

Committee Office
Legislative Assembly for the ACT
London Circuit
CIVIC ACT 2600
By email: sustainabletransport@act.gov.au

18 May 2007

Submission to the Standing Committee on Planning and Environment

– Action Bus Services Inquiry

Dear Mr Gentleman and Committee Members

This submission is presented as a private citizen.

In the interests of disclosure I am a member of the Gungahlin Community Council and am founder of the private company Edentiti which may be able to help develop the systems to make the idea a reality.

Amongst ways of improving the utilization of Canberra roads the idea gives motorists an incentive to use public transport.

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A cost effective approach towards sustainable transport

Most journeys within Canberra are made by car. A large proportion of those journeys are made by cars that have one adult passenger. This document proposes a method to increase the average number of passengers per car for common trips for shopping, work-related journeys, and travel to local events.

The total cost of car travel to the Canberra community is estimated at over \$1.7 billion dollars per year (total number of trips times 100 cents per kilometre)*. Therefore if we can increase the average number of people in cars by just 5 per cent, the cost savings to the community will be in the order of \$85 million per year. If we can further increase the average number of people from 1.5 to 2 persons per trip, the savings would increase to \$425 million per year. The initial cost of the system to achieve a 5% increase in passenger numbers is estimated at \$2M per year resulting in a 40 times return on investment for the whole community. As the proportion increases so the return on investment increases.

A voluntary system of rewards

It is proposed that car drivers be given incentives in the form of Transport Rewards as payment for taking passengers in their car. The system will be voluntary both for the drivers and the passengers, and is designed to cover all insurance costs associated with carrying passengers. The allocation of Transport Rewards will be electronic and will require people to identify themselves typically with their mobile phones when making a trip.

Each driver will receive Rewards from their passengers of value \$5 for taking a passenger between districts, and \$2 for transportation provided within a district. Each passenger pays the driver the full amount from their own rewards but also receives half the reward amount as a further reward for future trips if they themselves are registered to take passengers in their car and they are not members of the same household. Participating drivers will be encouraged to consider taking additional passengers on regular routes – such as travel to work, school, going to the gym or when shopping – as well as making special one-off arrangements to take additional travellers to major events such as the Canberra Show or a football match.

The Rewards are redeemable electronic vouchers that can be used for bus and taxi trips, or applied to the purchase and maintenance of bicycles and other forms of low energy transport. Rewards paid into bus trips are recycled through the pool of Rewards. Rewards can be converted from Transport Rewards to Energy Rewards for use for the purchase of sustainable Energy infrastructure.

Rewards will be funded from a surcharge (say \$100) applied to all private vehicle registrations each year which will cover the cost of rewards and operation and so will have little impact on the Territory Revenue. This money will be distributed to anyone who lives in the ACT and who registers to participate either as a driver or as a passenger or both. The amount distributed will depend on the number of people joining and the amount used each year but are only earned when taking passengers or when riding as a passenger. Members can purchase more Rewards and Rewards are transferable and can be sold to others for 50% of their face value.

If participants are found to abuse the system either as a driver or as a passenger they will be banned from Transport Rewards for a period of time depending on the severity of the abuse.

In its early years of operation the system will cost 10% of turnover to operate, or an estimated \$2 million per year. This amount will be paid from the car surcharge. This is an estimated 40 to 1 return on investment brought about by the higher passenger numbers on an average car trip. The running costs will reduce if the system is introduced to other jurisdictions such as Sydney or Melbourne.

Trialling Transport Rewards

It is estimated to seed fund a limited trial of the system will cost \$200,000 but these funds can be returned from system charges once the system is fully operational. Half of these funds would be used for Rewards and half for partial development of the system. Total development of the system is estimated at over \$500,000 but that cost would be funded through private equity.

The system can be trialled and made operational within six months. It will be particularly effective for pooling work cars, car pooling for children going to school, and for use by elderly people and others without cars to go shopping and on other local trips. Moreover, it lends itself to being extended, should the government choose to provide additional funding, to encourage specific groups or activities. For example, it would be a simple matter to offer additional Rewards to schools where children walk or ride to school. Rewards can be given to commuters who can prove they cycle to work. That is, people who ride to work can be given a Reward which they can use to pay for a trip in a car on a rainy day.

Transport Rewards will result in a cut to the number of car trips within the ACT each year by encouraging and rewarding individual action, at the same time as fostering community involvement to resolve the problem of long-term transport sustainability. Targetted expenditure of rewards earned will assist in developing long term energy sustainability.

**** Notes regarding statistics***

It is very difficult to estimate the true cost per kilometre. See <http://www.vtpi.org/documents/transportation.php> for a comprehensive review. Studies reported here estimate the total cost to the community at over \$1 per kilometre.

The number of car trips per year (800) of average 8kms is taken from WA figures http://www.dpi.wa.gov.au/mediaFiles/tsmart_Potentials.pdf.

Canberra adult population involved with trips is estimated at 250000.
The number of registered cars in the ACT is estimated at 210,000.