

More on the Federal Budget

"We have become accustomed to multi-billion-dollar investments in road projects, but this Federal Government has cottoned on to the fact that public transport isn't just good for people, the economy and the environment - it's politically popular too. There is strong support in the electorate for better public transport. Public transport use in Australian cities has been growing significantly, fuelled by high petrol prices and road congestion. In Melbourne, for example, rail patronage grew from 137 million boarding in 2004 to 200 million in 2008.

"Public transport systems in some of our major cities are failing to cope with the pressure. Until now, public transport planning and funding have been treated as an issue for the states to deal with alone. While the states have a very important role to play in public transport planning, the RTBU [Rail, Tram & Bus Union] has long called for federal funding for public transport projects. Furthermore, we believe the Federal Government has a role to play in setting national standards for public transport ensuring projects meet the needs of the population and catering for future growth. The establishment of the Infrastructure Australia taskforce to review transport proposals on a national basis has been useful and goes some way toward putting public transport on the national agenda.

"Efficient, accessible and affordable public transport is an important quality of life issue for Australians as they go to school, Uni and work each day, making their contribution to society. We see again and again that where public transport is efficient, accessible and affordable, people use it. In Perth - where the State Government has massively invested in suburban and interurban rail infrastructure - public transport usage has doubled. Public transport is also important for social justice reasons, giving people - particularly those in outer-urban areas - access to social infrastructure. But most importantly, better public transport will be critical for Australia if we are to tackle climate change and reduce our carbon emissions.

"Private car use and the growing road freight industry are major contributors to Australia's high per capita output of dangerous greenhouse gases. There is growing recognition globally of the benefits of strong investment in public transport - passenger rail has been a clear beneficiary from the US to China and Europe as governments look for effective recession-beating stimulus measures that will benefit society and the environment. Unfortunately, spending on rail

in the Budget was, as usual, dwarfed by spending on roads. However, the Federal Government has taken an important first step toward a national approach to public transport."

Ref: Greg Harvey, National Secretary, Rail Tram and Bus Union, ABC News, 21/5/09

"Federal funding for Vic rail is a big win, but the destruction of the urban growth boundaries is a great concern. Transport and land use should be complementary. The State Government has no coordination between its land use, emissions, pollution, public transport, road transport, and health policies."

Ref: Brian Buckley, 20/5/09

The Cost of Cars

"Car use is costing Australia billions of dollars a year due to pollution, congestion, accidents and rising obesity levels, a public transport lobby group says. The Public Transport Users Association has called for tax changes to discourage vehicle use and road building as part of its submission to the Federal Government's tax review. It said fuel taxes, vehicle registration, insurance costs and fringe benefits tax should be formulated to reduce vehicle use. It recommended 'all levels of government raise their commitment to walking, cycling and public transport as lower cost forms of transport'.

"The association said the yearly increase in fuel tax based on inflation should be reintroduced. The submission said tax concessions for motor vehicle use and failure to price the full cost of car use were 'distorting transport choices away from the most economically efficient, socially equitable and ecologically sustainable' forms of transport. The association said tax from motor vehicle use could be used to 'cut the budget deficit' or reduce stamp duty on purchasing homes, rather than build new roads. 'Road spending will just make Australians more dependent on their cars and increase the negative side effects of car use', Daniel Bowen, the president of the Public Transport Users Association, said. Mr Bowen said fringe benefit tax 'encourages people to drive further to get a better rate. We want to minimise car use'. 'It doesn't make sense in an era of climate change and attempts to reduce our dependence on foreign oil to encourage car use by building more roads', he said." **Ref: Jason Dowling, The Age, 21/5/09**

And Also ...

"When people first noticed oil in the US, they didn't quite grasp the energy angle. Instead they bottled it, slapped a label on, and sold it as a health tonic."

Ref: MX News, It's True! 19/3/09

Project Puma

"General Motors is coupling with Segway to debut an experimental two wheeled electric vehicle it has dubbed Project PUMA for Personal Urban Mobility & Accessibility at the New York



Auto Show this week. Project PUMA is two wheeled two seat urban vehicle based on the original Segway technology. It is capable of carrying two passengers up to anywhere between 40 - 56 kph for anywhere between 40 - 56 km on a

single charge. The efficient lithium ion power supply means zero emissions from driving and is expected to cost as low as \$0.60 a recharge."



REJECTED:
PUMA Version One - Too simplistic

Ref:
Green
Razor
#78,
14/4/09

Project Proton

"Malaysia's national carmaker and Dutch firm Detroit Electric inked a 1.2-billion-ringgit (\$A481.1 million) agreement to mass produce electric cars to sell in Europe, China and the United States. The agreement calls for Proton to build 40,000 vehicles within the first year, all of which will be marketed under Detroit Electric's own brand and launched in Europe and Asia from next February, and in the US three to six months later, said Albert Lam, chief executive of Detroit Electric. The privately owned Dutch company has targeted a roll-out of 210,000 vehicles by 2012, and 270,000 cars the year after. 'Our vision, really, is to produce a practical, affordable electric car', said Lam. The plug-in cars will be powered by lithium-ion batteries and - unlike some plug-in cars planned by rival manufacturers - will not include a petrol 'range extender'." **Ref: The Age, 30/3/09**

Street Parking & Traders (Part 2)

"City planners and engineers face competing priorities for space, especially when it comes to road space on commercial streets ... and it is the job of planners to weigh the needs of the various road and other public space users to make recommendations for the greatest public good. However, elected officials often make the final decision and their opinions may differ from those of the planners. ...

"Bloor Annex [in Toronto] is a very busy commercial corridor, with 55% of businesses serving more than 100 customers each weekday, and 75% serving more than 100 customers each weekend day. Merchants were asked to estimate what percentage of their customers drove and parked to access their business. Five of the 61 survey respondents did not answer this question. The survey data shows that most business owners do not believe that the majority of their customers drive to their business. In fact, only 4% of businesses believe that more than 50% of their customers drive to their business, and almost three-quarters of businesses believe that less than 25% of customers drive to their business. Therefore, according to most merchants (71%), any change to the parking situation in the Bloor Annex would affect at most 25% of their customer base.

"Merchants were also asked how they thought their business would be affected if the City made changes to the street such as installing a bike lane or widening the sidewalk. Merchants were informed that these changes would require the removal of half the on-street parking on Bloor Street, since that is where the space would come from to accommodate a bike lane or wider sidewalks. In order to estimate the effect, merchants were asked if they thought the respective change would bring fewer customers or more customers to their business, or if they expected no effective change to their customer base. On the question of installing a bike lane and removing half the on - street parking, almost 75% of businesses thought their business would improve or stay the same, while slightly more than 25% thought the change would bring in fewer customers. On the question of widening the sidewalk and removing parking, the results were almost the same, with only 25% of merchants believing the change would hurt business. The data shows that more merchants think that bike lanes and wider sidewalks would increase business than decrease it."

Ref: Fred Sztabinski, Bike Lanes, On-Street Parking and Business, Feb 2009 Full report: www.cleanairpartnership.org/pdf/bike-lanes-parking.pdf

Public Transport Can Compete (Part 1)

"In the twentieth century, the car should have been the competitor that drove public transport towards ever greater efficiency. Instead, it provided a convenient excuse for governments to mask the poor performance of the public transport systems they operated. While there are many ways of measuring the quality of a public transport service, patronage - the ability to attract some customers - is the best place to start. Having become the dominant transport mode (along with walking) at the start of the twentieth century, public transport retained that position until the late 1940s, but then as car ownership increased, public transport entered a three decade downward spiral. The motor car offered many benefits. It opened up a greatly increased range of housing options, provided an on-demand service and the ability to carry a much greater range of personal goods. ... The fact that public transport was run inefficiently for decades enabled the pro-car lobby to argue that public transport was a quaint anachronism. ..."

"In recent years, the preconceived views of many participants in the debate have been challenged by a widespread boom in public transport patronage. No longer is it possible to argue that public transport's market share will forever decline, nor is it possible to argue that only massive extra injections of taxpayer dollars will attract new patrons. Patronage growth is happening in varying degrees in cities around the world. In the United States, in 2007, 10.3 billion trips were taken on public transportation - the highest number for fifty years. In the second quarter of 2008, transit journeys rose by 5.2% on the same quarter in 2007. In contrast, the Federal Highway Administration has reported that the vehicle miles travelled on United States' roads declined by 3.3% in the same quarter."

"In Australia, all five major cities have seen recent growth, although there has been quite a discrepancy between various cities. The standout has been Melbourne where in the two years to June 2008, rail patronage went up 22.3%. Next best was Brisbane's City Train which saw a 19% increase over the same period. Even private buses in Melbourne have managed to deliver double figure patronage increases by operating in a more commercial manner. The laggard is Sydney where rail patronage has only risen 4% in the past two years, little surprise given the NSW Government's inability to move past the inefficient twentieth century model that delivered poor results for both commuters and taxpayers. A recent benchmarking study found that retaining train guards and staff at low

patronage stations means that the NSW Government is paying \$130 million more than it should to operate its metropolitan rail system. It is also clear that savings of a similar amount could be made by adopting more efficient maintenance practices for both rail infrastructure and rolling stock. Rail is not the only aspect of transport in NSW that needs reform. Sydney's STA [State Transit Authority] government bus fleet compares very poorly to the operations in cities where the buses are privately operated."

"In 2007, the Walker Report recommended that the best way to stop Sydney Ferries haemorrhaging \$50 million per year was privatisation. Ignoring this, the NSW Premier Nathan Rees has now announced that the ferries are to be returned to direct government control - a decision, that report author Bret Walker, has commented will 'spoil for a generation the prospects of a modern ferry service'. When the government announced that the Manly Jet Cat would be scrapped, a private operator declared that they could provide the same level of service, at no cost to government, without increasing fares and with more reliable and environmentally friendly vehicles." {Continued in #107}

Ref: Richard Allsop, IPA Review, March 2009

Richard is a Research Fellow with the Institute of Public Affairs.

Comment: These extracts are printed because it is important to hear what organisations like the Institute of Public Affairs (IPA) are saying about transport. (I note that IPA articles often stop at 'the benefits of the motor car' without going on to explore the problems of excessive motor vehicle use such as congestion, road rage, road trauma, pollution, social isolation, loss of amenity, dysfunction suburbs and related health issues.)

Car-share is an ideal solution for those times when you need to carry 'a greater range of personal goods'. It simply doesn't make economic sense to invest tens of thousands of dollars in vehicles that spend most of their time parked or use up valuable (and expensive) fuel to typically move one person and a tonne of car. Let alone the cost of car parking spaces and road building.

On the ferry issue, the NSW Government did take control but is in the process of tendering out the operation:

"Sydney Ferries will now be under the direct control of the NSW Government. This process will ensure the best value for money and the best service services for commuters, irrespective of whether the service is provided by a public or private operator."

Ref: NSW Premier's Media Release, 21/8/08

US Transit & Ricky Deals (Part 2)

Conflicting advice from Federal agencies & risky financial deals have caught transit agencies:

“RICK KARR: But in October, the Belgian bank KBC gave the agency [Washington, D.C.'s, Metro] just seven days to cough up \$43 million in penalty payments because it was in technical default. Metro officials say they think the bank's request might have something to do with the fact that, in the quarter before it asked for its money, it wrote off bad assets and took a loss of \$900 million Euros, or more than \$1 billion.

“GORDON LINTON, Washington Metropolitan Area Transit Authority: The bank said, ‘OK, we want a jumbo payment right now, even though you have not missed any payments, you are not in default, this is only a technicality that we can take advantage of at this point. And we're going to use this opportunity because we're having some financial problems ourselves. And we're going to go to whatever extent we can to get money from whatever source that we have an opportunity’.

“RICK KARR: KBC and Washington Metro wound up in court. A judge ordered the two sides to hash out an agreement, which they did. But even though public money is at stake, both sides are bound by a confidentiality agreement. Metro's Carol Kissal says that's something the banks demanded.

“CAROL KISSAL: I think that we should have the ability to disclose - as a public entity, you should reveal how those monies are being spent.

“RICK KARR: Meanwhile, the agency is still on the hook for 12 more sale-leaseback agreements worth around \$300 million, while other agencies may have to cough up billions more. Transit advocates say the federal government's to blame for the extent of the problem, because, starting in the 1990s, the Federal Transit Administration promoted innovative financing techniques, including sale-leaseback deals, as a way to help out underfunded transit systems. Kissal says the Fed didn't do enough to warn transit agencies about the potential pitfalls of a risky financing scheme.

“CAROL KISSAL: We run a train. And, you know, we need capital in order to put trains on the network. We relied on the federal government, who was positioning these types of transactions as a way to finance some of the urgent capital needs. And most of the transits, you know, signed up for it willingly, because it

was deemed approved by the federal government.

“RICK KARR: Even before AIG collapsed, the sale-leaseback deals had come under fire in Washington. Republican Senator Charles Grassley of Iowa says the FTA should have known that the deals were nothing more than tax dodges for banks.

“SEN. CHARLES GRASSLEY, R-Iowa: Late in the Clinton administration, the IRS was advising the Federal Transit Authority not to do it. Well, should we have one federal agency saying you ought to get into a scheme to misuse the tax code, when the IRS is telling you, ‘Shut those down; you shouldn't be making that advice, you know’?

“RICK KARR: In 2004, Grassley and his Democratic colleague, Max Baucus of Montana, pushed through legislation that prohibited new sale-leaseback deals, but Washington Metro and 30 other transit agencies nationwide are still on the hook for old deals worth hundreds of millions of dollars. Metro says, if they're forced to pay up, the first thing they're likely to cut is maintenance on escalators and elevators. That would be particularly bad news for riders like Cinda Hughes, who depend on transit the most.

“CINDA HUGHES: Public transportation equals independence for a person with a disability.

“RICK KARR: What impact do you think it would have if Metro had to cut back on maintenance of elevators?

“CINDA HUGHES: It would be devastating. It would be devastating, because I would not be able to get back and forth to work. It would cost \$35 for me to take one-way trip on a taxi. And so it would be cost-prohibitive for me to be able to work in town. And I would not be able to do my work if it weren't for the Metro system.

“RICK KARR: Once the lease deals went bad, transit agencies banded together to ask Congress for some help. What they wanted was for the federal government to step in and ensure the deals in lieu of AIG. Last November, the Senate took up a proposal to do that. Opponents argued that the plan would have rewarded the banks by legitimizing the tax shelters. A bipartisan majority agreed and voted it down. Iowa Republican Charles Grassley says transit agencies will have to make good on their deals with the banks. And if that means they go broke, they can ask Congress for help later this year.”

Ref: NewsHour (with Jim Lehrer), SBS TV, 10/3/09 See the full transcript at:

www.pbs.org/newshour/bb/business/jan-june09/blueprint_03-10.html