Submission
No 74

INQUIRY INTO CROSS CITY TUNNEL

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Summary

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INQUIRY INTO THE CROSS-CITY TUNNEL

Q1: What involvement have you had in strategic planning for Sydney?

- Have worked previously in the Department of Environment and Planning, the Land Co-ordination Unit and the Urban Transport Study Group in the NSW Government

- Have over 15 years' experience in consulting in urban planning and urban transport issues. See list of relevant projects in Attachment below.

- Was invited to participate in the Metropolitan Strategy Seminars and to sit on two Metropolitan Strategy Working Parties (Transport, and Centres Policy)

- Was on the Steering Committee of the Warren Centre's "Sustainable Transport for Sustainable Cities" Project, co-ordinated the Community Values study, and wrote three papers published in the final report.

- Have lectured in Urban Planning at UTS, University of Sydney, UNSW and Macquarie University.

- Invited to participate in the Sydney Morning Herald's Forum on "Towards a Better Transport Network in Sydney" held on 10th April, 2006

- Have presented a large number of papers at urban planning and transport conferences including, and produced a range of publications. See Attachment below:

ATTACHMENT

Examples of Projects undertaken for State and Local Government include:

- Transport Options for Parramatta Road Project, Sector 3 (Burwood and Canada Bay Councils)
- Light Rail Strategy for Inner Sydney (City of Sydney)
- Central Coast High Speed Rail (Department of Infrastructure, Planning and Natural Resources)
- Inner Suburbs Light Rail Study (Department of Infrastructure, Planning and Natural Resources)
- Fleet Acquisition Study (CityRail)
- Epping – Parramatta Line: Cost and Revenue Study (State Rail NSW)
- Urban Public Transport Futures Study (Federal Urban and Regional Development Department)
- Parramatta City Centre Strategic Transport Plan (Parramatta Council)
- Hunter Region Transport - Strategic Directions Study (Department of Infrastructure, Planning and Natural Resources)
- Sydney Newcastle Rail Upgrade Project: Alternative Modes and Alignments Study (State Rail Authority)
- Metropolitan Landbridging Options Study (Sydney Ports Corporation and Rail Access Corporation)
- Technical Evaluation Very High Speed Rail Project (Evaluation Committee)
- Penrith Town Centres Study: Transport Advice (Penrith Council)
- Southern Hoxton Park Aerodrome Release Area - Market Study (Landcom)
- Ryde Urban Villages Project (Ryde Council)

List of Relevant Publications and Conference Papers

- G Glazebrook (2006): *Toll Roads and Transport Infrastructure in Australia's Major Cities – future Directions.* National Toll Road Summit, Sydney, April 2006
- G Glazebrook (2005): *Transport Planning Strategies.* Workshop presented to IIR Roads 2005 Conference, Brisbane, August 2005.
- G Glazebrook (2005): *World Class Rail for Sydney.* Paper presented to Engineers Australia Conference, Sydney, June 2005.
- G Glazebrook (2005): *Sustainable Transport.* Submission to House of Representatives Committee on Sustainable Cities. April 2005.
- G Glazebrook (2005): *Let it Ride: Some Perspectives on Sydney's Transport.* Planning Research Centre, University of Sydney Public Lecture Series, May 2005.
- G Glazebrook (2005): *Long Term Rail Options for Sydney.* IIR Rail 2005 Conference, 27-29 April 2005, Sydney.
- G Glazebrook (2004): *Accessibility – The Link between Transport and Land Use.* Paper presented to Smart Transport and Property Conference, Transport Round Table Australasia, Brisbane, November 2004.
- G Glazebrook (2004): *Toll Roads or Road Pricing? The Case for More Sustainable Cities.* Paper presented to National Toll Roads Summit, Brisbane, March 2004.

- G Glazebrook (2003): *An Integrated Strategy to Improve Amenity and Accessibility in Central Sydney.* Submission prepared for the Parry Inquiry into Public Transport Funding.
- G Glazebrook (2003): *Sustainable Transport for Sustainable Cities.* Paper presented to Sydney Planners Network, Parramatta, April 2003.
- G Glazebrook (2002): *Local Strategies for Sustainable Development.* Paper presented to a Seminar on Sustainable Development for Sustainable Cities, Sydney, November 2002.
- G Glazebrook (2002): *Transport Demand Management in Sydney – Challenges and Opportunities.* Paper presented to UITP Conference on Demand Management, Sydney, September 3rd 2002.
- G Glazebrook (2002): *A Public Transport Strategy for Sydney.* University of Sydney Warren Centre Project on Sustainable Transport for Sustainable Cities.
- G Glazebrook (2002): *Transport and Energy Use in Sydney.* University of Sydney Warren Centre Project on Sustainable Transport for Sustainable Cities.
- G Glazebrook (2000): *Intelligent Public Transport Systems: Progress and Prospects.* Paper presented to UITP Asia-Pacific Congress, Melbourne, October 2000.
- G Glazebrook and J Nelson (2000): *The Future of Sydney's Transport – What does the Community Say and Potential Implications.* Paper presented to Institute of Engineers Seminar on "A New Century: What do the next 100 years hold for Transport". UNSW. Sept 2000.
- ITS Australia (1997): *Intelligent Transport Solutions for Australia* (1997). (Major Author)
- G Glazebrook and S Subramaniam (1997): *Personal Public Transport in Australia: Developments and Prospects.* Journal of Public Transportation. Centre for Urban Transportation Research, Florida. Vol. 1 No 3, Spring 1997. pp 45-69.
- Australian Urban and Regional Development Review (1995*): Timetabling for Tomorrow: An Agenda for Public Transport in Australia.* Strategy Paper No 2 (Key author)
- John Toon, Garry Glazebrook and Glen Searle (1994*): Future Employment Trends and Patterns in the Sydney Region.* Joint Publication of the Transport Study Group of NSW and the Planning Research Centre, University of Sydney, PRC Monograph No 39, July 1994.
- Garry Glazebrook (1993): *The Strategic Importance of Public Transport Investment in Building Better Cities.* Paper presented to Building Better Cities Technical Seminar Series, Perth November 1993
- Garry Glazebrook (1992): *Sydney at the Crossroads: New Land Use and Transport Options.* Monograph Number 34. Planning Research Centre, University of Sydney.
- Garry Glazebrook (1992): *Finance for Urban Development: The Policy Context for Section 94.* Australian Planner. Volume 30 No. 3 September 1992 pp152-161.

Q2: What are the Infrastructure Challenges facing Sydney, and do PPP's offer a way of meeting those challenges?

INFRASTRUCTURE CHALLENGES

- Sydney is a growing city – expected population to grow by 1.1 million (27%) by 2025
- Metro Strategy envisages 60-70% of growth in established areas, 30-40% in new greenfields developments. Houses have fallen from 65% to 35% of new dwellings over last 20 years. Irrespective of where the growth happens, it will generate additional demand for travel.
- Employment growth will be focused both in established centres (including the CBD), new centres (such as Rouse Hill) and new employment zones (such as alongside the M7). The share of jobs to be located in centres has increased in the past and will probably continue to increase. Thus jobs are not dispersing, but are concentrating into a multi-centred city.
- Increasing densities and concentration of jobs implies a need for greater, not lesser, reliance on public transport.
- Current road and public transport systems are nearing practical capacity for peaks, which have already lengthened (peak spreading):
    - Road traffic is growing at twice population growth
    - Traffic on existing areas is growing strongly despite (because of) new roads
    - Road congestion estimated at $12b pa in 2005, rising to $18b pa by 2025 (Centre for International Economics)
    - Rail system has had to be slowed by 5-10% to improve reliability in the face of high loadings. Significant constraints exist on the network
    - 7,400 STA plus growing numbers of private buses drive through the CBD daily. Produces inefficiency, congestion, air pollution, loss of amenity
- Fuel prices have already risen significantly in last year in response to oil prices. Demand for petrol growing strongly world wide with growth of China. Oil prices now close to US$ 70 a barrel.
- Global warming becoming increasing public issue.
- Cities with high reliance on cars could be vulnerable in future.
- Over-reliance on cars also showing in obesity and health impacts.

CURRENT APPROACH TO TRANSPORT INVESTMENT IN SYDNEY

- Nearly $10 billion of toll roads added to Sydney since 1992 (Harbour Tunnel, M4, M5, M2, Eastern Distributor, Cross City Tunnel, M7).
- Other tollroads under construction (Lane Cove Tunnel) or under consideration (M4 East, Marrickville Truck Tunnel, M2 – F3 link, F6 corridor)
- Other major roadworks include M5 East, Anzac Bridge, upgrading of ring roads, Windsor Road etc
- In that time only major public transport infrastructure completions have been Airport rail link (10km, 5 stations), Liverpool – Parramatta Transitway, Parramatta "Y" Link and the Olympic Park rail line.

PROBLEMS WITH CURRENT APPROACH

Priorities are unbalanced and will not solve congestion problems

- Current priorities are biased towards roads, especially private toll roads, because this is cheaper for government.
- Current approach based on short term cost to government, rather than long term cost to community.
- Toll roads generate almost $1 billion in toll revenue pa for toll-road operators
- This is now equal to total farebox revenue from Cityrail, STA and Private Buses
- Cars cost 66c per passenger km all up (private costs and externalities) compared with 46c per pass km in Sydney. But motorists only perceive a fraction of the cost (mostly fuel costs). Hence we over-use our cars.
- Toll roads lead to induced traffic. They will not stop congestion long term. They will take the city towards a less sustainable future if not balanced by appropriate public transport investment.
- For example traffic in the inner city areas has risen by 20% in last 15 years not counting

Failure of Long-term Planning for Public Transport

- Lack of agreed 20 year plan backed by guaranteed funding support for public transport and rail leads to inefficiency, lost opportunities and poor quality outcomes:
    - Parramatta "Y" link now only used by a handful of trains a day due to capacity constraints elsewhere in the system and cost cutting
    - Olympic Park rail link could have been built as part of a fast link between Strathfield and Parramatta which would have relieved pressure on Western Line. But current alignment not suitable. No effective PT link to the largest single redevelopment opportunity in Sydney
    - Airport link under-utilised because of inappropriate pricing, poor marketing and competing road project in same corridor. Led to loss of confidence in rail PPPs (and unwillingness to entertain subsequent proposals such as Western Fast Rail)
    - Light Rail line was to have been extended after cross city tunnel reduced traffic. But Government still refuses to do this. No social benefits flowing from this project.
    - Major new land development projects still being announced with no public transport enhancement included (eg east Darling Harbour Project)

Misunderstanding of real costs of transport

- Failure to distinguish passenger trips from passenger – km leads to poor understanding of the real role of different modes in Sydney. For example:
    - Cityrail carries 2/3 rd of PT pass-km, twice that of the buses, and carries 20% of peak hour pass-km.
    - Cityrail is the lowest cost per pass-km of any mode in Sydney. Subsidies are higher than buses because fares per km are lower

PROPOSED SOLUTIONS

- Need a more **balanced** transport investment strategy based on long-term goals, which cover full economic, social and environmental costs

PUBLIC TRANSPORT AND FREIGHT RAIL

- Key Public Transport and Rail Infrastructure Needs over next 15 years:

	Inner Suburbs	Middle Suburbs	Outer Suburbs	Current Status
Parramatta – NW Bus Transitway		✓	✓	Under construction
Regional Bus Corridors		✓	✓	Only two of 43 so far funded
Rail Clearways Program	✓	✓	✓	Under Construction
North-West – South-West Rail Link	✓	✓	✓	Announced, but not yet funded
Light Rail for CBD and Inner Suburbs	✓			Not yet agreed by Government
Integrated Smart Card Ticketing	✓	✓	✓	Very slow implementation
Real-Time Information	✓	✓	✓	Sydney well behind world's best practice
Freight Rail – upgrade to Port Botany and Enfield Intermodal	✓			Enfield Terminal Announced
Freight Rail line Campbelltown – Hornsby		✓	✓	Announced

- Key Public Transport Infrastructure Needs (Longer Term)
    - High Speed Rail Sydney-Newcastle
    - High Speed CBD – Parramatta Line
    - High Speed Sydney - Wollongong
    - Warringah Corridor (Metro?)
    - F6 Corridor (Metro?)
    - Victoria Road Corridor (Metro?)

CYCLING AND PEDESTRIANS

- Introduce Greenway programs (network of priority routes for pedestrians, cyclists, small electric vehicles and local public transport in suburbs, to encourage reduction in car use for short trips, and encourage more active transport

ROADS AND PARKING

Parking

- Metropolitan-wide parking policy specifying maximum (not minimum) rates of parking, and parking levies, with four major categories:
    - Category 1 - CBD
    - Category 2 - Other major centres with at least 10,000 car parking places, including N Sydney, Bondi Jcn, Chatswood, Parramatta)
    - Category 3 - Smaller centres, stand alone business parks such as Norwest, Wetherill Park, major recreation facilities, major hospitals and educational facilities, and all other locations with more than 1,000 parking spaces)
    - Tier 4 – All other parking.
- **Gradually** increase and extend parking levies from current system – eg

Category	Current	2008-2012	2012-2016	Post 2016
1	$840	$1000	$1200	$1500
2	$420	$600	$800	$1000
3	$0	$300	$500	$600
4	$0	$0	$200	$400

- Income generated by Levies to go to Sustainable Transport Fund (see below)
- Gradually reduce the maximum allowable parking to be provided in each area and for each land use category.
- Encourage provision of multi-use parking provided by the market rather than dedicated parking provided free to users (where costs are hidden and subsidised by others)

Road Pricing

- Need to move **gradually** to user pricing on roads, and more appropriate parking policies and pricing
- Begin by introducing congestion charging for Sydney CBD – see separate submission. Percentage of income received to sustainable Transport Fund (see below)
- Then add peak period pricing on existing toll roads, with surcharge amount (say 10% initially) going to special fund (see below)
- Introduce Insurance and Registration on a pay-by-use basis (fees based on km travelled).
- At some point in the future (eg 2015) introduce compulsory E-tags for all vehicles, or GPS receiver units, and introduce comprehensive road pricing

Road Investment

- Moratorium on any more toll roads until after key public transport improvement programs are completed / commenced, first stages of road demand management are implemented, and measures to improve cycling / pedestrian access are implemented.

- Key requirements to be met before more major new road projects:

  Public Transport
  - Smart cards introduced
  - CBD Light rail installed and plans for extensions finalised
  - First leg of NW-SW heavy rail completed
  - NW Bus transitway completed
  - Five Regional Bus Corridors Implemented
  - Reliable real-time information available for all trains, buses, ferries and light rail via mobile phone

  Road Demand Management
  - Peak Period Surcharge on Existing Toll Roads
  - Congestion Pricing
  - Introduction of Comprehensive Parking Management

  Cycling / Pedestrian
  - Development of Initial Greenways network

- Review need for additional roads after these projects are implemented as part of a comprehensive 20 year plan

TRANSPORT FUNDING

- Establish a **Sustainable Transport Fund** to accelerate initiatives for public transport, walking and cycling.
- Sources of funds to include:
  - Parking Levies
  - 50% of toll road peak period surcharges
  - CBD Congestion Charge
  - $20,000 per dwelling levy on new houses built throughout Sydney
- Seek contributions to Fund from Federal and Local Governments
- Allocate 50% of funds to metropolitan-wide projects (eg NW-SW rail link, smart card ticketing, integrated real time information) and 50% to sub-regional projects (eg specific bus priority corridors, light rail, greenways etc).
- Involve local government and Federal Government in helping to identify and prioritise projects, provided they agree to help fund projects.
- Publish annual information on projects, potential projects, and comprehensive measures of Sydney's transport system including environmental performance, cost information, trip patterns, on-time running etc. Establish and independent body to do this to de-politicise the issues and focus on long-term objectives.

ROLE OF PUBLIC PRIVATE PARTNERSHIPS

- Public-Private partnerships are a means to an end, not an end in themselves
- They are no substitute for well-considered public policy
- There can be benefits in engaging the private sector in major infrastructure projects:
    - Innovative ideas
    - Better incentives for completion of projects on time and within budget
    - Better management of risks
    - Enhanced access to capital
- But there are major potential problems as well:
    - Higher cost of funds
    - Creation of risks where these did not previously occur
    - Limitations on competition (eg public transport alternatives to toll roads)
    - Distortion of investment strategies
    - Inappropriate pricing signals (eg airport rail line, cross-city tunnel)
- For example:
    - PPP's are argued as better at handling "traffic" or "patronage" risk
    - But much of the risk arises because the specific facilities are subject to a toll, whereas alternative facilities are not
    - The use of tolls to fund particular components of a total transport network creates distortions
    - Measures to limit the risk (such as road closures, limitations on improvement to public transport, or publicly funded improvements to feeder roads) also create serious distortions
    - Long-term traffic risk / patronage risk is really a function of land use and behavioural changes
    - If fuel prices change dramatically, there could be serious problems for toll road owners
- If governments took a sensible approach to incurring debt for long-term projects, there would be little need for PPP's. Australia has followed the UK with privatisation of public assets and of areas previously the domain of government. The economic case (as opposed to the financial case from a Treasury perspective) has been seriously questioned
- For the specific case of PPP toll roads, this has enabled a form of user charging for new roads, and has accelerated provision of those roads. But this is not necessarily a good thing. A more economically rational approach (and environmentally sustainable) would be to introduce road pricing to manage traffic demand generally.
- The main issue has been that toll roads provided a way for government to divert funds to health, education etc, to hold down taxes, and to repay debt.

PROPOSED FRAMEWORK FOR PPP's FOR TOLL ROADS

- Full disclosure of all terms and conditions
- No limits to be placed on current or potential public transport improvements
- Introduction of peak period surcharge with 50% of funds to go to public transport, walking and cycling infrastructure