

CORRECTED VERSION

SELECT COMMITTEE ON TRAIN SERVICES

Inquiry into the factors leading to and causes of failures in the provision of metropolitan and V/Line train services

Melbourne — 5 October 2009

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Mr P. Moore, executive director, UITP (International Association of Public Transport).

The CHAIR — As you are aware, Mr Moore, this is the Select Committee on Train Services and the hearings are in relation to the factors leading to and causes of failures in the provision of metropolitan and V/Line train services. We extend a warm welcome to you this morning. All evidence taken at this hearing is protected by parliamentary privilege as provided by the Constitution Act 1975 and further subject to the provisions of the Legislative Council's standing orders, so you have qualified privilege for comments that you might make in this hearing. However, any comments you make outside the hearing are not necessarily afforded the same privilege. All evidence is being recorded by Hansard, and you will be given a proof version of the transcript within the next couple of days. You can make any comments with regard to misspellings or the detail of that transcript, but clearly you cannot change matters of substance recorded therein.

I invite you to make some initial opening remarks. We have your submission, and perhaps you would like to make some opening remarks to the committee and then we will proceed to some questions.

Overheads shown.

Mr MOORE — Thank you for the opportunity to present today. You are probably wondering what UITP is. It is Union Internationale des Transports Publics, the International Association of Public Transport. It is based in Brussels and has offices now in many continents of the world, with some 3100 members in about 110 countries. I look after Australia and New Zealand. We have approximately 70 members in this part of the world that represent the major players in mass transit in this region. I look after everything south of Singapore, you might say — not including Singapore. My primary role is as an advocate for change in federal policy surrounding mass public transport and sustainability. My role is primarily as a national advocate for change in this area in Australia and New Zealand.

The situation in Melbourne is quite interesting. I have given the committee a short résumé in the two pages that you have in front of you, showing that the demand for public transport in Melbourne, in particular in the train area, has grown exponentially, one might suggest, since 2004, partly as a reflection of petrol prices and partly as a reflection of what we suspect is a change in travel habits.

We have seen the price of petrol go down in the last 12 months, or people have become accustomed to it — \$1.50 or \$1.30 seem to be the norm almost. What we are seeing amongst people is not a resurgence back into using a private motor car but in fact being retained on mass transit. I suggest there are various reasons for that in Melbourne.

Melbourne is unusual compared to the rest of Australia. Train services in Melbourne continue to expand, whereas in other parts of Australia, while they have expanded, to has been to nowhere near the extent that it has happened in this part of the world. It is a little unusual. We looked interestedly at the factors behind why it is happening here.

What we are suggesting is that consumers are looking for a different option now. They are being well supported in Melbourne. I know this inquiry is about trains and lack of services and perhaps some decisions that should have been made in the past but have not been made. But what we suggest is that some of the things you are doing here in Melbourne are in fact spot on.

There is a great debate about privatisation at the moment. As a group, we are very much supportive of the privatisation of public transport in Victoria. We think it is a huge success, for lots of reasons. It has introduced a commercial imperative into those organisations that was not there before. There are a lot of, some might suggest, detractors from the concept of privatisation in this part of the world, but we suggest in fact it has been a great success. We would suggest that other parts of Australia might adopt a similar policy.

We learnt a lot from privatisation in Perth and Adelaide about what not to do, with the bus services there. Some suggest also that we went through some iterations about privatisation when National Express left. We learnt a lot from that. We have been through that process, and it would be a shame to throw it away and go back to public ownership. We suggest that is one of the real pluses of what has happened here in Victoria and one of the real reasons that patronage is still going up. As you can see, the increase in 2007–08 was nearly 13 per cent; in 2008–09 it has gone down a little bit, but it is still there.

Freight on roads is a huge issue here. You might have seen in the *Age* a little while ago that freight on Melbourne roads has grown, reportedly, by 50 per cent in the past decade. I suspect that eBay and internet sales

are having a bit of an impact on that. I bought a bath on eBay the other day. I ordered it and two days later it was at my front door, individually delivered. I suspect that is part of the factor behind that huge growth in road-based freight transport. It will increase. There is no question about that. That is to the detriment of rail freight, which we see is now 2.5 per cent of the state's freight load. It was a quarter of it a decade ago, so there are some opportunities, we believe, to expand that. That is a real issue for us, with development of congestion in the peak area in Melbourne, particularly surrounding that aspect of road freight transport.

Around Australia, private road vehicles represent around about 90 per cent of city motorised transport; public transport represents about 10 per cent. That is not a lot, but in the peak, one might suggest it is about 16 per cent nationally. So it is a big factor in mitigating congestion in the peak. We have some great opportunities in off-peak travel here. That figure suggests to me there are some opportunities to do other things to expand off-peak travel. We have seen some experiments here with early starts and free travel before 7.30, and other states are now picking that up. There are some options for doing that. Change in work hours, weekend work and the like — that sort of thing is possible with those sorts of loads available to us.

What we are suggesting is that we are now in a new era of what we call consumer decision making in regard to transport mode choice in Melbourne. I think we are starting to disbelieve all these concepts about private motor vehicle road travel being the way to go for the future. I think people are now questioning whether that is in fact exactly right. The fact that they have not gone back, away from mass transit, in gross numbers since the price of petrol has gone down is a reflection of the fact that they just do not believe it any more. They have in fact experienced public transport in Melbourne and a lot of them in fact have been pleasantly surprised by what they have seen.

As to the future for us, we have all seen this mitigation in petrol prices in the last 12 months. What we are suggesting as an organisation is that that will in fact not last. I have been involved in the peak oil debate for some years now — in fact, I come from an oil industry background. We discussed this in 1980, when petrol was 13 cents a litre. To suggest that in 10 years time the petrol price might be 10 times the price it is now is not beyond the realms of possibility. So the risks there are very real. The risks from climate change are all very well put about. I am sure this committee has been exposed more than once to what the risks are.

To sum up. This is a quote from our office in Brussels. If we acknowledge that what we need to do is beyond the limits of our current political capacities, that is really the debate surrounding ETS at the moment. To some extent what we would like to achieve is beyond the political means to do it. Really it is just another way of saying we have to expand the limits of what is politically possible. We have to be perhaps a little brave. I will show you in a few minutes in my PowerPoint presentation what we mean in that regard. It requires bravery from people such as yourselves and some longer term views of what is required here, and that is what I am going to suggest as part of my submission, so I will go on with this.

Energy and emissions: where are we in Australia? This is the reality of the debate about sustainability. In the last six years, total energy use in Australia has increased 15 per cent, so all the arguments that we are going to achieve a 20 per cent reduction in X number of years — that is the reality of the situation at the moment. We are faced with a huge issue surrounding balance of payments. We talk about the health debate and what is going to happen. Watch this space on energy. One would suggest that the balance of payments related to import of energy is an interesting debate. The reality of emissions is that in the last 12 months they have gone up 1.1 per cent in what they call carbon dioxide equivalents. To talk about mitigation and reduction at the moment, they are the realities of the situation we are faced with.

Rail growth. I show this graph to a lot of people and our colleagues overseas particularly are amazed at the train rail growth in Victoria. It is absolutely incredible. We do not see that sort of trend emerging in other cities so far. Some of the growth characteristics are mode shift due to petrol prices, extra services, and increase in travel demand, not road demand. There is an interesting debate surrounding Victoria at the moment about road capacity, whether we in fact need to increase road capacity. We are not seeing an increase in road demand. We are seeing an increase in travel demand. Some of the work done by the Department of Transport in that area is worth having a very good look at.

As I said, growth in road freight transport by truck has been by 50 per cent in the past decade, which is just unsustainable in the longer term. Growth is not evenly distributed: it is occurring on key corridors, peak and off-peak, and average trip lengths keep increasing. People move from everywhere to anywhere. I was talking to

Graham Currie outside a minute ago and we were talking about people not staying in one location any more; they move around. Four years in one location is unusual from an employment perspective these days. We need to take that into account. There is no real sign of it stopping, strangely enough.

New directions towards being more sustainable have been clear for some time. Climate change and peak oil, as I have suggested, add urgency to the situation. The future will not be business as usual. We are seeing change; we are seeing change on change.

Green technology is part of the answer but only a part. For example, we think the debate at the moment about using ethanol in urban public transport is an absolute nonsense. Fifteen per cent of the American corn crop now goes into urban mass transport — absolute nonsense. We see the opportunity for ethanol is perhaps this suggestion: ethanol primarily is a by-product of agriculture, so what we would suggest is to grow food with ethanol, a concept whereby farmers and agricultural groups form themselves into cooperatives, buy a distillation plant on eBay — which I am sure you can do — and use that to grow food. That is the opportunity for ethanol, not to earmark growing corn or whatever for urban public transport. We believe that is absolute nonsense and whether it will continue or not, we do not know, but certainly our firm policy internationally in that regard is exactly that.

Change in behaviour will be needed, backed by changes in pricing, investment, road space allocation and land use. That is I guess what this committee is about. Pricing in particular is one area we have been involved with for some time now. We have a concept in this part of the world, called ‘you use it, you pay for it’, the same concept as the way we use electricity, gas and water. Using transport we believe has to become part of the social fabric. In other words, if you use it, you pay for it and you feel it. At the moment we do not feel it. If you turn on a tap, you turn on the gas, you turn on the electricity, you have a feeling within yourself that as long as I leave it on, it is going to cost me. Using private vehicles as a form of transport, you just do not feel it that way. You feel it at the petrol pump, sure, but you do not feel the cost of every externality attached to it. You just do not feel it. We suggest we have to introduce that concept into travel behaviour. It is a very large part of where we suggest the Henry tax review might be heading. We hope so.

Land use is a large issue in this part of the world. There has been a great debate in the last six months in Victoria about expansion on the urban fringe. Again, we have some very interesting policies on our website, called uitp.org, about how this is done. Nowhere else in the world has been building freeways — it is just not happening. That policy as a concept was done away with a long, long time ago. Expanding road capacity internationally is not happening anywhere. It is just not a concept that major cities of the world have. The fact that we are expanding our urban fringe and expanding freeways is, we suggest, exactly the wrong policy at the moment, and we say that very strongly. We suggest that a combination of all these strategies can make a substantial difference but it is going to take some time and we have to start somewhere. To talk about expanding the urban fringe and expanding road capacity and expanding freeways perhaps is not the way to go.

Travel behaviour is changing. A lot of our emphasis in the past 10 years has been in this area about perceptions of mass transport. It is clear that circumstances have changed regarding people’s travel behaviour. We have seen that in Melbourne with the expansion of train services, even with petrol prices going down. It is positive and should be encouraged but it will only take place as long as travel options continue to extend to meet key needs. It is no point in me advocating that everybody should catch a bus or a train here in Victoria when we do not have the capacity to do it. It is pointless. But we need to start on a process where we create a product that is as comparable with the private motor car. We suggest that government needs to support this behavioural change with policy and infrastructure decisions over the longer term. We have an opportunity in this part of the world to start to change the mix of the way we deliver mass transit in this part of the world.

What we are suggesting, I guess, is the longer term view of these things. We have some very strong views about leadership and perceptions of mass transit. I saw a presentation at our world congress a few months ago in Vienna. One of the automotive groups in Europe told us, on some well-founded research, that on average around the world we spend about \$4000 per car, marketing it; we spend about \$2 per year marketing public transport in most parts of the world. Creating that perception that the private motor car will achieve all your travel aims as opposed to other forms of transport is perhaps not as true as we believe. I think Victorians, particularly Melburnians, are starting to understand that perhaps mass transit is an option we can use. It is not quite there yet. We suggest it will take some 20 or 30 years to achieve that product that is comparable to the private motor car, but we need to start somewhere. We take very much a longer term view of these issues. We

suggest it is possible. We have seen some trends in Melbourne which are unusual. This morning I walked up from the Skybus terminal down at the bottom end of town. The number of bicycles, for example, and the number of people walking up and down town is amazing. That process is happening already.

As I said, I have been to Vienna in the last six months. Bicycles, for example, in the city of Vienna have priority. When you queue at a traffic light in Vienna on a bicycle you queue in front of the cars, and it is accepted. The perception of what other forms of transport amounts to in those cities is different to what it is here in Australia. I suggest most cyclists, if they tried to put themselves in front of a car in Collins Street, would get run over. That is certainly not the outcome they are looking for.

We need to change some of those policies. It is not all about infrastructure and it is not all about building new things; it is about changing perceptions and changing some policies. It is about doing the 55 things we need to do in the next 20 years to create a product that is comparable to the private motor car. We need to start somewhere.

We have concept in UITP — if you look on the website — called ‘seamless mobility’, where you interact with a mass transit system, and you do not really feel it. It is like dropping in your private motor car to go down to the shops. You do not think about how you are going to get there or what route you are going to take, you just hop in and do it. In mass transit you have to think about a timetable, a ticket, what time it is going, where it is going, and you really have to think about what you are interacting with. The concept of seamless mobility is about saying, ‘I don’t really have to think about it’. The introduction of myki here in Victoria, for example, is a very positive thing. It will happen automatically for people; they will not have to think about ticketing. Information will follow as part of that. That is all a positive process that we think should be encouraged. As I said, the issue of privatisation, private ownership of public transport here in Melbourne, we believe is a good thing. I will leave it at that.

As I said, we take very much a whole-of-life attitude to the way mass transit is delivered. We believe there are some opportunities here that are not being taken at the moment. They will require some brave decisions by decision-makers in that position to perhaps change the mix of what we are going to see in the next 30 years. To do otherwise, as I was trying to show from some of those slides up there, we are perhaps putting ourselves at a risk that is not really one risk we should put ourselves at.

Ms HUPPERT — One of the things you talked about earlier was the whole franchise process. We have heard evidence previously before this committee in terms of a submission which refers to the governance issues that have been raised about how the method by which the Victorian public train system and public transport system generally are organised is causing problems. You seem to have some views on the franchise model that are different from that. Do you have any general comments about the governance of public transport?

Mr MOORE — We can argue about those issues, to be honest, based on well-founded research on both sides. It is a bit like arguing economics, almost. You put enough economists in a room to argue about something, and half will come up with one view and half with another, and they will both be right. From what we have seen with the model that has been adopted here in Victoria, internationally that is regarded very highly. The way it has been developed and emasculated — if that is the right word — into the form it is at the moment, we believe is a model for how to do it for the rest of the world.

There is a rule in competitive tendering that if you privatise, you save about 20 per cent. But the theory also goes that the threat of competitive tendering will also save you 20 per cent. The argument could be that just putting a system under the threat of competitive tendering will save you 20 per cent — public operators become more diligent; they look at better ways of doing it. To some extent, the argument about what it costs I think is a nonsense.

Ms HUPPERT — In terms of actual operation though rather than the cost?

Mr MOORE — Operation, yes. I have watched this process since about 1998. I went through the iterations of National Express and others and the current franchise here in Melbourne. We have got to know what happens here quite closely. The situation with Metlink we have watched with some interest. We believe what we have achieved here is outstanding. That is the reason patronage is being retained here. I suggest if we did not have a organisation like Metlink, for example, to come up with some of the marketing campaigns and some of the cleverness surrounding the way we deliver trams, for example, in Melbourne, we would not see the patronage

growth we are seeing. We are not seeing it in other parts of Australia. Why? We suggest that franchisees are perhaps introducing what we call a commercial imperative into the organisation. I am sure most of you have been on the tour of Yarra Trams and Connex to see the way they do it. I have watched that process over the last 10 years, and, believe me, compared to 10 years ago, the way public transport is delivered, we are a long way in front of those days. I suggest it is part of that commercial imperative. People within those organisations feel part of it; they feel they are contributing.

Industrial unrest here in Victoria has been almost negligible in the last 10 years. There is a reason for that. It is not just about the economic circumstances; it is about the fact that people within those organisations are contributing, they feel a part of it, they feel they are making a difference. A large part of their success here has been exactly that.

Ms HUPPERT — You would attribute the difference between the patronage increases in Victoria and the rest of Australia are to do with the operating model we have at the moment?

Mr MOORE — A large part of it, yes. It is also to do with things such as clever marketing here. The campaigns that Metlink have run have been very clever. They have won awards internationally for some of the campaigns they have done here. That is why I am suggesting that the change in the perception about what mass transit is is a large factor in this. When I said we spent a lot of money marketing cars around the world — that is in fact what we do; we spend \$2 a year marketing, telling people about what options there are with public transport. Ten years ago we started a program called TravelSmart here in Australia. It started in Perth in 1998. Effectively TravelSmart is about travel behaviour change. It is really explaining to individuals what they can do as an individual, which perhaps is available to them but they do not know about — and it works. We have done benchmarking before and after, where after two years we are finding the retention rate is somewhere between 20 and 30 per cent in Perth, which is unheard of in public transport. That is just marketing what is already there. A lot of this is about changing perceptions.

Ms HUPPERT — The advertising of public transport, which a lot of people would perhaps criticise, saying, ‘Why do you advertise a government service?’ you actually think has some value in changing people’s behavioural patterns and moving them away from some of the more carbon-intensive —

Mr MOORE — Sure. You will not change everybody, obviously, but people will start to think there is another option there that they could use for some of those trips. Cycling is another opportunity here. Have you seen some of the changes in cycling? SBS is running the *Tour de France*. People see the opportunities and say, ‘I can do that’. It is changing perceptions about the way we move.

Mr DRUM — In relation to the reasons for the growth we have experienced in Victoria, we have heard evidence previously that it is related to petrol prices, traffic congestion on the roads, inability to park your car once you get to work in the city and also environmental awareness has had an impact on the increase, but your presentation would tend to suggest that it is mainly linked to petrol prices.

Mr MOORE — We believe so. UITP as an organisation has been developing parking policy in cities for 100 years. Certainly parking policy appropriately applied in cities works very well as a disincentive to use your private car to get to work. There is no question about that. What we are suggesting is that petrol pricing certainly was the main instigator behind the change. When some of those people changed, they experienced thinking, ‘This is preferable to sitting on Footscray Road every night for half an hour going nowhere. Perhaps there is a better way to do this, so I will continue to use the train or the bus’.

I know we denigrate the services here. It is an issue we find around most Australian cities. I can never quite understand why we have this attitude towards public transport. We do not have this attitude to other community facilities — around schools and hospitals and so forth — but we seem as a community to regard public transport as a second-class form of transport. In fact it is not.

In Perth, for example, there is an issue with security on the trains. We suggest that Perth has one of the best public transport systems in the world — it is brilliant — but there is this perception that it is not safe after 7 o’clock to travel on trains in Perth. It is a false perception. To change that perception, you immediately say to people, ‘Experience it and see what you think’, and that has been the result here in Melbourne.

Mr DRUM — As a follow-up to that, if petrol pricing is our main indicator, looking forward if we are facing — and I know we hear different projections — \$2.50 per litre in five years time, is it going to have another spike? Would you anticipate another spike in public transport again?

Mr MOORE — Absolutely, yes, particularly if we continue to develop on the fringes of our cities and continue where there is essentially no real public transport service out there. The two and three-car family in outer Werribee is an essential; there is no other option to get to work or to school or whatever, and that is the same around every city in Australia. If you go to the western suburbs of Sydney, there is just no choice. Congestion on a Saturday afternoon in Penrith, for example, is horrendous, because there is no other way to get to shops or otherwise. I suggest that if it does go to \$2.50 — and you have heard this from other groups, about marginalisation of people in the outer suburbs — it is going to get worse. But we have an opportunity to address that situation now.

When MTR arrive here, you will hear a lot about how MTR develop train services. When MTR build expanded services, they essentially build out in the middle of a paddock. Those of you who have been to Hong Kong will have seen apartments and the way they develop in Hong Kong out in the new territories and so forth. Many years ago MTR adopted a policy of putting the train station there first and other things will happen around it, and it does.

Mr DRUM — Is that not a government decision more so than a rail — —

Mr MOORE — It is. It is an infrastructure decision about putting seed money into building a station or an interchange or some facility out there that other things will develop around. In Australia we do not do it that way. We develop suburbs, the people buy their two or three cars and then we think, ‘How on earth are we going to get buses and trains in there?’. Other cities do not do it that way. First of all, they do not develop on the fringes to the extent that we are. There are reasons for that, but one of the opportunities that we have is not to continue that fringe development where there is not any option except to own two or three cars. We have opportunities here to change that. That is one aspect.

The other aspect is if we continue to develop on the fringes, let us put the transport in first. We have seen the way America developed, for example. St Louis and other cities developed around train stations. The train line went through first and other things developed around it. It really is a no-brainer. If you provide the facilities for transport, people will use it.

We have seen some interesting things in Australia in the last 10 years — the bus rapid transit in Brisbane. They put the south-east bus way out to Mount Gravatt and so forth. We did some benchmarking on property values in that area related to transport interchange. We found that over a five-year period property values went up 23 per cent related to the transport facilities that were available, so it was a desirable place to live. People were saying, ‘We want that transport interchange next to us, because it gives us another option to owning a second or third car’.

America has caught on to this thing called the smart commuter mortgage, where if you buy a property close to a transport facility, a mass transit facility, you can borrow more or your interest rate is slightly less. Because the banks have recognised they have a value, you do not need to borrow so much because you do not need another transport option. That is not infrastructure. That is not any of those things. It is a banking policy that can change the way we develop mass transit here in Australia. We can do that right now; we do not have to wait for the \$10 billion in Infrastructure Australia funds to do that. We can develop banking policies that recognise that those facilities have a value. Then communities start to think, ‘These things are desirable things to have’. Your job becomes a lot easier as decision-makers, because it becomes voter desirable. If you reflect that voter desirability to have transport next to my house, then sure, it becomes easy. Some of these things are about that.

Mr BARBER — On your slide about growth characteristics you say that average trip lengths keep increasing. Is that in terms of kilometres or speed, and what is your data source for that one?

Mr MOORE — Average trip lengths keep increasing. It is based on BTRE figures. It is to do with this issue, as I suggested, that people work everywhere. It is a reflection of people spending less time in employment in one area and perhaps moving about. What we are seeing around Australia is that we are becoming a more mobile community. We have a continuing policy around Australia of developing on the urban fringe, and continuing to develop on the urban fringe. Every city is guilty of that, Perth as much as anywhere. With

development up and down the coast in Perth, people are required to travel further to employment. We all espouse the desirability of inner city development and say what a good and noble thing it is, but the reality is we are continuing to develop further and further out and people are travelling further and further because they have no option.

Mr BARBER — How much further, in terms of average trip length?

Mr MOORE — I would have to take that one on notice exactly, but it certainly is increasing. These are BTRE figures which I picked up on Thursday or Friday last week.

Mr BARBER — They have got a report on average lengths?

Mr MOORE — Yes; it is a very recent report. I can send that to you.

Mr BARBER — What implications does that have for the planning of a transport system, and is it occurring across all modes?

Mr MOORE — We play what I call catch-up. We are continually trying to catch up. We have seen population growth. You have all seen the examples and the growth estimates for population around Australia. What we are seeing is that being reflected in fringe development. We are still continuing to adopt a policy of further and further development and no transport facilities to go with it. We all pay — I suggest very strongly — lip-service to this continuously. It requires some bravery at the moment from groups such as ourselves and particularly our federal and state counterparts in this area. I am not telling you how to do your job, but what I am suggesting is to take a longer-term view of these things—

Mr BARBER — That is all right. That is why we seek submissions, so you can tell us how to do our job.

Mr MOORE — I know, and I am telling you. Yes.

Mr BARBER — Are you saying that public transport average journey lengths are getting longer?

Mr MOORE — That I honestly cannot say. I cannot tell you that one. My feeling is that yes, it is. Certainly commuting time is growing so that is a reflection of public transport trips getting longer. But I honestly cannot tell you that one.

Mr LEANE — It is an interesting point of view you are bringing as far as a change of culture, especially around the increase of the urban fringe. I think because of that change of culture, I suppose in terms of development, there needs to be a change of culture around higher-density housing as well. You will see that now there are a few projects in the metropolitan area where there is high-density social housing, and people are throwing their hands up in the air. There are protests now organised by all sorts of opposition MPs: how terrible it is going to be! I suppose there needs to be, and fair enough too, a change of culture around that. Speaking of a change of culture, I have always believed Melbourne's —

You spoke about public transport being a second-class mode of transport, looked upon —

Mr MOORE — Perception, not reality.

Mr LEANE — Perception. I do not disagree with you. When it comes to buses, I think it does not even rate that high in Melbourne or it has not over recent years. I have always thought in Melbourne people who use it look upon bus travel a lot differently to people who use it in Sydney. Do you think there is scope to improve the bus network as far as information and real-time information are concerned? I know some of the bus interchanges now have electronic displays that tell you when the bus is actually going to turn up. I think that is a very important thing for people. So do you think there is scope to change the culture of Melbourne and improve the culture around the use of buses?

Mr MOORE — Absolutely. As you suggest, in regard to information there are lots of studies about people waiting and how long it is before they start to get uncomfortable about waiting. There have been some very detailed studies done internationally. After about 7 or 8 minutes, if they are not aware of when the next thing is coming — whether it is a tram or bus — they start to feel uncomfortable and think I am wasting my time here. If you provide information saying that the next bus is in 12 minutes, it becomes less uncomfortable. You can

say, 'Well, I can afford 12 minutes; I will stay here' or, 'I will look for another option', which in Australia is not always available. Information is such an essential part. That is where myki ticketing is such an essential part, because you will not have to find the agent to buy the ticket. You just dial up on your phone; it is there and it just happens. Information is the same. When you step out onto a bus stop in Collins Street and look up, it should say, 'Next bus to Brighton is 5 minutes'. That is easy stuff. Technically it is easy and becoming cheaper and cheaper. The fact is that you can pick up your mobile phone and press 'go' on it, and it will tell you information on your mobile phone. Adelaide does that at the moment. Technically it is not that hard any more and perhaps not that expensive as opposed to what it was.

As I suggested, we need 55 things to happen to change the way people perceive mass transit. Information is such an essential part. If you go to one of the MTR stations in Hong Kong, you walk in and there is ticketing machines straight in front of you. It is clean, it is tidy, the lighting is good, and it feels comfortable. As you look up, it says, 'The next train is 3 minutes' or whatever. You know what is happening to you. You feel comfortable, and you think I feel a part of this system, I do not have to think about it too much and I am not frightened.

Do you know one of the biggest issues about middle-aged senior men like me catching buses? We are afraid of them. They have not caught a bus for 30 or 40 years. It is the fact that I had to stand at a bus stop, get on and walk up to a bus driver and say, 'How much?'. How do I do that? Is a big issue.

Mr LEANE — So it could be a generational thing?

Mr MOORE — Yes.

Mr LEANE — It could be as old blokes, like you and me, move on — —

Mr MOORE — In the kindest possible way.

Mr O'DONOHUE — Thank you for your evidence today. I just wanted to further explore the issue of seamless mobility you referred to previously. We have heard evidence from previous witnesses about the lack of integration between bus and rail. Do you have a view on that in the Melbourne context?

Mr MOORE — Yes, there is always room for improvement. The argument you will hear continuously is the bus never waits for the train, or vice versa and so forth. Part of that is to do with technical reasons for coordinating that. We need to put greater emphasis on how to do that better. We need to work on the people process a bit better and about how to do that. It should be an emphasis on there always have to be contingencies in there if something does not happen as it should. Seamless mobility is partially about transport choice. So if you missed the bus, there is perhaps another option available to you. In Australia that is very rare. If you missed the bus out here in Collins Street, a tram will come by perhaps going to the same place. That is unusual around Australia. It is a part of creating other options for public transport that we currently do not quite have here in Australia. In Brussels, for example, if you miss your train, you walk out onto the street and there is a tram or bus. There are options and choices there available to you.

A part of this is putting services together. To do it well in Australia is not easy. Late at night, 10 o'clock at night, you have got a bus service in Frankston. If you want to take the Frankston bus from the train station to get down to Mount Eliza, it is difficult. The passengers are in the back saying, 'I want to go home. It is 10 o'clock. I am not waiting here for another 5 minutes'. The bus driver is pressured. He moves off. We would have to adopt a policy saying — perhaps there is information on the bus that says — something about waiting for the next train to arrive from the city and perhaps having a kind word underneath it. If you are in that situation, I am sure you would like to wait as well, wouldn't you? It is often about information and how to present that information to the public that we are not doing well.

Mr O'DONOHUE — If I may follow up, I have been in that situation myself at Frankston station late at night with the bus just having gone. I know the example you are talking about. Is population density part of the challenge with implementing seamless mobility?

Mr MOORE — Absolutely, it is. It is the 30-year view of what we do. Your colleague talked about high-rise development and the negative perception we have of high-rise development in Australia. I suggest we go and have a look at some of the examples they are doing in European cities. They do it so well. It is clever

architecture; it is clever design. It is marketing it correctly. It is creating, as I said, that transport choice within the centre surrounded by other facilities. They do it so well. We did a world conference in Vienna six months ago. We looked at some of the urban development they have created around some of their transport. It is brilliant. If we look at some of the high-rise development we have out in Collingwood and those places in the past, sure, we did it wrong. But there are other ways to do it which we can copy. MTR from Hong Kong, I suggest, will have some great examples for you about airspace development.

We realised a long time ago that a lot of our major public transport groups around the world actually own the air above transport interchanges. It has great value. I have often said to people in Melbourne that there is an opportunity to create urban space above Southern Cross and Flinders Street stations. Who owns the air above there? There is such an opportunity to create something there that we are not utilising. MTR has become a very profitable group through selling air, and I am sure you have all heard those stories by now about they being not sure whether they are a rail company or an estate agent any more. It has become so profitable.

Opportunities like that exist here in Australia; there is no doubt about it. We do not have the population density that Hong Kong has, obviously, but in some parts we do. Docklands is going to become one of those places, I suggest, in the future. It is a great development. We just need some more transport choice down there.

Ms HUPPERT — I was very interested to hear what you were saying about that, because I know VicTrack is investigating most of its stations at the moment to see which ones are commercially viable.

The CHAIR — They have done for 30 years.

Ms HUPPERT — They have done quite a few. You are right; population density in some of the more middle suburban areas means it is not commercially viable at the moment. They have looked at a couple, and some of the areas were commercially viable, but I know in the inner suburban area it has been happening and it is a really interesting project.

I was interested when you were talking about the development on the urban fringe and rail transport. Basically what you are saying is the sort of thing that is happening in the western suburbs in planning, in the Victorian transport plan with new stations and the housing development areas there is clearly the way to go.

Mr MOORE — Absolutely.

Ms HUPPERT — I guess the issue is funding those?

Mr MOORE — Indeed. Where does the money come from to do it? The issue of a large part of this is pricing. We call it the carrot-and-stick approach. We have to create incentives to use mass transport, but the funds have to come from somewhere. It is all very well for me to philosophically argue about this as a wonderful thing to do, but the reality of it is it has to be paid for by someone. Road pricing is an opportunity, and that is one of the unpopular decisions we are going to face in the near future: how we price our transport.

There is an acceptance within the water, electricity and gas industries and so forth that prices have gone up in quite a large way in the last little while and there is a perception created that 'If I use more gas, I pay for it, so perhaps I should conserve; perhaps I should turn the computer off every time I go to bed; perhaps I should start to look at ways I can save using energy'. You do not have that incentive in road-based transport at the moment. You pull up at the petrol pump and you think, 'My goodness, it's gone down' or 'It's gone up'. You feel it. The experience has gone. If, for example — and it is a very simplistic argument — the petrol bowser clicked over and you had your registration costs, insurance costs, social costs, accident costs, health costs, whatever, ticking over in front of you, instead of the price being \$1.50, in reality it was \$5.20 as the real cost, you might think, 'Well, there is another option here. I perhaps might look at other ways to do this'.

So a lot of it is about creating that other opportunity. But how do we pay for it? Perhaps road pricing is an opportunity. The federal government perhaps needs to get involved with taxation on petrol. When you say the words 'taxation on petrol', people shudder. I suggest that those days are not too far away where we earmark what we call hypothecation and a proportion of that tax directly into creating other forms of transport. For example, congestion pricing in London works. You have probably heard a lot about it. It works — a large part of it — because Livingstone in 2002 stood up and said, 'Every pound I collect will go into creating another transport option'. At the end of the first year, he rolled out 90 buses. 'This is what I bought with the congestion

charge'. So people see an improvement in it. They understand that while the congestion charge is an undesirable thing from a motorist's point of view perhaps others say, 'We are creating other transport choices here'. It was brave. In those days — 2002 — when he put the proposal up, he was ostracised almost about what a nonsense this is. It was a very brave decision, but in reality it is being expanded. Retail trade in London has gone up. Average speed has gone from nine and a half miles an hour to 15 miles an hour. Traffic moves again. The retailers said, 'People won't come to town because they can't park'. It is not true. We hear this argument continuously about creating clearways on Toorak Road.

Ms HUPPERT — That sounds like a very familiar story we have heard from some people in the local government areas and in the inner suburban areas about clearways.

Mr MOORE — Every example you look at from around the world where clearways have been created 24 hours a day, retail trade goes up. That is the reality of it. It is hard to convince a proprietor of a shop in Prahran.

The CHAIR — It might be with the GFC, but that is certainly not the case in the UK at the moment.

Mr MOORE — Retail trade in the UK at the moment is in a pretty sad way, yes.

The CHAIR — It has not gone up; it has gone savagely down.

Mr MOORE — Indeed, but it is not related to transport choice.

Mr VINEY — As a result of transport policy, are you suggesting?

The CHAIR — No, I am just saying that broad-sweeping statements that retail trade has gone up is not actually accurate in terms of — —

Mr MOORE — If purely related to transport choice, the fact that you cannot park outside a shop in London has not decreased retail trade. There are some studies that we have done in this area. I agree with you: in relation to the economic circumstances in London at the moment retail trade is in a bad way, but in relation to transport it has actually improved it.

Ms HUPPERT — The other interesting thing was your reference to the bus rapid transport in Brisbane. We have heard some very critical comments about the bus transport plan for the Doncaster area and how it is not going to solve public transport problems, but your experience is that a good bus network in that sense that is designed to meet that rapid transport need can actually do that?

Mr MOORE — Sure. If you look at Brisbane, the South East Busway operates without a timetable now. You do not need one. Buses come by so often, you really do not need it any more. I suspect Doncaster will develop the right way. The danger with those things is to create the infrastructure and what we call operational aspects — not putting sufficient buses into it, not putting sufficient quality buses into it. A mistake made in Brisbane was when they built the South East Busway, which cost a lot of money — something like half a billion dollars — they forget to put more buses on it. The initial stages of it were, 'This is a disappointment'. Now, to their credit, they have picked it up and they have expanded the bus services, so you do not really need a timetable any more, it is so often. It has become almost a light rail service.

There are some clever vehicles around the world now. Irisbus from France has a vehicle which is very clever. It is a semi-driverless vehicle, where you put a white line down the road and the camera in the front of the bus picks up the white line and it runs along that white line and you can stop a bus within millimetres of a stop. It is clever and people perceive that it is not really a bus, it is not really a tram; it is something in between. It is a lot less expensive than a tram. If you got a service out of Doncaster and you put one of those vehicles on, I am sure it would change perceptions about what it is. It is all very well to create the infrastructure, but, my goodness, we need to concentrate on what we run and how we run it on there. All too often we just say the job is done. In fact it is not.

One example here in Victoria — and I am glad you brought it to my attention — is that I caught the Skybus in from the airport today. Skybus does not seem to have priority anymore on the freeway. I do know whether it is true or not. He drifted back into the middle lane and stopped. I got on at the airport, and there were 200 people waiting to catch a bus; the bus was obviously not there. When I got to the other end there was another 150

people waiting. The beauty about Skybus was you could get on and be guaranteed to get into town in 23½ minutes. It does not seem to be happening now. That is a great example of where we created the infrastructure, and it all happened. I do not know whether that is true or not, but I was quite disappointed to experience that this morning. Skybus was a great example of using existing infrastructure to create a bus rapid transit system. It does not seem to have priority anymore. I may be mistaken. Can anybody correct me?

Mr VINEY — There are priority lanes on the freeway, so I do not know why it would not be.

Mr MOORE — Whether it is not being policed, I do not know. Certainly the outer lane on the freeway used to be for the buses and taxis.

Mr LEANE — It still is.

Mr MOORE — Not anymore; the bus driver pulled over into the middle lane, and we stopped. The people on the bus were saying, ‘What is going on? This used to be such a great service’. It still is a great service, but perhaps we need to save it. It is an example, as you suggested with Doncaster, of how we can get it wrong.

Mr DRUM — Just in relation to some evidence that we have heard for Perth, it has gone with the one transit authority. The evidence we have heard was that it has a much more successful integration of all the various services. Brisbane has just gone down that path, but it is a bit too soon for us to actually look at it and see whether or not it has been a success. What are your views on that?

Mr MOORE — It comes down to the way we work. As individuals, we work better if we are able to work in cooperation with our colleagues. It is almost human nature to put a group like that together to create a transport product. I am sure if we privatised regulation — we are not going to — the first thing a French company would come in here and say is, ‘We will create one group to do it’.

I suspect Perth, as you say, works well because there are eight senior people in Perth who work extremely well together, who cooperate both from a public and private aspect to make it work. If you have a separate authority operating and a separate authority regulating it, we have different aims in life. One is to create a dividend for Treasury perhaps. One is to operate a system. Whatever we would like to choose, we do not have the same aims. If we have the same aim to create a product here, we achieve a better outcome. So yes, it is a no-brainer.

Mr DRUM — Looking at freight in the city, you have got some figures there of congestion being at \$20 billion. I understand this city is getting towards \$8 billion very shortly.

Mr MOORE — It is frightening.

Mr DRUM — How much of that is because we have had so much extra freight go on the road system as opposed to freight being on the rail system?

Mr MOORE — It is certainly a big factor. When we see figures like 50 per cent growth in truck-based transport in the last little while, it is starting to happen. I have seen some federal projections recently about the growth in commercial freight. We all expected this to happen a long way out. It is happening a lot quicker than what we think. Some of the anecdotal evidence you have seen in the last few weeks in the *Age*, for example, was about the growth in road-based transport, the growth in the size of trucks. I cite the example that I can ring up on eBay and buy a bath, and two days later it appears on my front door, individually delivered and wrapped. There is an impact on that. If that is happening to everybody — —

Mr BARBER — Does that not just remove a trip down to the local shop that you would have done anyway?

Mr MOORE — Yes, but it has also removed the 30 baths coming down into the shop to become 1 trip instead of 30. There is a factor in the volume of trips that is happening. I saw these figures put out by the Bureau of Infrastructure, Transport and Regional Economics a little while ago about the growth in internet-based sales and the impact that would have. I think it is already happening a lot quicker than what we think. You are right; it is a big factor here. One suggests it is going to go on. The convenience of doing this is just too easy, and it is too cheap. The fact is that a box of wine can be delivered by Australia Post, and it arrives two days later after you go ‘yes’ on the internet, individually delivered by a truck. You think, ‘That is easy. I will keep doing that’. That has an impact. The good fairies do not deliver this stuff in the middle of the night from nowhere.

Mr DRUM — Is that trend in our buying patterns having more of an impact in what we are talking about there, is it the fact that so much of our primary produce that used to find its way to ports and used to find its way to markets is now being taken off rail and being put onto roads, or is it just the new way of retail that we are experiencing?

Mr MOORE — It is both of those things; in reality it is all of those things. My father used to tell me this story. He used to sell butter from Gippsland after the war. By law he was not able to put it on a truck; he had to put it on a train. That was the law. That might have been quite archaic in those days, but it had an impact where you were forced to look at it and say, ‘How can I economically deliver butter from Gippsland to Melbourne by rail?’. We do not have those sorts of regulation. That is why I say it comes down to perhaps some harder decisions about how we price these things. If we started to increase the real price of delivering a bathtub to my front door, it is a lot more than what I paid for it directly. The impact on society is huge and growing. The impact of a box of wine delivered to my front door is huge. The fact is that we can go down the corner here and buy grapes from America at \$6 a kilo. My goodness, the social cost of delivering to that corner is not real.

That is what I am saying we do not feel those costs at the moment. We do not understand what the costs of congestion is. I have had this argument with the federal government in committees like this about externalities of these issues surrounding accidents and health and social costs. The community does not feel those costs directly. We say, ‘The cost of accidents and the cost of congestion is \$20 billion’. What does that mean to me? What impact does it have? I do not understand that.

We have to have an understanding of what I, as an individual, really feel about my decision to buy that product. We delude ourselves otherwise. The fact that I can buy grapes at \$6 a kilo from America — the real cost of that is horrendous. We are deluding ourselves at the moment as to what the real costs are.

The CHAIR — Thank you, Mr Moore. As I indicated, the transcript will be sent to you to check. Provided there are not substantive changes — —

Mr MOORE — It is always interesting to hear what you have said afterwards. It is always, ‘Did I say that nonsense?’. I am sure you have experienced that yourself.

The CHAIR — Absolutely, or ‘I could have said that better’. We thank you for making the time available to us and providing a submission. Thank you.

Witness withdrew.