

Public Transport Users Association

# National Urban Policy

Response to Consultation Draft

4th July 2024



**PUBLIC TRANSPORT  
USERS ASSOCIATION**

# Introduction

The Public Transport Users Association (PTUA) is a voluntary community group that advocates for an equitable and sustainable transport system, with particular focus on Victoria. We believe an effective National Urban Policy could play a strong role in delivering such a transport system.

The PTUA commends the Cities and Suburbs Unit on its work in producing the draft National Urban Policy (the draft policy), as well as contributors such as the Urban Policy Forum and other stakeholders. The PTUA supports the goals, objectives and principles contained in the draft policy and believes they reflect international evidence on what makes for good quality of life in urban centres.

The PTUA believes cities should be places where private cars are an option, not a mandatory condition for full participation in society. We believe people should not have to use a car in order to access public transport, and that access to employment, education and services - not maximising vehicle traffic flow - should be the goal of integrated transport and land use planning.

We note the draft policy does not include a shared government vision. A vision that is shared by stakeholders and encapsulates the worthy goals and objectives that have been articulated is clearly desirable. However, we also note these words from Canadian planner Brent Toderian:

**“The truth about a city’s aspirations isn’t found in its vision. It’s found in its budget.”**

Brent Toderian, Twitter/X, 29 February 2016<sup>1</sup>

A successful National Urban Policy would be one where evidence-based objectives are fully operationalised across all tiers and policy areas of government. In particular, this would include ensuring that resourcing is aligned with the goals, objectives and principles of the policy, as alluded to by Brent Toderian. We first turn our attention to this matter.

# Resourcing

The Australian federation is characterised by a high degree of Vertical Fiscal Imbalance (VFI) that constrains state and territory resources for program delivery, and may also distort investment and expenditure decisions based on revenue considerations. Moreover, this constrained revenue environment for States and overlap with the local

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<sup>1</sup> <https://x.com/BrentToderian/status/704148379182366720>

government tax base<sup>2</sup> may contribute to state-imposed constraints on local government revenue<sup>3</sup> that, in turn, constrain local government service delivery. The most recent experience with referenda has underlined that constitutional amendments to address VFI are unlikely, and the judiciary has recently maintained the long-term trend in favour of fiscal centralisation<sup>4</sup>.

In this context, private sector investment - overwhelmingly weighted towards tolled motorways that impose no direct, ongoing funding requirements on government - is a tantalising response to immediate problems around population growth and infrastructure delivery. Meanwhile, alternative transport options such as suburban buses - with funding profiles geared more towards recurrent government expenditure - languish. A successful National Urban Policy will need to resolve resourcing challenges such as these, or it will fail to deliver on its vision.

The High Court's decision in *Vanderstock & Anor v The State of Victoria* creates both a challenge for States wishing to efficiently manage congestion<sup>5</sup>, and an opportunity for the Commonwealth to partner with the States in delivering on the principles of the National Urban Policy. The fiscal impact of the transition to electric vehicles is increasingly being recognised and discussed across governments. Replacement revenue sources have the potential to also contribute to the management of demand for road space. Simultaneously, they may also help to address the resourcing challenge just mentioned above by providing a recurrent revenue stream that supports and encourages the modal shift to public transport and active transport described in the draft policy<sup>6</sup>. The transition to such arrangements could begin by applying these principles to Commonwealth grants to states and local governments in proportion to federal fuel excise revenue.

## National Urban Policy Objectives

We do not intend to undertake a point-by-point analysis of the objectives and possible actions described in the draft policy, however we offer the following comments and suggestions.

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<sup>2</sup> Property taxes such as land tax (state) and municipal rates (local government) are imposed on broadly the same tax base, and both represent significant revenue sources for the respective tiers of government.

<sup>3</sup> For example, since 2016, the Victorian Government has imposed rate capping on Victorian local governments.

<sup>4</sup> [Vanderstock & Anor v The State of Victoria](#)

<sup>5</sup>

<https://theconversation.com/the-high-court-decision-on-electric-vehicles-will-make-charging-for-road-use-very-difficult-216107>

<sup>6</sup>

<https://theconversation.com/national-road-user-charges-are-needed-and-most-people-are-open-to-it-our-research-shows-215992>

## Objective 1: No-one and no place left behind

Housing affordability must be recognised as both a housing and transport affordability challenge<sup>7</sup>. Affordable housing that imposes substantially higher transport costs will often fail to fully address household financial stress. National Urban Policy must have the objective, either implicitly or explicitly, of eliminating Forced Car Ownership<sup>8</sup>. Integration of transport and land use policy, alongside the resourcing of alternative transport options, will be key to achieving this objective.

Increasing housing affordability, and reducing regulatory barriers to increased housing supply, would both be assisted by the elimination of minimum parking requirements in planning rules. These requirements impose an additional \$30,000 to \$50,000 per parking space to the cost of some dwellings<sup>9</sup> and increase the amount of materials and land required for dwelling construction, contributing to urban sprawl. This regulatory requirement also acts as an incentive to private motor vehicle use at the expense of active and public transport, in clear contravention of the objectives of the draft policy. Such minimum parking requirements are being eliminated in many jurisdictions around the world, and their abolition would be an appropriate action under the National Urban Policy<sup>10</sup>.

## Objective 2: All people belong and are welcome

The PTUA recognises the need to improve accessibility across the public transport system for people living with disabilities<sup>11</sup>. The *Disability Discrimination Act 1992* and *Disability Standards for Accessible Public Transport 2002* impose obligations on States to improve accessibility, however progress on meeting these Commonwealth standards has been too slow and a major uplift in investment is required. Poor accessibility leaves people with disabilities facing social exclusion and higher transport costs, and increases funding pressure on the NDIS. We see a role for the Commonwealth in resourcing increased investment in meeting these standards so that this objective can be realised in a more acceptable timeframe.

Changed travel patterns since the arrival of Covid-19 have seen reduced peak-time travel demand relative to off-peak and weekend travel. In particular, increased night time travel

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<sup>7</sup> <https://theconversation.com/outer-suburbs-housing-cost-advantage-vanishes-when-you-add-in-transport-it-needs-to-be-part-of-the-affordability-debate-204807>

<sup>8</sup> <https://trid.trb.org/View/1589059>

<sup>9</sup> <https://www.theage.com.au/national/victoria/melbourne-the-worlds-most-liveable-car-park-20151029-gklgwf.html>

<sup>10</sup> <https://vancouversun.com/news/local-news/vancouver-staff-recommend-getting-rid-of-minimum-parking-rules-for-all-buildings>

<sup>11</sup> <https://www.strongtowns.org/journal/2018/2/23/a-disability-rights-advocate-on-how-to-build-cities-that-truly-work-for-everyone>

has highlighted poor evening public transport service levels. Successfully managing the night-time economy will need changed travel patterns to be recognised, and increased resources dedicated to off-peak public transport services. This will also be of benefit to many low paid workers in hospitality and service industries that need to travel outside of traditional peak periods.

### **Objective 3: Our urban areas are safe**

The decades-long decline in road deaths has reversed in recent years, with vulnerable road users bearing the brunt of poor choices by motor vehicle drivers<sup>12</sup>. The trend towards larger vehicles with higher ‘aggressivity’ levels risks worsening this trend<sup>13</sup>. With responsibility for Australian Design Rules, the Commonwealth has a role in reversing the arms race of “mobesity” that is a particular threat to the forms of active transport that the draft policy seeks to encourage<sup>14</sup>. The recent Victorian Parliamentary Inquiry into the impact of road safety behaviours on vulnerable road users<sup>15</sup> offers a number of worthy recommendations that could be built into the National Urban Policy.

### **Objective 4: Our urban areas are sustainable**

The PTUA wholeheartedly agrees that a modal shift to active travel and public transport is critical for emissions reduction, as well as for meeting a range of other sustainability goals. Transport mode choice is influenced by a range of supply and cost considerations that are well-explored elsewhere<sup>16</sup>. A frequently overlooked factor is the way that the tax system can distort mode choice towards private motor vehicle use and away from active and public transport. In particular, Fringe Benefits Tax (FBT) provisions offer very large tax concessions for motor vehicles. The value of these tax concessions to individuals is often similar in magnitude to the entire annual cost of public transport travel or a new bicycle<sup>17</sup>. This policy objective would be served by reforming tax laws to replace incentives for motor vehicles with incentives that favour active and public transport.

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<sup>12</sup> <https://www.parliament.vic.gov.au/roadsafetybehaviours>

<sup>13</sup>

<https://www.smh.com.au/national/bigger-dirtier-more-dangerous-how-auto-besity-is-a-health-risk-for-everyone-20230803-p5dtkg.html>

<sup>14</sup>

<https://www.iihs.org/news/detail/designers-must-make-vehicles-safe-for-everyone--not-just-drivers-and-passengers>

<sup>15</sup> <https://www.parliament.vic.gov.au/roadsafetybehaviours>

<sup>16</sup> For example, the key drivers of mode choice remain the same as when we outlined them 15 years ago in this submission: [https://www.ptua.org.au/files/2009/senate\\_PT\\_inquiry\\_submission\\_2009\\_02\\_27\\_revised.pdf](https://www.ptua.org.au/files/2009/senate_PT_inquiry_submission_2009_02_27_revised.pdf)

<sup>17</sup> For example, the statutory method for calculating the value of a car fringe benefit effectively deems a proportion of private motor vehicle expenses to be work-related and therefore deductible. This can amount to thousands of dollars per annum for travel that would not be deductible if undertaken by public transport or active transport.

## **Objective 5: Our urban environments and communities promote health and wellbeing**

In addition to the resourcing challenges identified above, the division of funding and planning responsibilities across multiple tiers of government makes planning sustainable and healthy urban environments more complex. This process would be assisted by the publication of comprehensive integrated transport plans by state governments that are geared towards the objectives of the National Urban Policy, and that allow other tiers of government and industry to align their own forward planning with that of the State.

## **Objective 6: Our urban areas promote productivity**

Traffic priority for public transport can significantly increase the productivity of public transport vehicles, enabling them to operate more service kilometres and provide increased effective capacity with a given public transport fleet. The increased speed of public transport with priority or full right-of-way enables it to attract a higher proportion of passenger travel and thereby minimise congestion costs across the urban area<sup>18</sup>. Prioritising active and public transport movements in such ways should be a primary focus under this objective.

Along with a decline in the proportion of travel during peak hours since the arrival of Covid-19, there has also been a decline in the proportion of travel to central business districts. While it remains vital to serve CBDs with high service levels right throughout the day, other journeys must also be served by high quality public transport to meet changing travel patterns and avoid an increase in private motor vehicle traffic. To promote productivity, public transport must be planned as a comprehensive, integrated network of frequent routes that serve diverse origins and destinations so that it is a viable option for a high proportion of journeys<sup>19</sup>.

Cargo bikes are emerging as a cost-effective solution for last-mile freight movements in urban areas<sup>20</sup>. Along with investment in increasing the productivity and efficiency of rail freight, this should be a priority for freight planning.

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<sup>18</sup> <https://www.sciencedirect.com/science/article/pii/S1361920921000353>

<sup>19</sup> <https://www.nature.com/articles/s41567-019-0656-8>

<sup>20</sup> <https://www.wired.com/story/cargo-bikes-greener-quicker/>