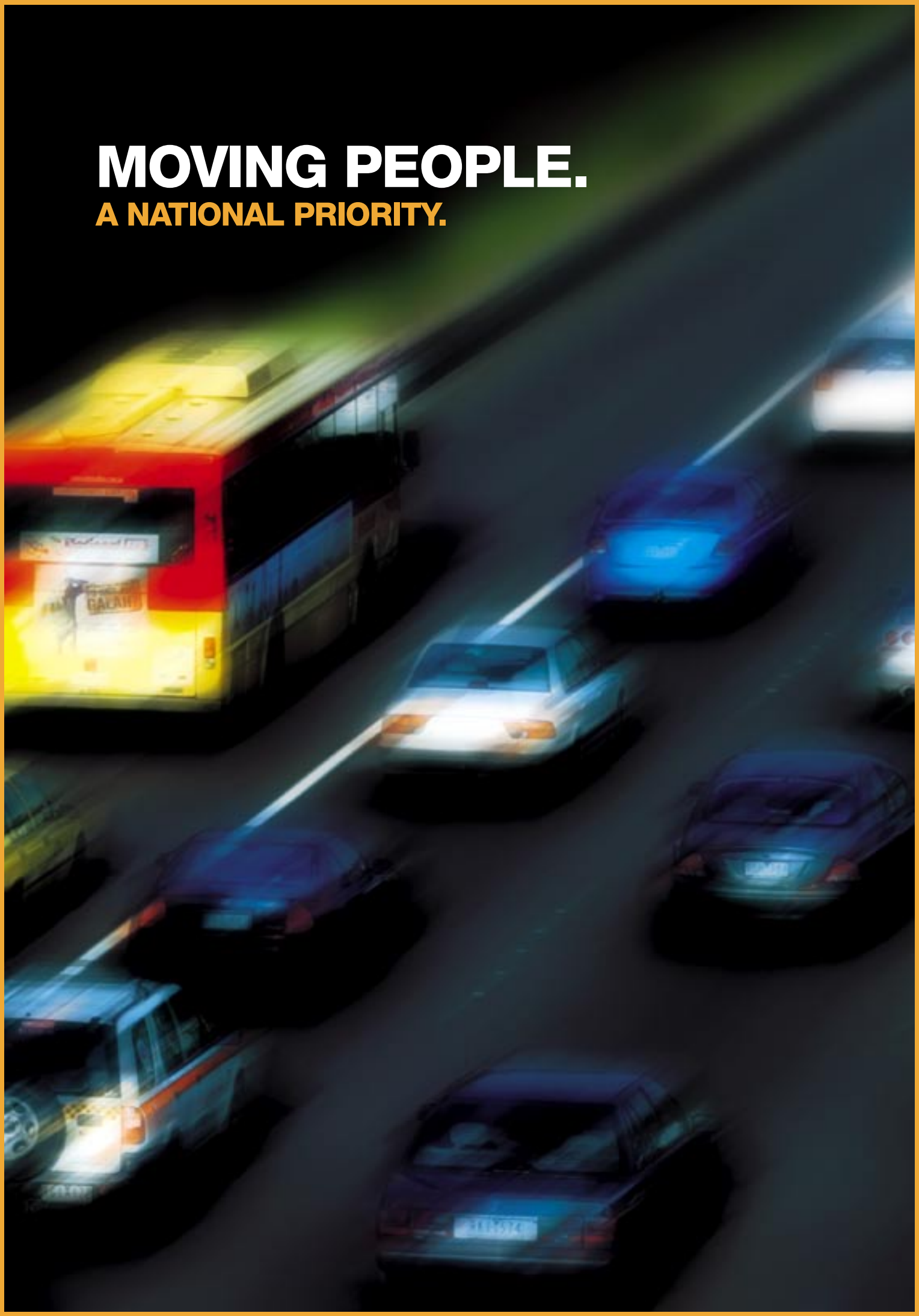
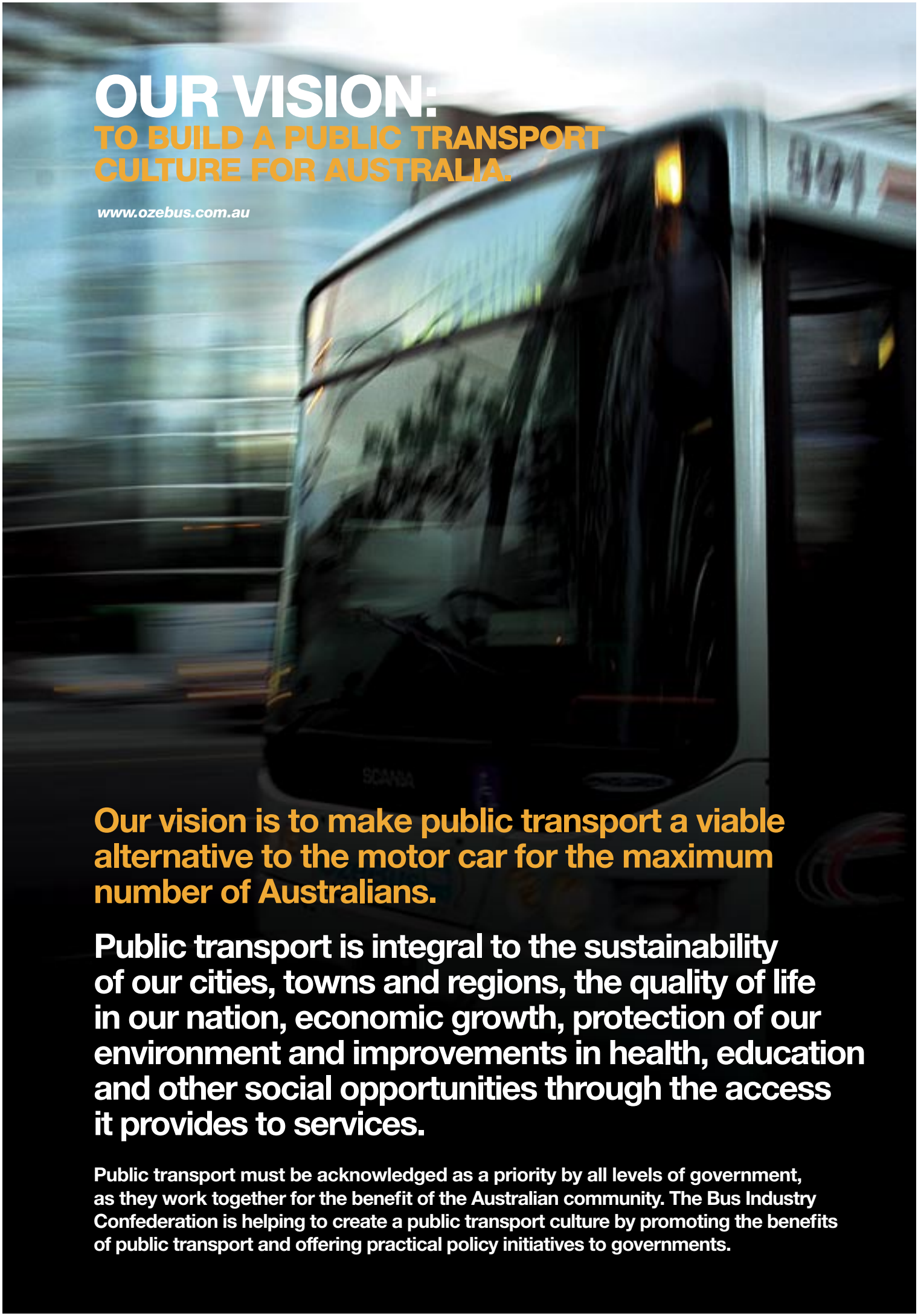
MOVING PEOPLE.

A NATIONAL PRIORITY.





OUR VISION:

TO BUILD A PUBLIC TRANSPORT CULTURE FOR AUSTRALIA.

www.ozebus.com.au

Our vision is to make public transport a viable alternative to the motor car for the maximum number of Australians.

Public transport is integral to the sustainability of our cities, towns and regions, the quality of life in our nation, economic growth, protection of our environment and improvements in health, education and other social opportunities through the access it provides to services.

Public transport must be acknowledged as a priority by all levels of government, as they work together for the benefit of the Australian community. The Bus Industry Confederation is helping to create a public transport culture by promoting the benefits of public transport and offering practical policy initiatives to governments.

BIC:
THE BUS INDUSTRY CONFEDERATION.

BIC is the peak national organisation representing the interests of the bus and coach industry, both operators and suppliers.

The Bus Industry Confederation (BIC) represents the collective interests of bus and coach operators and suppliers. BIC promotes the safety, efficiency, effectivness, accessibility and increased use of bus and coach transport in Australia as part of a much broader approach that seeks to achieve optimal public transport services for the nation.

The bus and coach industry carries approximately 1.4 billion passengers annually in Australia and employs over 30,000 Australians. The BIC promotes increased use of public transport in order to reduce the economic, social, environmental and public health impacts associated with the excessive use of cars.

As the primary voice for the bus and coach industry in Australia, the BIC works with all levels of government, regulatory authorities, industry and the community to:

- Ensure a “National Moving People” strategy is developed
- Encourage investment in public transport infrastructure
- Implement an effective tax and pricing regime for industry and passengers
- Coordinate and make more effective existing Federal, State and Local Government policies and programs that relate to passenger transport
- Improve public understanding of the contribution made by the bus and coach industry to Australia’s economy, society and environment
- Ensure that the accessibility and mobility needs of Australians are met, regardless of where they live or their circumstances
- Ensure that buses and coaches operate safely and effectively
- Improve the environment and community health through greater use of public transport

CHAIRMAN'S MESSAGE:

THE DANGER OF INACTION.

For half a century, Australians have followed a growth pattern that has only been possible because of readily available, affordable motorised transport. Most of us now live considerable distances from where we work, shop or socialise, but we still manage to get around in reasonable times due to a fairly effective road system.

This favourable mobility environment is under significant threat from traffic congestion, the challenges of fossil fuel depletion, rising energy costs, climate change, health and safety impacts, air and noise pollution. Nor can we ignore the problems related to the social exclusion experienced by many transport disadvantaged people.

If we are to achieve a more sustainable transport environment, changes will be needed in the way our cities and regions are structured and operate. We must find ways to reduce the over-reliance on the car, partly by providing a range of attractive, more sustainable travel options.

The challenges of individual travel that we collectively face as a nation are big but not insurmountable. They affect us all directly or indirectly. Current governmental and regulatory arrangements, policies and programs are not delivering solutions. The pervasiveness of the issues involved means that a national approach must be taken to finding solutions. Commonwealth leadership is needed to drive change.

This Policy Statement sets out BIC's views on the challenges Australia faces concerning personal transport and presents an agenda for change. That agenda is intended to help deliver a more sustainable personal transport system nation-wide. BIC looks forward to working with governments and other stakeholders across Australia in pursuit of this outcome.

Stephen Lucas
Chairman
Bus Industry Confederation

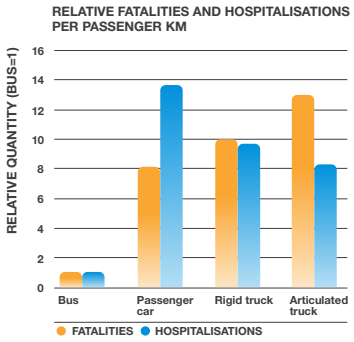
MAJOR ISSUES CONFRONTING PERSONAL TRAVEL IN AUSTRALIA:

CONGESTION.

The Bureau of Transport and Regional Economics (BTRE) estimated the cost of congestion in Australia at $12.8 billion in 1996 and projected that these costs would rise to $29.7 billion by 2015. Given little material change in transport policy in Australia, and interpolating these figures, congestion costs in 2006 are probably $21 billion per annum, equivalent to about 2% of Gross Domestic Product. Road traffic congestion thus represents huge economic waste.

Congestion also has adverse impacts on the liveability of our cities. Cities are the seed beds of knowledge-based industries, which are high growth centres within the economy. Most of these industries are footloose, city liveability being a key locational attraction for those working in the sectors. The adverse impacts of congestion on liveability detract from the growth of economic opportunities in these key areas. Because of its economic significance and widespread incidence in major Australian cities, national land transport policy must target better management of traffic congestion.

SAFETY.



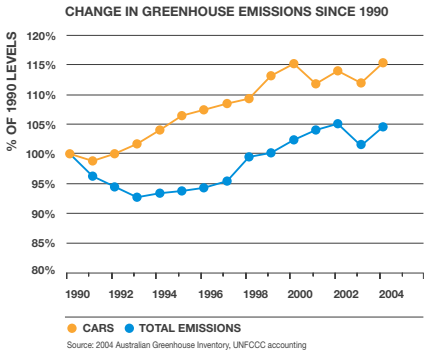
Over 1600 people were killed[1]. and 22,000 seriously injured, in road crashes in Australia in 2005.[2] While there has been a gradual improvement, these figures remain unacceptably high. Extrapolating BTRE work on the cost of accidents, BIC estimates that the cost of road crashes in Australia is currently around $25 billion per annum. While a significant part of this cost is met by those involved in the crashes (e.g. through insurance),BIC studies show that about one quarter of crash costs are passed on to the wider community.[3]

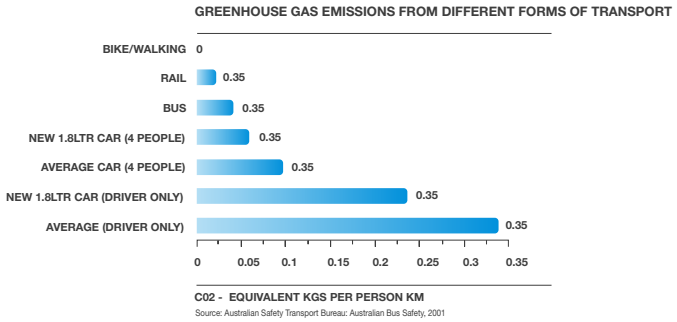
The Australian Transport Safety Bureau has shown car travel has a fatality rate eight times higher than bus and rail transport.[4] Shifting travel towards safer modes would cut accident numbers and costs.

CLIMATE CHANGE.

Australians are the world's largest per capita emitters of greenhouse gases. Transport is Australia's third largest and fastest growing source of greenhouse gas emissions, which contribute to climate change. Road Transport emissions contribute 13.5% of Australia's greenhouse gas emissions and have increased by 23.4% between 1990 and 2004. In 2004, passenger cars contributed 7.8% of Australia's Greenhouse gas emissions, up from 7.0% in 1990. Passenger car emissions grew by 17.8% over this period, well above total net emissions growth of 5.2%.

The Bureau of Transport and Regional Economics (BTRE) predicts total transport greenhouse emissions will grow to 57% above 1990 levels by 2010[6], unless current trends are reversed. This is hugely inconsistent with the scale of reductions in greenhouse gas emissions that are widely reported as being required in coming decades, to manage increases in global temperatures within a +2°C range (60% reduction in GHG emissions by about 2050[7]). Changing mode split in favour of lower emission transport modes will help slow Australia's contribution to climate change.





AIR POLLUTION.

2,400 people are estimated to die each year in Australia from causes associated with air pollution, with motor vehicle being a primary contributor[9]. This impact is exacerbated by traffic congestion where vehicle fuel consumption rates can double[10]. This death rate exceeds the national death toll from road crashes.

In addition to these mortality impacts, research shows children living near roads with heavy traffic are 50% more likely to suffer respiratory disease.[11] BIC estimates the economic costs of air pollution associated with road traffic at about $4.9 billion/year, extrapolating BIC (2001)[12].

NOISE POLLUTION.

It is estimated that nearly 40% of Australia's population is exposed to undesirable traffic noise and a further 10% to excessive traffic noise. The cost of road transport noise in Australia has been estimated by BIC (2001) at between $A0.6 and $A1.9 billion/year. This would mean a central estimate of around $A1.2 billion[13] which would be $1.4billion in 2006 values.

SOCIAL EXCLUSION.

Good mobility is an important ingredient in being able to participate in the wide range of opportunities available within our communities. A significant number of Australians, however, have relatively poor mobility, which can increase their chances of being socially excluded. For example:

- 11% of households in Australia do not have a motor vehicle
- 29% of single person households do not have a motor vehicle
- 15% of single parent households do not have a motor vehicle[14]
- over 22% of households with a weekly income less than $500 in Sydney have no motor vehicle[15]
- 1 in 3 people do not have a motor vehicle license[16]
- more than 2 in 3 people in Melbourne only have buses available locally for public transport, most bus services finishing by 7pm weekdays and not running on Sundays[17]
- over 40% of lone person households 65 years and over do not own a motor vehicle and, as the population ages, the capacity to drive reduces
- over 44% of Victorians are potentially at risk of social exclusion, with transport being a major factor[18]
- 14% of outer metropolitan and 28% of non-metropolitan long term unemployed cite lack of access to transport as a major barrier to getting a job.[19]

Public and community transport alternatives are vital for sustaining mobility, and quality of life, for many such groups.

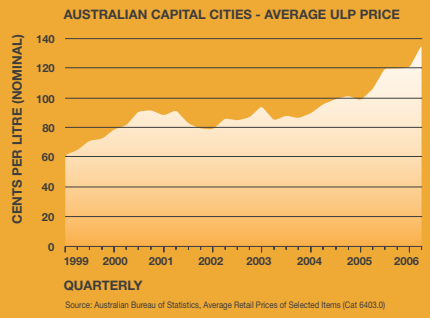
HEALTH.

Australia is currently in the top 4 most obese nations on earth and this fact is causing a huge strain on the health system. Recent research shows that people who drive to work are 13% more likely to be overweight or obese than those who walk, cycle or use public transport, regardless of income level[20]. Physical inactivity is responsible for about 7% of the total burden of disease in Australia and rates second only to tobacco smoking.[21] Approximately 3.3 million Australians are obese with another 5.6 million overweight.[22]

There have been significant increases in childhood obesity in recent years. These rises coincide with a significant drop in children participating in forms of active transport such as walking and cycling to and from school and to and from public transport or school bus services. In 1986, almost one-third of primary school children went to school by car; by 2003, it was almost two thirds.[23]

Obesity costs Australian taxpayers an estimated $1.5 billion every year in direct health costs.[24]

OIL PRICE IMPACTS.



With growing world demand, conflicts in some major producing countries and concerns about possible peaking of global oil production in the near future, the price of oil has been under pressure and is likely to remain so in the years ahead. Petrol prices in Australian cities have risen from 67.1c/ltr in 1999 to around $1.40c/ltr in 2006. This represents a doubling in real terms.

Prior to the recent price increases, the average Australian household spent 16%[5] of its household expenditure on transport. Large increases in fuel costs put pressures on household budgets, particularly in those areas that lack viable alternatives to using the private car.

A NATIONAL MOVING PEOPLE STRATEGY.

BIC argues that a national Moving People strategy is required to tackle the major problems arising from current personal transport patterns in Australia. That strategy should involve several elements:

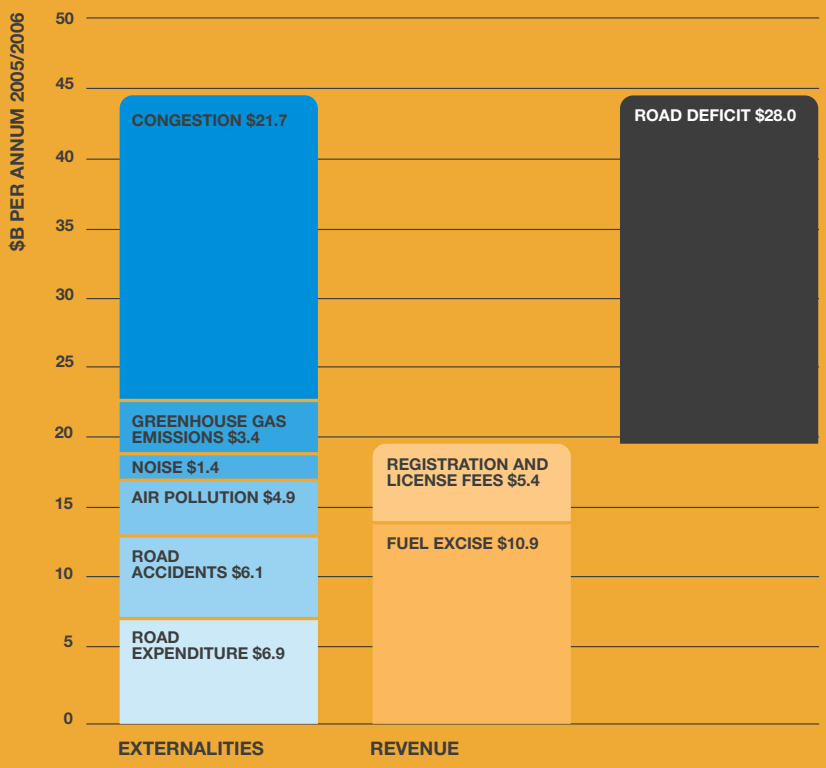
1. Reform of existing Institutional arrangements. Current institutional arrangements are not resolving the sustainability problems facing Australia's personal transport systems. All levels of government need to be involved in setting new directions, which will require a review of roles and responsibilities. BIC's views on these roles are considered later in this statement.

2. Pricing and Tax reform. The chart on the next page indicates that road users are currently well short of meeting the costs attributable to their road use. Pricing reform is a central requirement for improved transport decision-making. Reform should begin with comprehensive research into how governments can most effectively implement a broad based road pricing regime, that includes externalities such as emissions, pollution, congestion and road accidents.

3. Infrastructure Investment. Achieving significant change in current travel patterns will require investment to support greater use of public transport, walking and cycling. Current Federal transport funding is largely focussed on freight, instead of being available for any form of sustainable land transport. This narrow focus ignores the interdependencies in traffic flows on road systems, where (for example) freight is adversely impacted by high volumes of car traffic. A more integrated framework for funding is required.

4. Improving integration of Land Use and Transport Planning. Improved integration of transport and land use can reduce the need for travel and facilitate greater ease of travel by low impact modes such as public transport, walking and cycling. State governments need to support the development of more 'transit friendly' urban structures. Federal transport funding provided to the States should be dependent on a State demonstrating that it is integrating its land use and transport policies and programs to achieve sustainable development.

5. Education, Awareness and Promotion. Achieving significant change in travel behaviour depends partly on people's awareness of the need for change and of the options that are available. This can be achieved by expansion of programs like Travel Smart and Travel Demand Management initiatives, supported by broad communication strategies and campaigns to support travel choice behavioural change.



Source: BIC, National Transport Council, BTRE, Australian Government Budget 2005-06, Australian Greenhouse Office

FEDERAL CONTRIBUTIONS TO PUBLIC TRANSPORT IN OTHER OECD NATIONS.

Western countries, with the exception of Australia, typically obtain targeted financial support for public transport from their national government, even though the national government is not responsible for service delivery.

- The Federal Transit Administration of the United States Government administers over $US7 billion annually in both capital and recurrent funding to transit systems throughout the US
- The Canada Strategic Infrastructure Fund has invested $4 billion in projects since its inception in 2001. Of this fund, 42.8% has been invested in public transit projects. The 2006 Canadian Budget provided a further $2 billion topping-up of this fund.
- The 2006 Canadian budget provided an additional $1.3 billion in new funding for public transport, $400 million through a Public Transit Fund and $900 million via a Public Transit Capital Trust Fund.
- The Canadian Federal Government also introduced a new tax credit for public transit, which allows Canadians who have purchased monthly (or longer) transit passes, to claim a 15.5% credit in their income tax returns.
- Studies of public transport funding in Europe show that;
  - all national governments provide funding for new public transport capital projects;
  - for over 40% of these countries, the funding represented 100% of project costs. In all but two of the countries examined, federal capital funding represented over half the project costs;
  - over 70% of the European countries examined had direct Federal funding to cover annual operating costs.

National government involvement is usually premised on the economic, social and environmental significance, across a substantial part of the population base, of the issues raised by road transport and the need to encourage development of more sustainable alternatives.

"Whilst most accept that the practical provision of public transport should be managed by State Governments, a majority think that the Federal Government should be doing more and a larger majority think improvements to public transport should be a condition of Federal funding to the States"

Crosby-Textor, Understanding the Importance of Public Transport: Survey of Marginal Seats in Melbourne and Sydney, Research report prepared for the Bus Industry Confederation, August 2006.

KEY ROLES.

This National Policy Statement proposes partnership roles for public transport operators, all levels of government and the community in improving the sustainability of Australia's land transport systems and developing a public transport culture. The most significant roles are the following:

1. Public Transport Operators (including the bus and coach industry).

The public transport sector must ensure that its operations and services are provided at world's best practice levels. Close attention must be paid to growing patronage. In this regard, the sector needs to work closely with governments and communities, to identify effective options for improving mode share and delivering on those options.

2. For the Commonwealth Government.

The Federal Government should lead and co-ordinate the process of developing a National Moving People Strategy for the nation. BIC proposes that the Federal Government lead this change process by initiating a new Inter-Governmental Agreement on Land Transport (IGALT) through the Australian Transport Council, focusing on developing more sustainable personal land transport systems. The process should include establishment of a Sustainability Commission[25] and a Sustainable Infrastructure Fund[26], into which existing Commonwealth transport funding and other relevant Commonwealth funding would be placed. This should include some new funding to implement major demonstration transport infrastructure initiatives.

States seeking funding for projects from this Fund should be required to meet certain conditions specified by the Commonwealth Sustainability Commission[27], such as demonstrating compliance with specific sustainability objectives developed through the proposed IGALT process. This should include showing that any major transport projects for which funding is sought have emerged from an integrated land use/transport planning and development process.

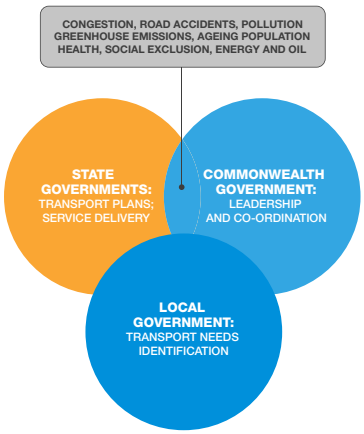
The Federal Government should also provide a public transport positive tax environment for public passenger services, providers and passengers. This might involve Fringe Benefits Tax concessions for periodical public transport ticket purchases.

A broad based road pricing regime should be introduced that includes externalities. This would begin with comprehensive research on how such a reform program would be implemented.

BIC believes that emission control standards should continue to be tightened, in line with international best practice, and fuel quality should continue to be improved.

3. For State Governments.

State Governments have responsibility for the planning and delivery of public transport services.



State Governments should develop comprehensive transport strategies and plans that set out to achieve specific sustainability targets, as developed in the proposed Sustainability Commission process. States will need to financially support development of improved public transport services and supporting infrastructure, such as programs to provide improved on-road priority for operating in congested areas.

States have a major role to play in driving the development of more 'transit friendly' urban structure. They should work with local government, local communities and public transport operators to define reasonable basic mobility standards. Also, through the ATC process, States should support more comprehensive land transport pricing systems, including parking levies.

State Governments with the Federal Government have a shared responsibility to ensure that education and awareness campaigns inform the community of the benefits of public transport and promote alternative travel choices to the car. Initiatives such as Travel Smart are part of this process but need to be expanded.

4. For Local Government.

Local government should focus on defining local/regional mobility needs and identifying priorities for meeting these needs. It should encourage greater local/regional resource sharing in meeting transport needs. This could be achieved through the establishment of Regional Accessibility Planning Committees which would involve local stakeholders. Local government should not be involved in direct service provision but should be an active participant in the planning and integration of local public transport services.

Local Government Authorities should be more cognisant of (and properly take into account) the crucial linkage between land use and public transport. As one element of this, it should take greater account of the operational requirements of public transport services (e.g. in relation to street design standards, provision of bus stops, etc), to assist the process of attracting greater patronage levels, and should implement local parking policies that are more transit-friendly.

THE BENEFITS OF A NATIONAL MOVING PEOPLE STRATEGY.

ECONOMIC GROWTH.

Improved economic growth will result from reducing traffic congestion.
This growth will flow from reducing the productivity losses associated with cars caught in congestion and the cost of pollution on health, as well as from freeing up freight movement, to help sustain productivity. Reduced congestion will also improve liveability and make cities more attractive to high growth, knowledge-based industries.

THE ENVIRONMENT.

A clear winner of using alternatives to the car such as public transport, walking and cycling, is the environment.
This is because of improved air quality, less noise and aiding solutions to climate change, through the reduction of greenhouse gas emissions.

ACCESS AND MOBILITY.

Those who do not have ready access to a car will benefit from the availability of improved travel choices.
Research undertaken by the Brotherhood of St Laurence for BusVic suggests that the value of an extra trip to a socially excluded person is far higher than for an included person.

PUBLIC HEALTH.

The sedentary nature of modern lifestyles will benefit from increased use of public transport, and more walking and cycling.
For example, walking to and from buses, trains and trams is beneficial. Any significant modal swing toward Public Transport has potentially far reaching advantages in reducing obesity and improving health. A reduction in emissions from cars caught in congested traffic areas will also make a significant long-term contribution to improved community health.

SAFETY.

Public transport is safer form of motor vehicle travel than the car.
Any significant upswing in public transport patronage will reduce the injury and death tolls experienced on our roads.

QUANTIFYING THE BENEFITS FOR OUR CITIES.

In late 2005, the Committee for Melbourne prepared a comprehensive public transport plan for Melbourne, forecast to shift 3% of motorised travel from the private car to public transport. Through a detailed analysis of the package, total benefits of around $900 million per annum were estimated.

Extrapolating these results to all Australian cities, BIC estimates that a 3% shift in motorised travel to public transport in our capital cities would deliver benefits to the Australian community of at least $2.6 billion per annum. This would include around $1.5 billion in congestion savings, $920 million direct user benefits, and $160 million in environmental benefits (including a reduction of greenhouse emissions in our cities of between 800,000 and 900,000 tonnes per annum), and improved health outcomes.

TIME FOR CHANGE.

Business as usual is not an option for Australia. Our current land transport systems are unsustainable. They require change and that change should begin with a National Moving People Strategy.

A National Moving People Strategy would define the goals for a sustainable land transport system. It would identify the level of public transport services that Australian citizens could expect, outline the roles and responsibilities of key stakeholders in planning and delivery, define the partnerships needed for change and set timelines for achievement.

1 Australian Transport Safety Bureau, Fatal Road Crash Database
2 Serious Injury Due To Road Crashes, Australia Safety Transport Bureau, Nov 2004
3 Getting the Prices Right: Policy for More Sustainable Fuel Taxation for Road Transport in Australia, Submission by the Bus Industry Confederation to the Commonwealth Fuel Tax Inquiry, October 2001 pg 11, drawing on research undertaken by Dr John Cox.
4 Australian Transport Safety Bureau, Discussion Paper, Cross Modal Safety Comparisons, viewed online 9 March 2006.
5 ABS, Household Expenditure Survey, Australia, Cat 6530.0, 2003-04 (reissue)
6 Greenhouse Gas Emissions from Australian Transport, Base case projections to 2020, BTRE, August 2005
7 ABC “Four Corners” interview with Environment Minister Ian Campbell, 13th February, 2006.
8 http://www.greenhouse.gov.au/gwci/transport.html
9 “Air pollution death toll needs solutions“, CSIRO Media Release, 2 Mach 2004.
10 Urban Congestion - the Implications for Greenhouse Gas Emissions, BTRE information sheet 16, 2000.
11 WHO (2000) Transport, environment and health, www.euro.who.int/document/e72015.pdf, visited 28/4/06
12 Getting the Prices Right: Policy for More Sustainable Fuel Taxation for Road Transport in Australia, Submission by the Bus Industry Confederation to the Commonwealth Fuel Tax Inquiry, October 2001 pg 7
13 ibid. pg 11
14 ABS - Environmental Issues: People’s Views and Practices, Mar 2003 (4602.0)
15 On Dealing with Difference, Dr Anne Hurni, University of Western Sydney, presentation given to Conference on Transport, Social Disadvantage and Well Being, Melbourne 5 April 2006. http://www.monash.edu.au/cmo/Transport2006/registration.html
16 DOI, 2006
17 Metropolitan Bus Plan, Department of Infrastructure (Victoria), March 2003
18 Social Exclusion and Public Transport, Dr Janet Stanley, presentation given to Conference on Transport, Social Disadvantage and Well Being, Melbourne 5 April 2006. http://www.monash.edu.au/cmo/Transport2006/registration.html
19 Ibid
20 Fat chance of losing weight for commuting drivers, 19 January 2006, Julie Robotham, Sydney Morning Herald, http://www.smh.com.au/news/national/fat-chance-of-losing-weight-for-commuting-drivers/2006/01/18/1137553651219.html (accessed 28/4/06)
21 AIHW, The burden of disease and injury in Australia, AIHW Cat. No. PHE 17, Canberra.
22 Australian Institute of Health and Welfare 2003, Bulletin No. 8, September 2003.
23 www.stcwa.org.au/papers/Bicycle_Discussion.doc
24 http://www.betterhealth.vic.gov.au/BHCV2/bhcarticles.nsf/pages/Obesity?OpenDocument
25 Recommendation 3 - House of Representatives Sustainable Cities Inquiry, August 2005
26 Recommendation 5, 6 & 7 - House of Representatives Sustainable Cities Inquiry, August 2005 & BIC Sustainable Cities Submission to the House of Representatives Sustainable Cities Inquiry, October 2003.
27 Recommendation 1 & 3 - House of Representatives Sustainable Cities Inquiry, August 2005 & BIC Sustainable Cities Submission to the House of Representatives Sustainable Cities Inquiry, October 2003.

BUS INDUSTRY CONFEDERATION

Suite 6/6 Lonsdale Street
Braddon ACT 2612
Tel. 02.6247.5990
Fax. 02.6230.6898
admin@bic.asn.au