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Victorian Local Governance Association *Auslink* submission

Introduction

The Victorian Local Governance Association (VLGA) exists to promote good governance and sustainability by supporting local governments and communities through programs of advocacy, training, information provision and support. The VLGA works in partnerships where possible to achieve its aims and as such has broad involvement with, and support from, governments, other peak bodies, non-government organisations, private enterprise, communities and individuals.

The VLGA has had an active interest in transport issues for some time and been involved with a number of projects and agencies through a Transport Working Group. The VLGA has recently been successful in securing funding from the State of Victoria for an Integrated Transport and Mobility Project (LGITMP). This project aims to develop, support and enhance approaches used by local governments to improve the mobility of their communities by encouraging a more integrated approach to transport planning. A primary focus of the project is to explore current transport planning as practiced by local government, and also link into State Government initiatives in integrated transport planning.

With a primary focus of community health and sustainability, and a history of interest in integrated transport, the VLGA is responding to the Auslink Green Paper from the perspective of

- Balancing the requirement for an efficient national network against the rights of communities to conduct daily life without undue impact from through traffic and car usage;
- Creating opportunities for non-car and non-truck modes to develop; and
- Equitable land transport pricing to encourage land use to adjust to minimise trip length.

Funding

A primary concern for local government with Auslink is the lack of funding commitments and recognition of the currently limited capacity of local governments to adequately service the maintenance of road infrastructure and the increasing strain the task places on resources which will be augmented by the forecast increase in freight movement. The VLGA supports the MAV submission which deals with funding issues in detail.

The VLGA also considers that the proposal that local government co-fund transport projects of regional significance is beyond the capacity of municipalities which are primarily focused on providing for their constituents. Greater clarity of future funding commitments is required.

Integrated transport

VLGA is committed to integrated transport recognising that transport is a vital community function to service population activity, but also a powerful force in shaping land use and a means of distributing social equity in providing access and opportunities. It also has considerable societal impact in terms of noise, safety, pollution, land occupancy and environmental damage. As well transport is an industry, generating jobs and economic benefits. Integration requires consideration of all categories when making funding decisions.

- Integration across modes and the creation of a 'level playing field' on which the strategic advantages of each mode can be fully recognised and developed
- Integration with land use, where the coincidence of activity and infrastructure capacity can be fostered, and the relationship between the two fully exploited to community advantage
- Integration at the institutional level so funding and evaluation take account of all network options and triple bottom line criteria
- Integration into overarching national policies of sustainability to require the National Land Transport Plan to direct itself towards those goals

The VLGA would prefer Auslink to direct itself towards development of a National Integrated Land Transport Plan, ultimately to development of an Integrated Transport Policy.

Freight forecasts

Auslink predicts that the total freight task will almost double in the next 20 years, and the interstate road freight will almost triple in that time. While these predictions don't accommodate recent infrastructure, regulatory and privatisation changes, increases of this nature will generate considerable pressure to prioritise transport projects to maximise freight efficiencies at the possible expense of local social and environmental goals. The VLGA would like to see greater analysis of the growth figures against the capacity and mode-shift potential of the existing network and demand management possibilities thoroughly explored.

Land transport pricing

"The BTRE has forecast a continuing fall in real interstate non-bulk freight rates of approximately 0.5 per cent per year" (Auslink, page)

Road user costs, including freight charges, are undervalued, taking no account of social and environmental externalities currently borne elsewhere in the community. Existence of a relatively cheap transport element in the logistics equation has caused business to consistently undervalue transport in making

complex business decisions involving location, resource and material use to maximise short-term business efficiencies. Current trends in freight producing industries such as consolidation and just-in-time are a function of the undervaluation of transport costs. Land uses reflecting a long haul society have evolved. Pricing mechanisms that more accurately reflect the whole-of-society cost of freight movement would encourage a land use and business practice that take account of these factors. Funds generated by more equitable pricing should be channelled back into the national land transport network, giving particular consideration to the needs of local councils in maintaining existing infrastructure.

The National Transport Secretariat reported in Australian Transport Connections from a presentation by Professor Goodwin, Director of the Transport Studies Unit at the University College of London on the topic of road pricing, as follows:

“The costs of economic externalities are absolutely real, even when not in company accounts. Somebody has to pay, whether they realize it or not”
and

“Those who lose are those who currently are paying less than the environmental costs they cause, and those who gain are those who currently are paying more than the environmental costs they cause”

The VLGA sees consideration of improved land transport pricing as an issue of high priority for Auslink and urge that the National Transport Advisory Council do not delay attention to a subsequent stage, as implied in Chapter 3.

Constraint and balance

Auslink describes its approach as ‘anticipate and manage’ as distinct from ‘predict and provide’. However it is a VLGA concern that Auslink may find itself responding to vigorous demands from the transport sector as there is very little mention in the document of either demand management and restraint, or responding to constraint elements of a broader community vision or overall federal policies of sustainability. The VLGA regard it as essential that Auslink addresses issues of restraint and the community impacts of freight movement. Auslink national objectives (Chapter 3, page 43) give priority to improving logistics, enhancing trade and promoting connectivity, all goals that potentially seek to increase road freight efficiencies and need to be carefully evaluated against further objectives of long term sustainability and our obligation to future generations. Unless triple bottom line criteria are used in network development and to assess the true costs of various transport modes and policies, our future generations may not be thanking us for committing them to road-based long-haul societies with congested urban centres and sparsely populated uneconomically sustainable rural sectors.

Experience elsewhere

The forces of globalisation support a tendency to exploit local economic conditions to serve global competitive market forces. Significant movement of product between nations can result. Other economies must be facing the same

dilemmas as Australia in managing local infrastructure to respond to increasing movement of goods and benefiting the local economy while protecting communities from undue adverse impacts. It is not clear in the Auslink Green Paper if a thorough exploration has been conducted as to how other societies are addressing these challenges.

Urban and passenger transport

The focus on growth, trade, freight logistics and connectivity in Auslink is justified in the Green Paper by claims that freight efficiency will also yield substantial benefits for passengers, both intraurban and interurban (page 44). This is based on assumptions that infrastructure improvements and better planning will enable road-based freight growth to be more than totally absorbed into environmentally sustainable solutions. This is questionable, as new infrastructure takes a long time to build, Auslink examples respond to existing demand rather than anticipate, and earlier analysis implies that road-based freight will increase. VLGA would like to see greater clarity on how planning and management of a national land transport system interfaces with state networks and metropolitan planning activities.

The VLGA welcome's the Auslink commitment to change, stating there is no 'do-nothing' or incremental approach. However mechanisms for change are not apparent in the document and the VLGA hopes that Auslink can provide support for and leadership on initiatives and planning policies that aim to shift freight and passenger transport tasks to modes that satisfy triple bottom line criteria and provide the best outcomes for all Australians, both present and future.