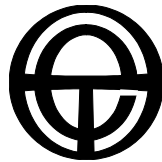


MINISTERIAL INQUIRY INTO PUBLIC TRANSPORT REQUIREMENTS AND FUNDING

**SUBMISSION BY
TOTAL ENVIRONMENT CENTRE**



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Introduction

Public Transport in New South Wales (NSW) is in a state of crisis with services struggling to cope with demand and many areas deprived of essential services and infrastructure. The Sydney airshed is plagued by chronic air pollution, while traffic congestion is a severe, and worsening, problem in urban areas.

Two critical elements of the NSW Government's *Action for Air* (EPA, 1998) strategy are to develop a transport plan to reduce Vehicle Kilometres Traveled (VKT) growth and to make the reduction of VKT a planning priority across government.

In the lead up to the NSW Government's Clean Air Forum, TEC conducted a comprehensive review of progress in implementing *Action for Air* (TEC, 2001).

Unfortunately the picture was bleak with VKT continuing to rise and key public transport commitments lagging seriously behind schedule.

In 1998 the integrated transport plan, *Action for Transport 2010* was developed. Its aims are to set goals of reducing by 2011 the per capita increase in VKT and stopping total VKT growth by 2021. This target can only be achieved if there is a major shift to public transport. For instance, at present approximately 23% of journeys to work in Sydney are by public transport. This would need to increase to 30% to meet the VKT target. The latest figures show that per capita VKT increased by 15.3% during 1991-97, with total VKT increasing by 23.5% (Transport Data Centre, 1999). A Department of Transport Household Travel Survey (Transport Data Centre, 2001) reveals that private cars are used for 70% of all trips in Sydney. Car journeys have increased by 18% since 1991, while train and bus travel increased by only 11% and 5% respectively in the same period.

VKT is continuing to outstrip population growth, eroding the benefits of cleaner vehicles, other air

quality measures and the *Action for Air* targets. This may be attributed largely to inadequate public transport and an emphasis on road building.

It is clear that radical measures are required to address Sydney's chronic air pollution and traffic problems and to overcome current inequities in access to efficient and reliable public transport. A major boost to public transport infrastructure and service standards is required. Simply to achieve the Government's current air quality targets, public transport use will have to roughly double and CityRail patronage increase by 45% according to the leaked Christie report. None of this will be possible without a massive injection funding from the state budget and other revenue sources.

The Ministerial Inquiry thus provides a timely opportunity to consider the state's public transport requirements and identify funding sources. This submission discusses measures required to improve public transport services. It also identifies a range of funding options.

We urge the Inquiry to take a bold approach and support our recommendations. This will require a change of mindset in the Government's decision-making processes and a willingness to embrace politically difficult funding options. The alternative will be worsening air pollution, declining public health and transport chaos for years to come.

Future revenue needs of the CityRail and STA Bus and Ferry operations

As indicated above a major boost to public transport infrastructure is required to meet current and future demand and reduce VKT. This will require an integrated approach involving new heavy rail, light rail, bus transitways and increased bus and ferry services.

In terms of rail infrastructure it is essential to bring forward major capital works to increase capacity and service levels, including the Parramatta to Chatswood, Strathfield to Hurstville and north-west Sydney rail links and construction of a turn around loop to Bondi Junction to increase capacity on the Illawarra line.

TEC welcomes the opening of bus transitway services in western Sydney as a positive step to improving access to public transport and providing cross regional services. TEC acknowledges that busways offer a cost-effective means of improving public transport, while allowing flexibility of services. This has been clearly illustrated in Brisbane, Canada and the Brazilian city of Curitiba. We urge the government to fast track expansion of bus transitways to provide urgently needed services to areas without adequate public transport i.e. north-west and south-west Sydney. Transitway design should allow for easy conversion to light rail to provide increased capacity in the future.

The success of the Metro Light Rail system demonstrates the valuable contribution that light rail can make to improving public transport and reducing vehicle use. Patronage for the extension of the Inner West Light Rail to Lillyfield exceeded targets in the first year of operation (Sydney Morning Herald, 23/5/01). A proposal to extend the system through the CBD was shelved in 1998 and will not proceed until after the completion of the cross-city tunnel. This once again shows the preference of the government for constructing roads over improving public transport. Despite this, the light rail extension

should be built as soon as possible, after the Tunnel's completion. The CBD extension is essential to ensure the long term viability of the light rail system. There are also plans to conduct a feasibility study for extending the network to Ashfield Railway Station. Both of these projects should be fast-tracked.

Little work appears to have been done by the State Government to promote light rail in other areas. The Bay Light Express proposal for an Eastern Suburbs and Southern Sydney light rail system has received little support from the government and is threatened by a proposal to sell UNSW land, which would form part of the light rail corridor. Resources should be devoted to identification and feasibility of potential light rail corridors.

In addition to improving public transport by rail, developing bus transitways and promoting light rail, it is important to improve the performance of road based public transport.

The poor quality of bus services in areas serviced by private bus companies is a major barrier to increased public transport patronage. We urge the government to finalise and upgrade the Performance Assessment regime (PAR) for private bus company service standards. This should be coupled with incentive measures to link fares with service standards. This issue is discussed in more detail later in this submission.

Funding options to meet revenue needs and expansion of public transport

Improvement to current service levels, development of new public transport infrastructure and creation of new services as discussed above will clearly require a significant increase in public transport funding.

A major factor contributing to the parlous state of public transport services has been a lack of funding to develop urgently needed infrastructure. Decision making has been based on what could be delivered with the limited resources available rather than identifying requirements and seeking sources in order to allow works to proceed.

TEC supports a range of funding options including congestion charging/road pricing, developer levies in new release areas and major urban redevelopment projects, beneficiary levies to link property value increases with sale of air space and commercial activity at stations, increasing the metropolitan parking levy, increased direct investment from the State Budget, redirection of funds from the roads budget to public transport, and substantial contributions from the Federal Government. TEC also believes that some increases in public transport fares may be justified where such increases are directly tied to improving services. Each of these funding sources is discussed in more detail below.

We ask the Inquiry to make a detailed assessment of the potential contribution of each of these sources and possible combinations of funding options.

Congestion charging/road pricing

TEC strongly supports the introduction of a congestion charging/road pricing scheme as a positive step toward improved travel demand management and as a source of funding for public transport infrastructure. It is clear that major motorways and centers such as the Sydney CBD are suffering from severe traffic congestion with resultant loss of urban amenity, poor air quality and economic costs. To counter this situation, provide an incentive

for public transport use as an alternative to private vehicles and provide funds for public transport, tolls should be applied to major motorways not currently subject to tolling and congestion charging introduced for entry to the Sydney CBD and other major centers.

The effects of traffic congestion and poor air quality represent hidden costs in terms of public health, environmental damage, road accidents and loss of urban amenity. Introduction of congestion charging/road pricing would provide a more cost reflective arrangement and reduce hidden subsidies for road based transport.

Congestion charging should be time based with peak pricing based on periods of peak traffic volume. In the interests of efficiency and to allow time based pricing electronic tolling should be used.

Whilst there will be initial resistance to the concept of congestion charging TEC believes that it will quickly become an accepted means of transport demand management – particularly once the benefits of reduced traffic congestion are felt. In many respects congestion charging may be likened to the introduction of parking meters, which while once seen as a radical instrument, were quickly adopted by cities around the world as a means of managing travel demand and easing traffic congestion.

Developer levies

TEC welcomed the Government's announcement in November last year of a transport levy on land releases in Western Sydney as an important step forward for clean air and better public transport. It is entirely appropriate that developers who will yield substantial profits from development of the urban release areas be required to contribute to the costs of providing public transport services to meet new demand. Failure to develop public transport infrastructure and provide services at the same time as development occurs will lead to a repeat of the

mistakes made in the release of land for urban development in North Western Sydney.

Developer levies should also be applied to major urban redevelopment projects that will result in increased population densities in already urbanized areas i.e. Green Square redevelopment. Such projects will inevitably increase demand for public transport services, and unless improved services are provided, result in increased VKT and traffic congestion. The success and acceptance of urban consolidation and sustainable development depends on adequate public transport.

Beneficiary levies and sale of airspace at rail stations and transport interchanges

Provision of public transport services, and in particular improvements to rail stations and public transport interchanges provide obvious commercial opportunities and advantages to retail and service industries. Beneficiary levies should be applied to link property value increases with sale of air space and commercial activity at stations and interchanges.

Metropolitan parking levy

TEC welcomes the increase in the metropolitan parking levee announced in the recent State Budget. Availability and cost of parking are major factors in determining private vehicle use. The transfer of funds from private vehicles to public transport is a good concept, which should be enhanced by further increases in the levy.

In addition current exemptions for retail shopping centers should be removed to provide increased funds for public transport and enhance the effectiveness of the levy as a means of reducing private vehicle use. Current exemptions limit the effectiveness of the levy due to the role that retail shopping centers play as major trip generators.

Redirection of funds from roads budget

As discussed above VKT is continuing to outstrip population growth, eroding the benefits of cleaner

vehicles, other air quality measures and the *Action for Air* targets. This may be attributed largely to inadequate public transport and an emphasis on road building. The continuing preference by the Government to support road works over public transport is exemplified by the allocation of \$123 million to upgrade Windsor Road to four lanes. The decision to upgrade this road was announced with the retrograde decision to delay completion of the Parramatta to Chatswood rail link due to lack of funds.

This approach is out of step with public opinion. A 1999 study by the Warren Centre (Glazebrook, 2001) revealed that 71% of Sydney residents surveyed favoured improved public transport over building more toll roads as the solution to traffic congestion. Of those surveyed, 73% believed there was not enough investment in Sydney's public transport, compared with 52% who believed there was insufficient investment in roads. Only 14% support more investment in roads at the expense of public transport, while 70% would support increasing spending on public transport at the expense of the road budget.

It should be clear from this that a reordering of government spending priorities is required with a diversion of funding away from building new roads in favour of new public transport infrastructure.

TEC recommends that an independent cost benefit analysis of transport options should be undertaken to assess the actual cost of roadways, including air emissions, health, stormwater and greenhouse gasses versus public transport. At present there is insufficient consideration of the hidden subsidies inherent in attempting to use roads to address transport needs. This has resulted in skewed decision-making and a bias against public transport funding.

Increased investment from State Budget

The importance of improving public transport and reducing traffic congestion warrants an increased level of direct investment from the State Budget. This

should be viewed as an investment in public health, social justice, improved air quality and enhanced urban amenity.

Federal Government investment

TEC believes that investment in improved public transport should not be confined to the NSW Government. The national importance of creating sustainable cities, improving equity of access to public transport and the economic benefits of a more efficient transport system requires a significant contribution by the Federal Government.

TEC strongly recommends that the NSW Government initiate a campaign with other State Governments to seek increased Commonwealth investment in public transport.

Fare increases

It is acknowledged that some increase in fares may be required in addition to other revenue sources in order to fund improved public transport. Any such increases should be limited to those required after alternative sources of funding listed above have been exhausted. Fare increases should be directly tied to funding of new public transport infrastructure.

Public private partnerships

The use of public private partnerships may provide another means of advancing key public transport infrastructure projects. We caution, however, that projects should be selected on the basis of the greatest public benefit and transport need rather than those which offer the most commercially attractive cherries to pick.

Enhancing use of public passenger transport relative to other options

Increasing public passenger transport use relative to other options (i.e. private vehicles) will require measures to make public transport more attractive to users and provide disincentives for vehicle use. This has been discussed above in relation to new infrastructure, service improvements and revenue sources, which also provide demand a management function.

A key factor in increasing public transport patronage is the need to provide equity in fares and introduce integrated ticketing. Concessions for government services (including pensioner concession tickets) should be extended to private services. If possible this should be done without increasing the current cost of pensioner concession fares. If, however, this is not possible TEC believes that some increase in ticket prices on government services would be warranted to allow extension to private services. Apart from providing a lack of incentive for public transport use in areas serviced by public busses the lack of pensioner concession tickets on those services represent a serious inequity. Provision of discount fares for private services equivalent to those available for government owned services must be made a high priority.

TEC is concerned by the slow progress in implementing integrated ticketing to promote ease of transfer between transport modes i.e. bus to rail. We are also concerned that trials so far have effectively been limited to integrated fare collection through smart card technology. A truly effective and equitable integrated ticketing system must provide for integrated fares to ensure better value for money, particularly where several transfers are required. A concerted effort is required to bring forward the introduction of integrated ticketing and creation of equitable fare arrangements.

Attention must also be given to better integration of services through timetabling and better meeting the needs of public transport users. We urge the inquiry

to examine Travel Smart initiatives in Brisbane and Melbourne designed to increase public transport patronage by increasing accessibility, providing detailed travel information and making services and linkages more user friendly.

There is also a major role for better integration of land use planning and public transport. TEC supports moves for urban redevelopment and increased densities around public transport nodes. This is particularly the case in regional areas (i.e. Newcastle, Central Coast and Illawarra) where the economic viability of providing improved services is compromised by urban sprawl development.

TEC strongly recommends that the Inquiry examine approaches used overseas and consider their applicability for NSW.

The Integrated Surface Transportation and Efficiency Act (ISTEA) introduced in the United States in 1991. This Act increased transport funding for six years by 25% over past trends but put in place conditions at implementation levels so that States and Metropolitan Organisations would only be funded where:

- a 20 year plan has been developed, revised every five years; and
- projects are included in a Transportation Improvement Plan consistent with the 20 year plan

In the United Kingdom, the Departments of Transport and of the Environment have issued Local Authority Circulars to assist local, regional and specialised (like British Rail) authorities to prepare funding bids in line with annual statements of Policies and Programs. The new 'package approach' is intended to achieve specified Objectives, through:

- funds allocated to the authority and mode that will best achieve outcomes;
- authorities required to show how road and public transport expenditures (including a

five-year forward estimate) fit with economic, environmental and road safety criteria;

- emphasis on public transport, walking and cycling; and
- emphasis on public transport and road pricing type measures before a road construction option will be approved.

Incentive options to link fares with service standards and safety

TEC recommends that the Inquiry undertake a detailed analysis performance and incentive measures linking fares with service standards. Options such as service guarantees similar applied to rail and tram services in Victoria, which require fare compensation if defined service standards are not met, are worthy of careful consideration. It is important however that service standards are set according to genuine community needs and equate to high quality services rather than simply a level which operators will be comfortably able to meet with minimal effort or expenditure.

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