

Moving Australians Sustainably

Transport Policy in the National Interest



EXECUTIVE SUMMARY

Moving Australians Sustainably is the result of collaboration between the following groups from around Australia:

- Action for Public Transport (NSW)
- Public Transport Users Association (Victoria)
- People for Public Transport (SA)
- Sustainable Transport Coalition WA
- Community Action for Sustainable Transport (Queensland)
- ACT Transit Group

This report outlines a number of key areas where transport policy impacts on other national policy objectives and areas of federal government responsibility. These policy areas are categorised into three main groups:

- economic performance,
- environmental sustainability, and
- social outcomes.

Comparisons are also drawn with a number of similar countries around the world, and a range of recommendations are put forward to ensure that federal transport policy contributes positively to the other policy areas discussed.

1.1. Economic performance

Public transport contributes to well-functioning, liveable cities that can compete for skills and capital on the world stage. Enhanced public transport could make a significant contribution to economic performance and the fiscal positions of Australian governments by contributing to enhanced participation and productivity among the Australian workforce.

Traffic congestion is estimated to cost the Australian economy up to \$20 billion per annum. Public transport is an essential component of any successful congestion management strategy. Public transport removes a substantial amount of traffic from the road system, particularly at peak times and in the most congested areas where it can account for a large majority of journeys.

Even when carrying a relatively small share of journeys, it can make a disproportionate contribution to improving the performance of congested roadways. Serious gaps in the coverage of fast, high-capacity public transport are, however, constraining its contribution to mobility and congestion management.

Current Fringe Benefits Tax (FBT) provisions offer a concession to company cars that becomes more generous as the distance the vehicle is driven each year increases. This concession amounts to a subsidy of more than \$1 billion each year and contributes to increased traffic, pollution and vehicle costs for business. Reform of the FBT legislation, as recommended by a growing number of groups, could free up resources for other priorities and operate to ease traffic pressures in our major cities.

Australia's excessive private motor vehicle use is exacerbating a growing gap between domestic oil consumption and production. Within the next decade, the annual cost of oil imports is on track to exceed the entire merchandise trade deficit of 2006-07, putting further pressure on Australia's balance of trade. An expanded role for energy-efficient public transport would significantly reduce Australia's oil import requirements, without the financial, logistical and environmental challenges of new supply chains and vehicles compatible with alternative fuels.

1.2. Environmental sustainability

The likely impact of climate change on communities and industries around Australia is now becoming clear, including increased frequency and severity of drought, storms and bushfires. Increased political instability and natural disasters around the world are also likely to lead to large-scale refugee movements. The transport sector is one of the largest and fastest growing sources of greenhouse gas emissions in Australia, with cars and trucks producing the vast majority of the sector's emissions. Smog from motor vehicles also reduces the ability of plants to absorb carbon dioxide, thus compounding the impact of carbon emissions.

Action to reduce transport emissions is needed to help Australia meet its overall emissions reductions targets and obviate the need for disproportionately larger emissions reductions in other sectors such as the electricity, manufacturing and agricultural industries. The energy efficiency of the transport sector could be substantially improved by boosting the contribution of walking, cycling, public transport and rail freight.

1.3. Social outcomes

Motor vehicles are the largest source of urban air pollution, which causes more deaths each year than road crashes. Car-dominated urban design and rising traffic levels are deterring people from walking and cycling, leading to increasingly sedentary lifestyles.

At an individual level, replacing car use with walking, cycling and public transport use can contribute to regular physical activity. Regular physical activity is associated with significant reductions in the risk of suffering from obesity, high blood pressure, adult diabetes, depression, adult-onset asthma among women and a range of cancers.

The risk of dying in a crash is at least five times higher when travelling by car than when using public transport, while cities that focus on public transport for a higher proportion of their mobility needs tend to suffer from fewer fatalities.

1.4. A national response

All tiers of government in Australia fund roads, and often demand matching funding from state governments which leaves a diminished share of funds for public transport. Despite a relatively high degree of Vertical Fiscal Imbalance in Australia, responsibility for funding public transport has fallen almost exclusively on state governments. By contrast, national government contributions to public transport are commonplace across other Western nations, including Canada, Spain and the United States. The time has now come for the federal government to formalise a more substantial and effective role in funding public transport as it already does for roads.

The steps needed to boost public transport's contribution to economic performance, environmental sustainability and social outcomes are focussed around three key areas:

- tax reform to encourage people onto public transport,
- funding public transport infrastructure to improve the coverage and quality of transport choices, and
- government leading by example and facilitating more sustainable transport options for its employees and clients.