



Tourism & Transport Forum (TTF)
Position Paper

The Benefits of Public Transport

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In Short

1. Public transport plays an important role in minimising the cost of congestion and maximising economic productivity.
2. Equality of access to employment and services, increased cohesion and decreased isolation are significant social benefits that public transport investment can provide.
3. By providing an alternative means of travel to private vehicles, public transport has a critical role to play in reducing carbon emissions.
4. Recognition of these benefits across various policy areas must form the basis of a coordinated expansion of investment in public transport by all levels of government.

Introduction

This paper examines public transport patronage and investment in terms of the triple bottom line – that is the economic, social and environmental benefits it provides.

If transport is understood to be a facilitator of the economy, public transport is critical in maximising productivity and competitiveness. The economic benefits of public transport flow from three key areas: (1) the efficient connection of wealth and labour to the marketplace; (2) the removal of productivity bottlenecks; and (3) maximising opportunities for individuals, business and government to increase income and asset value. Public transport is the key to achieving economic connectivity, particularly in major urban centres.

The social benefits of public transport flow from the access it provides to employment opportunities, education and health services as well as recreational facilities. By providing a communal access point to vital goods and services, public transport is a vehicle for social cohesion between diverse demographics in society.

Public transport also provides an alternate means of travel to the private vehicle which will be important to reducing carbon emissions. Being significantly less emissions and resource intensive, increasing the market share of public transport services – particularly in major urban centres – will reduce the negative impacts of congestion and cut carbon emissions.

Harnessing the full potential of these benefits demands investment in new transport services and infrastructure, as well as improving the quality and efficiency of existing services. Encouraging commuters out of their private vehicles and onto attractive, user-friendly, integrated and expansive public transport networks needs to be the priority of transport policy.

Economic benefits

Congestion

Urban congestion is widely regarded as one of the great productivity bottlenecks of developed economies. The estimated avoidable cost of urban traffic congestion in Australian capital cities is \$12.9 billion in 2010.¹ Incorporating the projected growth in urban traffic over the next decade, this figure will increase to over \$20 billion if current trends in transport continue unabated.²

Public transport can play a pivotal role in alleviating urban congestion. For example each train on Sydney's railways removes approximately 1,000 cars from its roads. Improving the efficiency and quality of public transport systems is key to encouraging the required modal shift from private to public transport. Whilst individuals must choose public transport, it is the task of transport service providers and governments to make that choice a viable one.

Productivity

Public transport plays an important role in facilitating productivity and opportunity by moving skills, labour and knowledge within and between markets. In a globalised world, labor, capital and enterprise seek out the most productive markets, encouraging competition and mutual economic growth. Efficient public transport systems promote geographic integration between residential and employment hubs, increasing the capacity of more dispersed populations to generate wealth. Investing in improved public transport perpetuates a cycle of economic growth.

For example, the American Public Transport Association estimates that for every \$1 billion invested in public transport infrastructure, 36,000 jobs are created, in turn generating over \$3 billion in commercial transactions and approximately \$500 million in government tax revenues.³

Major international transit hubs require simple and effective access to transport networks to optimise the economic and social benefits they have to offer. Airports are the gateway to Australia for tourists, businesspeople and students. Australian airports are not all well-connected to public transport, impacting negatively on the productivity of not just Australian cities, but the entire country.

Land Value

There is strong evidence of a direct correlation between improved access to public transport and increases in property values. Planning that prioritises public transport – by promoting mixed use density along transport corridors⁴ – decreases the need to allocate public spaces to roads and parking, allowing these spaces to be put to more valuable uses, reflecting positively on the general urban amenity.

¹ Bureau of Infrastructure, Transport and Regional Economics, *Estimating urban traffic and congestion cost trends for Australian cities*, Working Paper No 71 (2007), p109.

² Ibid.

³ Figures are estimates based on US conditions. American Public Transport Association: *Public Transportation Takes Us There*, retrieved 16/02/2010 from http://publictransportation.org/takesusthere/docs/economy_fact_sheet.pdf.

⁴ For more information, refer to TTF Transport Position Paper: *The benefits of Transit Oriented Development*, TTF January 2010, <http://www.ttf.org.au/Content/transitorienteddevelopment.aspx>.

With increased property value comes higher tax yields for governments, as duties are collected when these properties are bought and sold. This in turn can provide new bases of revenue from which to fund the provision of public transport services.

Transit oriented development in Lyon, France

Since opening, Line D of the Lyon metro system has quadrupled the rate of urban regeneration in the corridor it serves. The proportion of new or renovated buildings for commercial purposes is 60% in the corridor compared to 13% in comparable areas of the city not covered by the new line. The share of public open space that was redesigned was 44% compared to 11% elsewhere. As a result, the population growth rate changed from below average to above average in the districts situated near the new line, bringing an increase in land value along the corridor.¹

Social benefits

Transport is a key factor in social inclusion: the ability of an individual, family or community to access economic and employment opportunities; education, healthcare and other services; and leisure, sporting and social activities. Public transport in major metropolitan cities can be the fastest, safest, and cheapest way to connect to work, family, and social activities - facilitating social inclusion and providing additional opportunity.

Low-income earners, the unemployed, the elderly and people with a disability are particularly at risk of social isolation as a result of poor transport options. Improving access to public transport for these groups is necessary to achieve social equality, as it invariably increases access to employment, education, health and community services. Conversely, limiting this access and the impost of expenses relating to car ownership exacerbates the social disadvantage experienced by these groups.

Access to efficient public transport systems facilitates interaction between communities and individuals, contributing to the overall fabric of society. From this perspective, public transport can be seen as a vital social institution which, if maintained and developed correctly can benefit communities through enhanced social cohesion.

Health

Closer alignment between transport and health policy can potentially ease the burden on health services through promoting active lifestyles. By walking or cycling to a bus stop or train station, public transport provides opportunities to improve personal fitness, whilst removing the stress associated with driving a private car in congested conditions. Research indicates that each additional hour spent behind the wheel increases the likelihood of obesity by 6 per cent⁵. Furthermore, a study of commuters in Perth has found that patrons of public transport will, on an average trip, accumulate around seven times more incidental exercise than private

⁵ Doctors for the Environment Australia – submission to the Australian Senate Rural and Regional Affairs and Transport References Committee (2009) *Investment of Commonwealth and State funds in public passenger transport infrastructure and services*

motorists, contributing substantially to the daily recommended physical activity level needed to minimise the risk of obesity.⁶

Ageing Population

The proportion of the population above 65 years is forecast to increase from 14.6 per cent in 2006 to 22.5 per cent by 2030.⁷ Public transport is heavily relied upon by the elderly, often as the only means to access vital services. Just as health and social welfare policy need to incorporate this projected demographic shift, the transport needs of an ageing population must also be considered.

Environmental benefits

Australia's 2007 National Greenhouse Accounts rank transport as the third largest source of greenhouse gas emissions, contributing 14.6 per cent of total emissions, behind stationary energy (54 per cent) and agriculture (16.3 per cent). Recent estimates indicate that transport sector emissions have grown annually by approximately 2.2 per cent since 2007⁸. Private motor vehicle use represents 90 per cent of motorised passenger transport in Australia's capital cities. In light of this, there is considerable potential for public transport to increase its market share and play a pivotal role in the abatement of transport related carbon emissions.

As such, there emerges a need for greater coordination on transport policy between all levels of government, as the emissions reduction targets set at a federal level depend on services administered at a state or local level. For Australia, this needs to come in the form of greater investment in transport infrastructure and overall involvement in public transport policy from the Commonwealth government.

A Cleaner environment

By removing cars from our streets, public transport dramatically reduces air pollution from motor vehicles. As well as the obvious health benefits, reducing air pollution is also important to preserving Australia's unique natural environment. A cleaner environment not only improves Australia's living standards, but has significant long term flow on benefits to the economy.⁹

Unlike private cars, the emissions from electrified modes such as rail and light rail are removed from the local environments in which they operate. As more renewable energy sources become available, there is potential for these modes to become completely sustainable in the future. Currently in Melbourne, Yarra Trams sources enough energy from Pacific Hydro's Victorian wind farms to equate to the daily operation a tram.

Mitigating climate change

As national and international leaders look to tackle the challenges posed by climate change, the capacity of public transport to contribute to emissions reduction targets should be

⁶ Socialdata Australia (2000) Mobility Behaviour, City of Melville, Department of Planning and Infrastructure (DPI), Perth (WA)

⁷ Australian Bureau of Statistics, *Population Projections, Australia 2006 to 2101*, table 10

⁸ National Greenhouse Gas Inventory May 2009, Australian Government, Department of Climate Change

⁹ For further information, refer to TTF publication: *Responding to Climate Change: Tourism and Transport Sector Position Paper*, TTF October 2009, <http://www.ttf.org.au/Content/ptclimatechange.aspx>

seriously considered. During peak periods, public transport (bus and rail) is up to six times less emission intensive per passenger kilometre than private vehicles.

Given the proportion of Australia's total carbon emissions that can be attributed to transport – as well as the scope for expanding public transport patronage – there is a very strong argument for investing in public transport to mitigate the effects of climate change.

Australian cities rank among the most car dependent and polluting cities in the developed world.¹⁰ Notwithstanding the geographical characteristics of our cities, the first step towards reducing transport related emissions must be for governments and individuals to recognise the potential carbon abatement that can be achieved by a mode shift from private to public transport.

Daily urban commute - carbon abatement comparison

By switching from road to rail, commuters on Victoria's Regional Rail Link travelling between Wyndham Vale and the CBD would save an average of 4.7 tonnes of carbon dioxide emissions per person per year. Similarly, yet hypothetically, if a rail link to Sydney's north west were in place, commuting between Castle Hill and the CBD would yield emissions savings of 3.5 tonnes per person per year. In comparison with other emissions reduction measures, this modal switch can deliver between 25 and 34 times the annual carbon abatement as one household using energy saving light globes.¹

TTF Position

While the benefits of public transport outlined in this paper may appear quite obvious, it is important they are reiterated, especially as new avenues are sought to improve the productivity of our economy and the sustainability of our environment.

Individual commuters must be aware of the economic, social and environmental impact their choices can have. A heightened awareness will help skew travel behaviour towards more sustainable and low impact modes. Similarly, governments, communities and the private sector need to adopt a triple bottom line approach to all public transport project appraisals to better value the true impact of the investment.

¹⁰ The Garnaut Climate Change Review, Ch 21.4.1



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