can also contribute to:

- Reductions in the risk of obesity, through more exercise;
- Reductions in the risk of high blood pressure;
- Reductions in the risk of developing adult diabetes; and
- Reductions in the rate of asthma cases, which have been increasing in Australia for the last two decades;

Each of these disorders are associated to some degree with insufficient exercise and the prevalence of increased air pollution. They pose significant risks to the national economy and place undue pressure on Australia's health system.

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3.0 Environmental Benefits

Transport contributes approximately 20% of Australia’s greenhouse gas emissions. Efficient, well built and well resourced public transport networks reduce carbon emissions exponentially.

Our future as a carbon constrained economy, means the reduction in greenhouse emissions from all contributors requires government commitment and discipline.

As can be seen in the image below, the private vehicle uses approximately six times the level of energy than public transport and electric rail services.

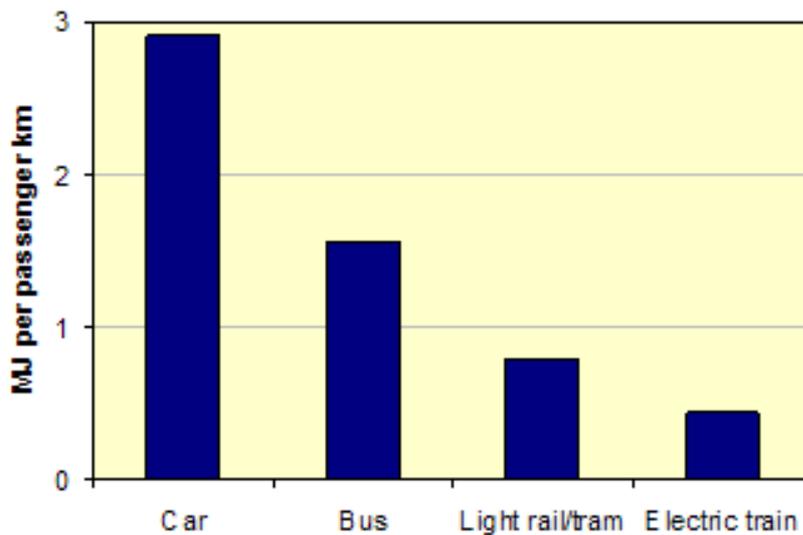


Figure 3: Energy usage per transport mode

Source: *Sustainable Transportation and Global Cities*, Peter Newman, 2000

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Greenfleet, a program supported financially by the Federal and State Governments, estimates that 17 native trees need to be planted annually to offset carbon emissions from the average family car. Moreover, the trees must exist in perpetuity to soak up carbon emissions.

Through the Bureau of Transport and Regional Economics, it has been estimated that eastern and south eastern Melbourne is responsible for approximately 3,230 thousand tonnes of emissions. This equates to a cost of \$3.2 billion, which will rise exponentially in future years if congestion is left unchecked.

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4.0 Governance

Australia is entering an age where a new era of federalism to deal with national problems is emerging. The national water plan, health and education funding reforms all demonstrate a change in modus operandi, which, if effectively coordinated will achieve a greater yield for resources invested in those areas.

The Eastern Transport Coalition believes a well coordinated approach to fund public transport infrastructure will also lead to a much improved and accessible public transport network.

The House of Representatives Standing Committee on Environment and Heritage published a report on Sustainable Cities in August 2005. The report was based on the Committee's vision for Australian cities to be vibrant and environmentally, socially and economically healthy. Many individuals and organisations hold similar views. The Committee concluded that what was missing was a coordinated and concerted action plan, with the Federal Government leading.

Of particular interest and note are the following recommendations:

Recommendation 5:

The committee recommends that the Department of Transport and Regional Services, in consultation with the Department of the Environment and Heritage, investigate options to extend the Roads to Recovery program to include other modes of transport as a step towards including sustainability in the funding criteria.

Table 1.: Recommendation 5 of the Sustainable Cities Inquiry

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Recommendation 6:

The committee recommends that: Transport infrastructure planning decisions be benchmarked against the recommended Australian Sustainability Charter; and (that) The Australian Government significantly boost its funding commitment for public transport systems, particularly light and heavy rail, in the major cities.

Table 2.: Recommendation 6 of the Sustainable Cities Inquiry

Recommendation 7:

The committee recommends that the provision of Australian Government transport infrastructure funds include provision of funding specifically for sustainable public transport infrastructure for suburbs and developments on the outer fringes of our cities.

Table 3.: Recommendation 7 of the Sustainable Cities Inquiry

The Federal Government has now taken the lead on water policy - there is also a need for the Federal Government to take the lead on sustainability. Most Australians live in cities around the coastline of the country. A major component of sustainability in cities is transport which includes not only roads and freight transport but also public transport.

Whilst it is agreed that the State Government carry the responsibility for the operation and maintenance of urban public transport, there is an opportunity for the Federal Government to set a national framework for sustainable transport, including public transport.

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Conclusion

The provision of urban public transport infrastructure should be considered a shared responsibility by both the Federal and State Governments.

The inevitability of shared responsibility in areas where the national interest is at stake, has seen a new approach by different levels of government cooperating to tackle those issues. Water, education and health – to name a few.

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The development of such a process and the subsequent allocation of funding to resource it, would demonstrate a strong national commitment to sustainability and international competitiveness of our major cities.

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