

Local Government
Association of NSW



Shires Association of NSW

Submission to the Ministerial Inquiry into NSW Public Transport

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1. INTRODUCTION

The Local Government Association of NSW and the Shires Association of NSW (the Associations) are the peak bodies representing Local Government in NSW to other spheres of government and the wider community. We acknowledge the urgent need for discussions on the issue of public transport and welcome the opportunity to contribute our views to the inquiry.

In terms of the overall transport task, local government is directly responsible for over 85% of the road network in NSW. This responsibility involves a huge burden of maintenance and capital expenditure and represents a large proportion of the annual budgets for many of our member councils. On the other hand, local government is not a core provider of public transport services and will resist any attempts to shift the cost or responsibility of these services onto our members or the community at large. Nevertheless, we view the provision of efficient, attractive and inexpensive public transport services and networks as key factors in the sustainable social, economic and environmental development of our communities and regions.

2. A PROFILE OF NSW LOCAL GOVERNMENT

Since February 2001 the number of general purpose Councils in NSW has reduced from 177 to 172 as a result of mergers. Negotiations for further mergers continue. NSW councils range widely in population size. Five have a population of less than 2000, one exceeds 260,000. Geography is a major determinant of size. On average, each NSW council has a population of about 38,000. This compares to an average of 28,000 nationally and 61,000 in Victoria, which has easily the largest average population per Council but fewer very large Councils than NSW. NSW runs second to Victoria in council population size.

In 1999-00 NSW Local Government had total revenues of \$5.468 bn, up from \$5.126 bn the previous year. Almost half of total revenue came from rates and other annual charges. Grants made up only 15.5% of the total, indicating a very high level of self-sufficiency overall, but very significant differences exist between Councils. Sydney metropolitan councils typically sourced less than 10% of revenue from grants while small rural Councils were generally 25-40% grant-dependent, in a few cases, around 50 per cent.

Around 70% of total grants were received directly from the Commonwealth, chiefly in the form of untied general purpose and roads payments, including programs such as Roads to Recovery. Additional grants are received from the Commonwealth for children's services and aged care.

The level of debt amongst NSW Councils is low and continues to fall. In 1999-00 fifteen Councils were debt free, and only 8 had a debt service ratio of more than 15%.

NSW Councils are a major employer generally and are commonly the largest single employer in rural areas. Councils employ around 45,000 people across NSW. Employee numbers on individual councils vary from in excess of 1,000 on some

larger urban councils to less than 40 on a number of smaller rural councils. Local Government has seen a very considerable improvement in the quality and skills of its workforce. A particularly important trend has been the broadening of the recruitment base for professional staff, reflecting the wider range of functions to be performed, the demand for higher order management and corporate planning skills, and the removal of restrictive qualification requirements. Councils now routinely recruit from outside Local Government.

3. LOCAL GOVERNMENT PUBLIC TRANSPORT POLICY

Both of our Associations hold policy positions strongly supportive of public transport within both urban and regional areas of the state, and within an overall integrated planning and land use context. A summary of these policy positions are outlined in Appendix A. Key components of these policies will be expanded upon within our submission.

4. ROLE OF PUBLIC TRANSPORT

The overall growth of the Sydney and surrounding regions pose major challenges to the achievement of environmental goals and social equity. The continued development of the region's transport system, especially public transport, is crucial to addressing these challenges.

In rural and regional areas of the state, regular, reliable and inexpensive public transport options are required as a feasible alternative to the car for many trips, especially for disadvantaged groups, and to assist promotion of these regions as viable alternatives to Sydney for growth, development and investment.

We acknowledge that the complexity of the transport task in both urban and regional areas will continue to require an appropriate mix of existing transport modes, including heavy rail, light rail, bus, ferry, car as well as walking and cycling. In general terms each of these modes has a competitive advantage over the others for certain type of trips. For example, heavy rail has an advantage for medium-long distance trips, especially to large centres and along corridors of high demand, while cars have advantages where car and roadspace is available, parking is available at the destination and flexibility of trip is required. The key transport planning outcomes should therefore be to encourage and provide the choice of the right mode for the right trip. Public transport has a key role in this equation, and the issues surrounding the modal choices available to our constituents will form the basis of our submission. The equity issue is equally important as choice of mode is a factor not available to many people, either because of their physical location or other reasons such as incapacity, income etc.

5. ROLE OF LOCAL GOVERNMENT

There is no doubt that passenger transport is a key factor impacting on people's ability to access essential services and to actively participate in the community. However it is not core business for local government to provide these services and we would strongly resist any shift of these responsibilities, including any associated costs, across to our sphere of Government. The Passenger Transport Act 1990 provides the framework for the regulation of public passenger transport services in

NSW and as such should be seen as a State Government responsibility. Nonetheless councils are willing to be an advocate for public transport in their communities and to assist the State Government to facilitate effective local and/or community transport services, eg through participation on local advisory committees, but not as the key provider of these services (other than as a contractor provider for some community transport services).

Local Government does however have a key role in land use planning processes, particularly for new land release areas, but also in the design and provision of appropriate public transport infrastructure in town centres. We have previously indicated our support for integrated land use and planning policies and await with interest progress in the State Government's implementation of the draft State Environmental Planning Policy No 66 on Integrated Landuse and Transport. However we add our concerns that many of the important elements of these types of policies fall outside the direct responsibility of local government. Nonetheless there is a vital role for our sector to encourage and work with the State government to achieve positive planning outcomes that provide for genuine modal choice in our communities.

6. EQUITY AND ACCESSIBILITY OF PUBLIC TRANSPORT

Many of our member councils, especially those in regional areas of the state but also in outer areas of Sydney, have expressed concern at the availability and accessibility of public transport within their communities, particularly regarding:

- service frequencies including provision of weekend or evening services, and
- services to outlying centres without access to existing transport.

Concerns have also been raised that fare subsidies, including pensioner discount fares, are not evenly available across the state, and in fact discriminate against those living outside the Sydney Cityrail / State Transit Authority areas of operations. People living within areas of private bus operations in both Sydney and regional areas face an inequitable fare and discount structure in comparison. An extension of the discounted fares to all areas of the State with a simultaneous fare increase to this popular mobility incentive may be a sensible compromise.

Similarly, many regional areas of the State are not served by CountryLink rail or coach services, and provision could be made for local operators to provide fare, ticketing and timetabling integration and interoperability with connecting CountryLink Services at strategically convenient locations. This could encourage a genuinely integrated public transport network across the state.

7. INTEGRATION

As foreshadowed above, the effective integration of public transport is a key issue influencing modal choice.

Integration can be defined as those strategic, institutional and operational policies which affect the day to day operations of transport systems. It also includes the broader strategic questions surrounding the direction of Government policy and institutional issues relating to cooperation between the differing agencies and

spheres of government that are stakeholders in transport policy development. Some examples of policies which local government considers should be encouraged include:

- *Strategic issues* – eg a formal recognition of the importance of integrating planning and land use policies with those of transport planning and service provision.
- *Institutional issues* - This refers to the integration between different agencies and the various spheres of government involved in the management of urban and regional development and the provision of infrastructure and services within those regions, in order to present a unified methodology taking account of the needs and views of all stakeholders. Local Government has been consistently critical of the lack of integration between agencies and spheres of government. This criticism has applied across all areas of government activity and responsibility, however it is particularly conspicuous in transport. The case for better integration is easily made. The issue is building the mechanisms to embed an integrated or whole of government approach. Recent changes to the transport portfolio responsibilities in NSW have addressed these concerns in some areas, such as between land use and natural resource planning and transport planning, but have entrenched the disparities in others. For example the splitting of the previous Transport Ministry has left responsibilities for planning with one minister, transport services such as rail and bus regulation with another, and roads administration with a third. This has exacerbated the tendency for public transport regulation and finance to become largely supply-side defined, ie separate policy directions for rail, bus, ferry, road, planning, etc. Ideally public transport policy should be directed within a single overall framework independent of modal type.

Local Government is committed to the promotion of effective public transport options in their communities and are prepared to work with other spheres of government on an individual, regional or whole-of-state basis. Existing school/workplace travel plans, local transport plans and regional transport strategies are rarely knitted together in a comprehensive integrated structure. Such processes and policies encourage more sustainable transport behaviours and should therefore be encouraged and overseen at a State Government policy level.

- At the operational level, integration provides transport networks which serve the needs of the transport user efficiently and seamlessly, avoiding those features which discourage or inhibit choice between modes. Our constituents require services which encourage public transport use – policies and practices which actively seek to attract users away from cars and into public transport by addressing the key factors which influence modal choice, eg
 - Frequencies which are both convenient and reliable;
 - Services which are perceived to be clean, comfortable and safe;
 - Fares which are considered to be value-for money;
 - Inter and intra-modal connectivity, including ticketing, scheduling and (absence of) complexity;
 - Provision of easy to understand customer information – timetables, signs, service information;

- Increasing capacity through new infrastructure, investment in new capital equipment, bus priority lanes etc.
- Improving access for regional communities – operational issues which address the disadvantages faced by rural and regional communities, including:
 - . Appropriate funding levels to allow the upgrading of national, state, regional and local roads to a point which provides incentives for development and investment in regional areas, including investment in efficient road based public transport services;
 - . Provision of appropriate new public transport services both within and between regions;
 - . Improvement of existing alternative transport options, eg rail links to regional centres, including track and alignment upgrades, electrification, and new service initiatives such as those proposed for Victoria under their 'Linking Victoria' Fast Rail Links project;
 - . Establishment of key regional aviation hubs and improved road and public transport links to surrounding regional catchments.

8. FINANCIAL ISSUES

A clear focus for the Inquiry is the exploration of financial and funding options to meet the revenue needs of existing public transport operators as well as the future expansion of the public transport system.

While local government has no direct financial responsibility for public transport services nor would we see that as our role, we nonetheless offer the following comments on financial related issues:

- Issues relating to the quality and service levels of public transport have been identified as key factors influencing modal choice. However the notion that fare levels should be firstly increased to enable the necessary quality improvements to be made is clearly a nonsensical argument and an exploitation of the monopolistic characteristics of much of the public transport market. Public transport users cannot be expected to pay increased fares on the basis of some future improvements to service, any more than a price increase for a product in a private sector competitive market situation could be justified ahead of an improved product actually being available. The recent debacle with the much vaunted Millenium Train illustrates the risks associated with this approach. Improvements to service levels and quality of public transport together with competitive fare structures are needed in place as inducements. Increases to fares without these improvements, or with a 'promise' that the improvements may take place some time in the future sends the wrong message to the market and would be unlikely to attract existing car users away from their motor vehicles.
- The equity of fare increases, fare and ticketing structures has been discussed in section 6 above, but should be emphasised here. Many public transport users in remote locations, on low incomes or in disadvantaged groups are adversely affected by fare increases as they have little alternative transport available. Similarly the differing fare and ticketing regimes both within Sydney and in regional areas provide an inconsistent and inequitable revenue base.

- The external benefits of public transport should form a major component of the financial analysis of public transport, eg through reductions in congestion and environmental costs, improvements to property values along key transport corridors, reductions in traffic levels and road accidents etc. Contrary to the recent StateRail submission to IPART regarding the 2003 CityRail Fare Review, we believe these externalities justify a centralised funding regime from overall Government taxation rather than by increases to existing farebox revenue. This is because the external benefits are clearly available to all of society, not only the users of public transport, and therefore the responsibility for funding these benefits should not rest solely with the user of the services.
- Local Government supports the exploration of alternative pricing mechanisms which may affect the relative attractiveness of public transport in comparison with cars. For example we have supported the introduction of a car space levy for areas of Sydney including the CBD, North Sydney, St Leonards, Parramatta and Bondi Junction, provided these funds are directly used for investment in public transport.
- Existing legislative and regulatory framework for scheduled and school bus services should be modified to allow for a more flexible approach to the delivery of services especially in regional areas, and to encourage or provide incentives for innovation of services. For example, many of our member councils have expressed concern at the absence of available transport to remote settlements or for basic community and health transport tasks, when in many cases there exists an existing fleet of school and/or scheduled buses sitting unused for large proportions of time.
- We also encourage the introduction of voluntary travel behaviour change programs such as those operating successfully interstate and currently on trial in NSW. Such programs assist the community to make more informed choices about their travel options and can encourage increased use of public transport, walking, cycling, ridesharing and more efficient use of cars, at very little cost.

9. COMMUNITY TRANSPORT

Firstly it is necessary to acknowledge that Local Government plays a modest but vital role in Community Transport alongside State Agencies and the non-government sector. It is worth commenting on the most recent data we have available on Community Transport by councils. Data from the *Resourcing communities: the 1999 Community Planning and Services Audit* showed a reasonable activity level around a number of Community Transport activities. In this Audit Councils were asked to indicate a simple 'yes' or 'no' on a wide range of what were described as social planning and community development activities. Councils were asked to confine themselves to activities that were in place by 31 December 1998. One hundred and twenty four (124) councils responded to this Audit.

The results of interest in the present context were as follows:

- 27.6% of responding councils are direct providers of Community transport for older people and people with a disabilities;
- 20.3% of responding councils support non-government Transport Services by providing a building or office space, whilst 17.8% support non-government

Transport services by participating in management, 14.6% providing advice, 13.0% providing financial subsidies or donations and 10.5% providing building maintenance;

- 8.1% of responding councils directly provide General Community Transport (excluding Aged and Disabled) services
- 11.3% of responding councils support non-government Transport services with subsidies or donations

As the greater majority of Community Transport is played out in the Ageing and Disability context it is worth noting the relevant planning and development activities. The majority of councils have substantial involvement in the planning and development of aged and disability services. Amongst the responding councils the majority have involved themselves in the following activities that may relate to Community Transport: facilitating the development of new facilities, services or activities for older people (86.1%), incorporating aged and disability issues into their social plans (60%), and participating in the Ageing and Disability Departments planning process (69.9%). Further smaller numbers have Aged and Disability Needs Studies (40.6%), have Aged/Seniors Advisory Committees (34.1%) and have aged & disability policy statements (22.7%). The majority of councils have involvement in disability specific issues with 77.2% of responding councils facilitating development of new infrastructure, facilities and services for people with disabilities and 66% having Disability Access Committees. In addition, a significant number of councils incorporated public access and mobility measures into their Development Control Plans (37.3%), have Disability Discrimination Action Plans (30.8%) and produce mobility maps (23.5%).

The issue of community transport is one of high importance to many of our member councils particularly in rural and regional areas. Whilst this issue cuts across a number of portfolio areas including Community Planning, Ageing and Disability and Transport, one consistent theme is that much demand arises through the need to access health and medical services. Our members have expressed that increasingly smaller communities are finding it difficult to provide community transport to allow for access to those health, recreational and social facilities not catered for within their town. Current funding for community transport is not adequate and the volunteers who are called upon to keep the service operating are virtually undertaking a full time position to do so. The cost of having to do this is high and inequitable when compared to people living in larger centres or cities with higher accessibility to public transport. In some areas the burden for transporting people to services that have regionalised has fallen on local government and there is considerable pressure on councils to extend their involvement in this way. In this context the Associations have been pleased to serve on the *Transport for Health* Implementation Reference Group, convened by NSW Health. *Transport for Health* is a statewide initiative developed under the NSW Government Action Plan for Health and included in the NSW Rural Health Plan (2002).

Transport for Health builds on the recommendations and feedback from the discussion paper *Non-Emergency Health Related Transport - facilitating better access to health services in smaller towns*, released in December 2001. *Transport for Health* aims to improve the provision and coordination of non-emergency health

related transport for people who have no other transport options for getting to and from health facilities.

Transport for Health recognises

- that ensuring timely and affordable access to Area Health Service facilities is a critical component of the continuum of care
- that some health service reforms may increase patient's travel needs
- that traditional public transport services or other private means are not available or accessible for a significant number of people
- that a considerable volume of non-emergency health related transport (NEHRT) is provided by non-health providers, in particular, community transport organisations
- the resource contributions of other non-health, government programs to outpatients transport services
- the scope for improvement in existing arrangements across NSW
- that each Area Health Services has unique and varied geographical and demographic factors that necessitate differing outpatient transport service solutions
- that reforms to both metropolitan and rural health services necessitate the development of formalised cross-Area networking arrangements for health related transport services

Transport for Health seeks to improve upon existing arrangements by:

- identifying the broader service systems that cater for demand for NEHRT
- adopting a whole of government approach to sustaining and enhancing transport systems across NSW
- encouraging Area Health Services to adopt a partnership approach to working with non-Area Health Transport providers
- encouraging the development of service systems for NEHRT, comprising a mix of service types, appropriate to the unique needs of each Area Health Service
- Facilitating the introduction of uniform statewide policies and standards for NEHRT including eligibility criteria, passenger and service classifications, data collection systems and a performance management framework
- providing a framework for the development of Area Implementation Plans
- developing and consolidating the role of Area Health Services as budget holders
- developing mechanisms for improving the coordination between scheduling outpatient appointments, admissions and discharges and the availability of transport
- ensuring Area Health Services more comprehensively consider the transport implications in all strategic, service and facility planning

Participating in this group will be important for the Associations for two major reasons. Firstly, it is important for us to continue to act as advocates for communities that are concerned about non-emergency health related transport for people who have no other transport options for getting to and from health facilities. Secondly, remembering that a significant part of community transport is run by Local Government, it is important to ensure that the strategy resolves issues that community transport providers have with health related transport rather than compounds them. The one obvious danger is that inadvertently in solving the non-

emergency health related transport issues, other aspects of Community Transport for Ageing People and People with Disabilities end up with less of an emphasis. This again highlights the huge pressure on Community Transport generally, and especially in areas with poor Public Transport. This highlights the strong evidence for serious new investment of funding into Community Transport for Ageing People and People with Disabilities.

As stated previously, local government is not and ought not to be considered a core provider of these essential transport services, but rather to act in a facilitation role. We believe there is a need for a fairer and more equitable system of community transport involving a partnership between State and Local Government together with the expertise of health service professionals and community service providers with a view to formulating a plan that would provide for adequate community transport within smaller communities.

Another issue of vital concern to Local Government is transport for young people. The level of concern was very clear at our recent Local Government Association 2001 Annual Conference. The Local Government Association 2001 Annual Conference was held in Wollongong, attracting over 800 participants. Delegates heard particularly from regional and rural councils that rural young people are seriously disadvantaged socially, economically and culturally due to the cost of transport over long distances to the nearest metropolitan centre. It would provide positive assistance to the rural youth sector to receive some transport concessions to enable them to experience activities and programs without high costs compared to their more fortunate metropolitan counterparts. The extended time factor is a sufficient deterrent without adding cost impediments to those who do not have access to any personal income. Delegates also heard from metropolitan councils that whilst the problem was slightly different in terms of time and distance for metropolitan young people the issue of travel costs was a significant issue raised in almost all reputable youth needs studies and in social planning exercises. Delegates believe that the whole issue of making transport accessible in terms of costs for young people needs a thorough examination. Conference resolved that the Local Government Association make representations for the implementation of equitable nationally recognised transport concessions across the state for the implementation of special transport concessions for young people. The Associations have continued to raise this set of needs for public or community transport at every opportunity.

10. OPTIONS FOR BETTER TARGETING THE FUNDING AND DELIVERY OF TRANSPORT SERVICES TO MEET THE NEEDS OF DIFFERENT GROUPS IN THE COMMUNITY

According to the Australian Bureau of Statistics at the 2001 Census, 26% of Aboriginal and Torres Strait Islander peoples lived in Remote and very Remote Australia, compared with 2% of non-Indigenous Australians.

A discrete Aboriginal and Torres Strait Island community is defined as a geographical location, bounded by physical or legal boundaries, and inhabited or intended to be

inhabited predominantly by Aboriginal or Torres Strait Islander peoples, with housing and infrastructure that is managed on a community basis.

A variety of indicators, such as the lower life expectancy of Aboriginal and Torres Strait Islander peoples and their higher rates of hospitalisation, demonstrate that Indigenous Australians continue to suffer greater ill health than non-Indigenous Australians. Geographical remoteness can be a barrier to health care services for many Aboriginal and Torres Strait Islander peoples. As accessing particular health services may involve multiple forms of transport and overnight stays, these can add to health care costs and reduce the patient's contact with family and friends. If transport is not available or road access is affected by factors such as flooding, comparatively short distances can become an impediment to service usage.

In an analysis of six regional Aboriginal Health Plans in NSW, "access to services" was impaired by lack of transport because all services were located away from the areas where Aboriginal communities lived and as a result many people found it difficult to see doctors and health professionals.

The lack of public transport creates a greater reliance on the use of private transport and is a "*major impediment to mobility to those households that have no or only limited access to a vehicle*". Consultations with Aboriginal communities revealed that the impact of not being able to access transport "*not only...presents a barrier to Aboriginal and Torres Strait Islanders accessing necessary health care, but also interferes with the continuity of carers where follow up is important*". In a number of other areas it was stated that; "*unless you were frail aged you had no chance of gaining access to transport*",

One of the Priority Key Result Areas in The Northern "Rivers Area Health Service, *Aboriginal Health Strategic Plan 1998-2002*), identified "*transport assistance*" and "*outreach services to communities*" as being important indicators in improving access to services for Aboriginal and Torres Strait Islander residents.

A major recommendation from the Regional Aboriginal Health Plans whilst stated differently must ensure that, "*Planning and implementation of future programs and services must include consideration of access and transport*".

11. CONCLUSION

Local Government recognises the importance of public transport as a vital component of the overall transport task. The provision of public transport contributes not only to the long-term sustainability of our communities, but also provides vital access to those people in remote locations or in disadvantaged groups.

We would like to take this opportunity to express our appreciation for the opportunity to provide the views of local government in NSW to the Inquiry, and look forward to ongoing consultation through your report process. If you have any questions about our submission, please contact Richard Connors, Roads and Transport Policy Officer, on 02 9242 4000 or email: richard.connors@lgov.org.au.

APPENDIX A – Local Government Policy Positions on Public Transport

- Local Government supports the concept of “Demand Management” in urban areas by restraining traffic growth through certain policies, traffic management, bus priority lanes and car pooling. However, any policies must fully consider the impacts on social equity and availability of public transport.
- Private sector tolls on major road infrastructure projects should only be considered as a last resort if the road would otherwise not be built for decades, and the environmental and social benefits of the toll outweigh the toll paid. Any proposal to impose a direct toll on road users should be investigated in the context of an integrated transport strategy for a region with consideration given to:
 - Promoting ecologically sustainable transport networks
 - Reducing vehicle emissions and improving air quality
 - Reducing traffic congestion and promoting higher costs for use at peak times and lower non-peak usage costs
 - Reducing car dependent travel
 - Integrating and promoting public transport usage and cycling while ensuring that these forms of transport are exempt from the toll.
- The country rail network should be preserved and upgraded to attract a greater number of passengers through use of innovative technology
- Local Government considers that the community service obligation of the rail system should be recognised by governments and the community
- Local Government considers heavy/light rail to be the most appropriate form of transport for major new release areas in the urban development program
- the concept of a "best transport option" where no one particular mode of transport is appropriate for all situations.
- Implementation of an accessible and integrated transport system in conjunction with land use planning to ensure economic development, social cohesion, environmental sustainability and employment growth.
- A transitional move towards a pricing regime that adequately reflects the cost, including environmental impacts, of providing the transport service and which clearly identifies the community service obligation.
- Local environmental plans that give consideration to linking housing and commercial development with interchanges and parking around public transport nodes.
- The expansion of the mass public transport system, in preference to facilitating commuter vehicle transport, as the only environmentally sustainable alternative to control urban transport growth.
- Multi-modal ticketing as a priority in urban transport reform and improvements to the integration of different state transport authorities.
- An investigation by the Minister for Transport to investigate alternate types of water transport vessels capable of providing public transport to bays (where a customer demand has been established) but because of low water levels cannot be serviced by the River Cat.