

## INQUIRY INTO FEDERAL ROAD FUNDING

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### PEOPLE FOR PUBLIC TRANSPORT

People for Public Transport is a non-profit community organisation lobbying for improvement and increased use of public transport in South Australia.

We are concerned about the adverse environmental consequences, including greenhouse emissions, of excessive use of the private car and the health consequences of urban air pollution from traffic. We are also concerned about the social consequences of poor public transport on people who have no other form of transport and the adverse effects on communities living in the vicinity of freeways and other main roads with heavy traffic.

While our main area of interest is in urban public transport, most members consider that more rural freight and passenger traffic should be carried by rail and less by road because rail generally results in lower greenhouse emissions per net tonne kilometre and has a better safety record than road. We are also concerned at the adverse effects on communities and increased air pollution and traffic hazard caused by large trucks passing through urban areas.

We are concerned about the social and economic consequences of locking Australia into high fuel use modes of transport when oil shortages are likely early in the 21st century. Excessive use of transport fuels is also economically wasteful.

We therefore consider that the views of our organisation are relevant to this inquiry.

### ISSUES DEALT WITH UNDER TERMS OF REFERENCE

#### **Term of Reference 1**

##### **COMMONWEALTH ROLE**

*Issues: current delineation of responsibility*

*Commonwealth v States*

*National Focus without Commonwealth involvement*

*To what extent should any role be guided by economic or social factors?*

**We see the Commonwealth to have a continued role in providing major transport infrastructure, including both road and rail, and in assisting states.**

We consider that the Commonwealth has a role in helping Australia meet its Ecologically Sustainable Development ESD and Greenhouse objectives through its transport policy and assisting the states to do likewise. While short term economic matters have to be considered, these should not be taken in isolation from long-term issues, such as greenhouse warming and likely oil shortages in the 21st century, and other environmental and quality of life factors when determining transport policy.

Some states are particularly needy in relation to intrastate rail, where lines have been isolated by gauge breaks caused recent inter-capital standardisation. Rail lines should remain in government ownership whoever runs the trains, as they are a public asset.

Urban public transport is under funded, relative to urban roads. In this matter we disagree with the National Commission of Audit (see comments on GDP p. 4 of this submission).

In 1996 the South Australian Government spent \$400 million on roads (*Sunday Mail* 27/10/96), whereas the Passenger Transport Board spent approximately \$131 million in operating subsidies for public transport, after deductions for fare and other revenue, and \$1,653,000 in land purchases. (Passenger Transport Board 1995-96 audit) Avoided costs from air pollution, congestion and accidents were not counted, and apart from land purchases, there appears to have been no investment in public transport infrastructure to increase patronage. (Possibly new buses and trains are counted as operating costs).

The Bureau of Transport and Communications Economics (BTCE) publication 94, *Transport and Greenhouse*, identified reductions in public transport fares as a significant method of reducing greenhouse emissions from urban transport (4 per cent for a reduction of fares to 80 per cent of current levels [this we take to mean a 20 per cent reduction in fares] and a ten per cent reduction in emissions from commuting and one per cent from non-commuting travel) with net social benefit. (Chapter 15)

This scenario envisages increased government subsidies for public transport fares. The Report does not consider government investment to make public transport to be more frequent and well-connected. A survey conducted by us in Adelaide in 1989 indicated that frequency of service was the improvement most likely to increase patronage and that fare levels were at that time less important in Adelaide.

**We are wary of proposals for private funding of roads because agreements with the builders may leave the government open to high compensation bills if traffic volumes are less than projected, and may lock out alternative forms of transport. (see Term of Reference 5).**

The term "untied road grants" is misleading. While the grants can be used by the states for anything, the perception is that they will be used for roads. If they were called "untied transport grants" the perception would be that they could be used for roads, railways, urban public transport, bikeways, etc.

We consider that either urban public transport grants to the states should be resumed, or that the untied grants should be termed "untied transport grants" or taken out of the transport department altogether.

## **Term of Reference 2**

### ***Adequacy and extent of the national highway system.***

1 Are stated objectives relevant?

STATED OBJECTIVE: FACILITATE INTERNATIONAL AND INTERSTATE TRADE AND COMMERCE.

In general we support this objective, but with the reservation that exchange of equivalent goods between states and countries is wasteful of resources. While choice should not be limited, there are lower environmental, social and economic costs if people buy available local goods, especially common foodstuffs, where there is little variation between goods sourced from different areas.

STATED OBJECTIVE: ALLOW SAFE AND RELIABLE ACCESS BY A SIGNIFICANT PROPORTION OF AUSTRALIANS TO MAJOR POPULATION CENTRES.

While roads should be safe, we feel that rail transport is to be preferred. Trains are more energy efficient than cars and have a better safety record than cars. We do not consider that there is likely to be greatly increased intercapital travel for pleasure per head of local population, (although an ageing population may travel more) but there may be increased business travel and tourism. Technological developments, such as teleconferencing may reduce business travel.

If intercapital travel increases passenger train services will become more economically viable, as well as, as at present, producing lower greenhouse emissions per passenger kilometre than cars. In that case it makes more sense to upgrade rail lines than to widen roads to accommodate more cars, especially since it costs less per kilometre to upgrade railway lines than to undertake major road works.

We are surprised that the National Commission of Audit (p. 30) praises airlines for lowering fares to increase passenger transport, whereas passenger rail is praised for increasing fares to increase cost recovery (but not, presumably, to increase patronage). Air travel may require less infrastructure but uses more fuel per passenger kilometre than any type of passenger train, including high speed trains.

COMMENTS ON BOTH OF ABOVE OBJECTIVES

BTCE Working Paper 14.1 predicts a rate of growth for road freight and car travel on national highways which far exceeds likely population growth.

The projections are based on a three per cent growth in GDP per annum and estimates range from 1.4 to 2.6 per cent increase in vehicle movements per annum. (Table 3.4)

*Comparisons of projected truck volumes 1994-95 and 2014-15 (Truck volumes taken from BTCE Working Paper 14.1 figures 3.2 and 3.3, own percentage calculations). Figures in thousands of vehicles per year.*

Corridor	1995-96	2014-15	Increase percent*
Adelaide to Darwin	64	112	75
Adelaide to Perth	101	176	75
Brisbane to Cairns	235	411	75
Brisbane to Darwin	68	120	76.5
Canberra connections	331	581	75.5
Hobart to Burnie	427	749	78
Melbourne to Adelaide	504	883	75
Melbourne to Brisbane	365	640	75
Perth to Darwin	35	61	74
Sydney to Adelaide	212	372	75.5
Sydney to Brisbane (inland route)	601	1068	74
Sydney to Brisbane (Pacific Highway)	619	1094	77
Sydney to Melbourne	1239	2173	75

\* To nearest whole number except where figure in vicinity of x.5%

Increase in cars: Adelaide to Darwin 49%  
Pacific Highway 55%

Trucks as percentage of traffic 1995-96:  
Adelaide to Darwin 29%. Pacific Highway 11.5%

Trucks as percentage of traffic 2014-2015:  
Adelaide to Darwin 33%, Pacific Highway, 12%

(Figures calculated on basis of Figures 3.2, 3.3 and 3.4)

Both truck and car volumes on these highways are projected to increase beyond a probable rate of population increase: for instance a 75% increase in population from a base of 20 million in 1995 would give a population of 35 million in 2015, which would be unlikely except in the event of massive immigration. An increase of 50% in population would give a population of 30 million in 2015.

While rates of traffic growth are lower than predicted GDP growth we are concerned at the effects on greenhouse emissions, air pollution, accidents and congestion from such a large growth in traffic. We also note that motorised traffic, including the negative impacts mentioned above, is counted as part of GDP. There is no intrinsic value in moving freight long distances. The value is in getting goods where they are needed. We consider that GDP, as currently defined, is an imperfect measure of national welfare.

We are also concerned that in the event of oil shortages the cost of moving goods and people will be an increasing economic drain on Australia and recommend that energy efficient methods of freight and passenger movement be encouraged and that wasteful movement of goods be discouraged.

### Oil Shortages

Oil production in the US peaked in the 1970s, in 1989 in the former Soviet Union (although this may have been influenced by political events). In 1950 a US geologist, M K Hubbert, correctly predicted that oil and gas production in the lower 48 states of the USA would peak in 1973. Brian J Fleay in *The Decline of the Age of Oil* predicts that production of oil will peak in the Arabian Gulf region in about 2020 and in the rest of oil producing regions in about 2005.

Australian oil production is expected to peak in 2000, then rapidly decline. The Australasian region was not in a particularly favourable region for the formation of oil at the time when most oil was formed.

Predictions are based on Hubbert's theory, proved right in the USA case, that peak production follows shortly after peak discovery and is followed by rapid decline in production, as oil becomes more expensive to extract and the Energy Profit Ratio (EPR) (the energy content of the fuel divided by the energy used in its production) declines.

Fleay argues that discoveries are declining and that giant oil fields are discovered first, so any remaining discoveries are likely to be of small fields or in places where oil is difficult and expensive to extract.

Declining Australian production of oil, followed by a world- wide shortage, will mean an increasing import bill for oil which has serious economic implications for Australia.

### Own comment

While ultimately transport should be based on renewable fuels, in the shorter term fuel economies should be sought. Renewable fuels may prove to be expensive, necessitating continued economies in transport. We believe that Australia's transport dollar would be better spent in upgrading more fuel efficient modes of transport, such as rail and urban public transport, rather than spending huge sums upgrading interstate highways and building urban freeways.

STATED OBJECTIVE: CONTRIBUTE TO ECOLOGICALLY SUSTAINABLE DEVELOPMENT.

We consider that the present system of transport funding breaches ESD principles because it favours road freight transport over rail, and the car over public transport, leading to increased greenhouse emissions, increased urban air pollution and reduces viability of urban public transport, cycling and pedestrian transport, all of which have the capacity to reduce greenhouse emissions.

It is virtually impossible to have a modern transport system which meets the literal definition of ecologically sustainable development, which we take to mean "able to continue indefinitely and without any damage to the environment". However, a system based on energy sources indefinitely renewable in the context of human history, eg solar, wind and some biological power, could be termed ecologically sustainable because it is sustainable over centuries and environmental impacts under certain technologies may be minimal.

The meaning as defined by the *National Commission of Audit Report to the Commonwealth Government* 1996 (p.135)

Integrating economic and environmental goals in policies and activities; ensuring that environmental assets are properly valued; providing for equity within and between generations; dealing cautiously with risk and irreversibility; and recognising the global dimension is more limited.

We consider that the above goals are not being met by our present system of highway funding, since it discriminates against fuel efficient methods of transport and in favour of less fuel efficient transport, especially road freight transport, which fails to pay for itself if all factors are taken into consideration. (See below: Inadequacy of Current Road Funding to Pay for Externalities Including Damage by Heavy Road Vehicles)

While road freight transport generally has higher greenhouse emissions than rail freight transport, rail also emits greenhouse emissions. The extent of the difference will be discussed below and also differences between the modes in past methods of funding, externalities and future options for putting funding for both modes on an equal footing.

Applying the principle of Environmentally Sustainable Development, as defined above, to transport, involves reducing the use of transport energy while achieving the desired outcomes - transport of goods and personal mobility, without excessive economic cost. By reducing transport energy use environmental pollution, such as greenhouse emissions, urban air pollution, and other pollution, such as oil spills and highway run-offs are reduced.

While there have been a few dissenters in the matter of greenhouse, the overall scientific opinion is that greenhouse warming is a fact and will have a number of adverse consequences, including economic impacts. Failure to reduce greenhouse will lead to loss of intergenerational equity.

### Potential Economic Impacts of Greenhouse Warming

Potential impacts the greenhouse warming may affect not only the non-human natural world, but include real, though not at present quantifiable, negative economic impacts. These include: loss of agricultural production through climate change or instability, coastline loss - with effects on tourism and fisheries - loss of agricultural land (if sea level rises are marked) and increased incidence of insect borne disease affecting humans and livestock.

Damage to natural habitats could lead to loss of tourism, possible loss of agricultural production because of decrease of predators on pests, more pests, and effects on water flow.

## Greenhouse and Transport

About 28% of Australia's carbon dioxide emissions are attributable to the transport sector.

In 1987-88, Australian domestic transport accounted for around 25 per cent of primary energy consumption ... and generated about 26 per cent of all carbon dioxide emissions (some 70 megatonnes carbon dioxide) or about 15 per cent of all anthropogenic greenhouse gas emissions.

...

*The BTCE (1991) estimates that methane and nitrous oxide together contribute about 2 per cent of the warming effect of all transport greenhouse emissions. However, the transport sector is a more contributor to carbon monoxide and nitrous oxide emissions which increase the greenhouse effect through their interaction with other greenhouse gases and their role in the generation of tropospheric ozone, which is another greenhouse gas.*

*Ecologically Sustainable Development Working Groups: Final Report - Transport (1991) (p.11)*

BTCE 94 gives the percentage of energy related greenhouse emissions from transport as 25 per cent and the percentage of all greenhouse emissions from transport as 12 per cent (p.8)

Rail freight transport is considerably more fuel efficient than road freight transport, as the passage below from a Parliamentary Research Paper shows. The different kinds of freight carried by road and rail will have some effect on these figures, for instance it is hardly fair to compare a truck load of lettuces with a wagon load of coal.

*In regards to freight movements, in 1990-91 Articulated trucks used some 2004 litres of diesel with an average energy efficiency of 0.75 net tonne kilometres per Megajoule (tkm-MJ) whilst government and private rail systems used some 550 million litres of diesel and some 620 Gigawatt hours of electricity with an average energy efficiency of 3.1 net tkm-MJ ... an 8.5 per cent increase in average energy efficiency of articulated trucks was achieved from 1988 to 1991 due to factors including advances in truck technology, better roads and relaxation of mass and dimension limits.*

Parliamentary Research Service: Research Paper No 12 1994

*Rail and Urban Public Transport: Commonwealth Funding and Policy Issues.P. 15*

The BTCE Report 94 Transport and Greenhouse examines the scenario which could result from transferring 40 (actually 37.5) per cent of intercapital freight from road to rail. (Chapter 12) The Report compares rail emissions with emissions from inter-city trucks (presumably not while they are within cities) which are three to four times more fuel efficient than the average for trucks. Intercapital road freight represents 12 per cent of net tonne kilometres and 3.5 per cent of total truck fuel use.

*The report dismisses the possibility of reducing greenhouse by transference of non-intercapital freight from road to rail, saying it is too diffuse, and does not examine it. We demur.*

The Report states that shifting of 40% of intercapital road freight to rail would reduce greenhouse emissions compared with total (all country and urban) truck fuel use in 2015 (present day emission standards) by 0.5% with net social benefits.

However, on the basis of the figures given I believe their estimate to be wrong by a factor of about four, as the figure stating that rail is about twice as fuel-efficient as inter-capital road is being used to approximately halve the emissions savings when it should be used to approximately double them. Instead of multiplying by 0.49 for fuel efficiency I believe the authors should have divided by 0.51. The final figure based on these statistics would be about 2 per cent.

Figures used by BTCE 94 (p. 213):

Intercapital freight 12% of total tonne kilometres but only 3.5% of total emissions because of greater fuel efficiency.

Maximum shift to rail 37.5% (case previously stated as 40%)

Rail uses 49% less fuel than road per tonne (ie 51% of road fuel- my figures)

Rail only 83% as emissions-efficient as road

Road distances shorter (94% of rail) (*This could change with rail upgrading - my comment*)

Final emissions savings 0.5 per cent on total projected truck fuel use in 2015 by transferring 37.5% of intercapital freight to road ( $3.5 \times 0.375 \times 0.49 \times 0.83 \times 0.94$ ).

SHOULD THE NHS BE EXTENDED FURTHER INTO MAJOR URBAN AREAS TO PROVIDE LINKS TO AIRPORTS, RAIL TERMINALS AND AREAS OF MAJOR MANUFACTURING?

While links to manufacturing areas, and other transport modes, particularly rail terminals and ports are desirable, there are problems associated with road freight passing through urban areas and this should be minimised. We see rail as a more desirable option and consider that railway lines with safe crossings for pedestrians and vehicles are less disruptive of urban life and have lower emissions than major roads. Where rail is not feasible an alternative could be the re-routing of national highways to enter cities at points near industrial areas, warehouses and railway stations.

One hundred and thirty eight million dollars was spent by the Federal Government to upgrade a short section of Highway One through the Adelaide hills, from whence the trucks debouch into the suburbs.

In our opinion, while transferring freight to rail would have been the preferred option, if road works had to be done, they should have been used to build or upgrade a freight route further north to Adelaide's northern fringe.

### National Freight on Urban Roads

Where the freight from national highways passes through urban areas there are problems of congestion and air pollution and a push to build more roads or widen existing roads, often resisted by resident and environment groups. Even though the rationale for building and widening roads in urban areas is said to facilitate the transport of freight, the existence of major highways/freeways and widened main roads in urban areas encourages excessive use of the private car, tends to spread facilities further apart and militates against the use of public transport, and the practice of cycling and walking, because of safety reasons, insufficient pedestrian crossings, etc, and easy access by car for car owners to more widely spread facilities (eg very large shopping centres several kilometres apart). People using cars also tend to travel further, adding to greenhouse and general air pollution.

We recommend that non-local freight passing through urban areas be carried by rail wherever possible.

In South Australia major road freight routes travel through suburban areas, with resultant loss of quality of life for residents near the roads. Moving routes from one road to another is not a solution. We note that the standardisation of the Melbourne-Adelaide line, while desirable in some ways, has cut off the broad gauge railway line from Noarlunga, so that freight can no longer be carried by rail to northern Adelaide or to Melbourne from this area, without the expense of bogie exchange. Thus bitumen bound for Melbourne could no longer go profitably by rail. Also the closing of the bogie exchange at Dry Creek has put 55 000 tonnes of South Australian rail freight onto road, as freight carried by broad gauge rail can no longer connect with port facilities. Increased safety and reductions in road building would result from transferring freight back to rail.

Urban areas are particularly subject to high levels of air pollution from heavy traffic. As well as impacting on the general environment, air pollution affects human health.

Health problems also have economic impacts.

### Air Pollution - Human Health

The use of fossil fuels in internal combustion engines results in considerable air pollution directly harmful to human health. Emissions include Carbon Monoxide (CO) which depletes oxygen in body tissues. Prolonged exposure may impair higher nervous functions and contribute to heart disease. Other products include Nitrogen Oxide (NO<sub>2</sub>), a respiratory irritant which can cause bronchitis, lower resistance to respiratory ailments and exacerbate asthma, ozone, which also aggravates asthma as well as having other ill effects, PM 10s, small particles which can affect lung function, lead, and benzene, a carcinogen. (Choice July 1995)

IS IT A GOVERNMENT'S ROLE TO PROVIDE INCENTIVES TO ENCOURAGE TRANSPORT INFRASTRUCTURE USERS TO MOVE FROM ONE MODE OF TRANSPORT TO ANOTHER (FOR EXAMPLE FROM ROAD TO RAIL) IN ORDER TO AFFECT ADEQUACY OF INFRASTRUCTURE?

The above arguments make it clear that we favour transfer of some road traffic to rail, for economic, social and environmental reasons.

We note that recent government investment in rail has been much lower than national highway investment, and that in spite of this and a declining modal share, about 1/3 of freight is still carried by rail, in terms of net tonne kilometres (1993-94 figures: domestic sea freight 85.2, road freight 98.5, and rail freight 96.0 billion net tkm: BIE 1995 - quoted by Action for Public Transport (May 1996). The statement on p.194 of the Productivity Commission "Stocktake of Progress in Microeconomic reform" that road carries 70% of freight transport task is based on tonnages only and ignores distance factors.

Traditionally rail has been called loss making if costs of running plus infrastructure were more than revenue. This criterion has not been in the past applied to road.

*Commonwealth funding for transport 1973-74 to 1992-93*

Rail (after loan repayments) \$3 billion

Roads \$31 billion

Urban public transport \$1.3 billion

(*Rail and Urban Public Transport*, p.ii)



In 1992 the Keating Government promised \$450 million for selected rail projects under the One Nation Package. Most of this has been spent but final payments have been scaled down. One Nation did something to reduce inequities in infrastructure funding but national highway funding was still much higher than rail funding and problems arose because some state rail lines were cut off from interstate lines by gauge breaks which did not exist before.

According to the National Transport Planning Taskforce presentation by the National Rail Corporation (1994), the average investment per net tonne kilometre per year 1986-1992 was \$0.013, while for the national rail network it was \$0.005/yr/NTK.

We are concerned that the imbalance of infrastructure funding in favour of roads should be redressed. While some roads, such as the Pacific Highway, may need upgrading for safety reasons, upgrading of railway lines would also make roads safer, by taking many heavy trucks off the road. The Sydney to Brisbane railway, which competes with the Pacific Highway for freight, is also in a deplorable state, and would cost less to upgrade to World Best Practice standards than the road.

We believe that there should be a marked transfer of infrastructure funding from road to rail and that damage to infrastructure should be recouped from registration or distance based road charges, and rail track charges also based on infrastructure wear and damage. Once road and rail are on an equal footing, infrastructure upgrading and externalities can be paid for from fuel tax based on fuel use and emission factors for both road and rail.

However, there are still questions about commonwealth/state, rural/urban funding to be determined. We believe that the government has to take into account the issues discussed above in considering how to allocate funds.

### Inadequacy of Current Road Funding to Pay for Externalities Including Damage by Heavy Road Vehicles

While revenue from road-related taxes and charges totals \$13 million and road expenditure is \$6 billion (National Commission of Audit p.195), the cost of road accidents in 1993 was estimated AT \$6.1 billion (Transport and Greenhouse BTCE 94 (p.461) quoting BTCE 1994d). This estimate is acknowledged as very rough. The health cost of air pollution has been estimated as between 0.005 and 0.12 cents per kilometre travelled (BTCE 94 p. 460) The difference stems largely from different estimates of the cost of fatalities.

Estimates published by *Action for Public Transport* (May 1996) are \$6 billion for road accidents, \$4 billion for road congestion and at least \$1 billion for noise and air pollution.

Road surface damage is often considered to be related to the fourth power of vehicle mass. Adding 12 1/2 per cent to mass increases road damage by about 60 per cent. Truck size increases energy efficiency but damage to road surface and costs of upgrading for the benefit of heavy vehicles should be recouped from such vehicles.

Evidence from the media of poor pay rates and long hours worked by truck drivers suggests that some truck companies are either making adequate profits while exploiting their workers or are marginally viable. We are concerned that excessively long shifts and drug use among truck drivers is putting the public at risk.

Although increased road taxes would reduce viability of these companies we feel it would be safer for the public if they were not operating and freight was forwarded either by rail or by road freight companies which could afford to allow sufficient time off for their drivers, while paying an adequate wage.

Working conditions for truck drivers and rail staff should be set by law and enforced, not only for the benefit of the worker, but for public safety.

**It appears that in some sections road freight is not the thriving industry it is generally considered to be.**

#### PRIVATE TOLLWAYS

We have considerable reservations about privately funded highways because of guarantees typically offered in BOOT agreements.

For instance, the Victorian government agreed to compensate Transurban, the builder of the Melbourne City Link if:

- . a government action cut more than 20% from the company's revenue,
- . a Commonwealth environmental impact statement prevented the project proceeding,
- . changes in transport policy specifically discriminated against tollways.

(Brian Boyd, *Labor National Herald*, December 1995)

An agreement for a Sydney tollway precluded the building of a competing public transport system for 20 years.

Such agreements are made to guarantee an adequate return to private tollway operators, but have the potential effect of inhibiting the development of more ecologically sustainable transport systems.

While these are examples of urban tollways, we can envisage the possibility of tollway agreements inhibiting the development of rail and other modes of transport and of governments having to pay compensation if oil shortages restricted trade or travel.

While governments may make unwise investments in transport infrastructure, these are generally funded from current tax and no outside body has to be compensated for its mistakes.

E N D

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*National Commission of Audit Report to the Commonwealth Government, June 1996, AGPS, Canberra.*

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*Rail and Urban Public Transport: Commonwealth Funding and Policy Issues. Parliamentary Research Service: Research Paper No 12, 1994.*

Sunday Mail, 27/10/96.

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**AMENDMENTS AND ADDITIONS TO PEOPLE FOR PUBLIC TRANSPORT'S  
SUBMISSION TO INQUIRY INTO FEDERAL ROAD FUNDING**

P.8, last paragraph. Omit, replace with:

It is noteworthy that BTCE 94's claimed 0.5 per cent savings in greenhouse emissions from transferring 37.5 per cent of present intercapital truck freight to rail is comparing emissions from all truck freight in Australia with emissions from intercapital rail freight only.

BTCE states that intercapital trucking constitutes only 12% of total tonne kilometres and savings from transfer to rail look much better if compared with intercapital road freight alone.

While the capacity of rail to deliver freight to different destinations within cities may be limited, we do not accept BTCE 94's assertion that the percentage of rural freight on non-intercapital routes which is carried by rail cannot be significantly increased.

P. 9, last paragraph

Replace "facilitate the transport of freight"

with "be the facilitation of freight transport"

P.10, paragraph 3 (second full paragraph), line 9

after "bitumen" add "from Port Stanvac"

P. 10, last paragraph, second to last line

after "sea freight" change "85.2" to "95.2"

P.11, paragraph 1, line 1, P.12, paragraph 2, line 1 and first entry of bibliography

Change "May" to "August"

P.11, after fifth paragraph (figures on Commonwealth funding not counted as paragraph) add:

An example of the lower costs of upgrading railways is mentioned in *Rail and Urban Public Transport* (p.20), where the cost of upgrading rail to Fast Freight Train Standard (1994) was estimated at \$95 million, which was said to be about 20 per cent of the cost of upgrading the Hume Highway between Goulburn and Yass with bypasses (See attachment C).

*Amendments and additions to submission to Federal Inquiry into Road Funding by People for Public Transport January 1997 (contd).*

P.13: reference to "Sydney tollway":

This road is the M2. The contract, which runs from the beginning of the construction period to 45 years after the road's completion, allows for renegotiation of the contract if any transport system is built which causes it to cease to be Sydney's prime link to the north west, or if the Government fails to build connecting roads.

An article in the *Sydney Morning Herald* (22/11/94) alleges that the Government would be liable to compensation if a major railway or freeway were built near the M2 during the next fifty years.

#### ATTACHMENTS

Existing Attachments should be named Attachment A and Attachment B if this is feasible.

Additional attachments enclosed:

Attachment C (p.20 of *Rail and Urban Public Transport*)

Attachment D (p.10 of *Rail and Urban Public Transport*)

Attachment E (p.1 *Action for Public Transport May 1996*): not referred to directly in submission.

Attachment F ("Death truckie's brain 'was in neutral'" *The Advertiser* (Adelaide) 22/1/97)

Attachment G ("Time to get back on the rails"; Ian Lowe, *The West Australian*, 18/19 August 1990).

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