



LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

QTON No. 17

STANDING COMMITTEE ON PLANNING, TRANSPORT, AND CITY SERVICES
JO CLAY MLA (CHAIR), SUZANNE ORR MLA (DEPUTY CHAIR), MARK PARTON MLA

Inquiry into referred 2019–20 Annual and Financial Reports and Budget Estimates 2020-21
ANSWER TO QUESTION TAKEN ON NOTICE
Thursday, 4 March 2021

Asked by Ms Jo Clay MLA:

In relation to: TCCS subsidising of public transport – are second-round effects currently included in accounts?

I am interested in the cost of congestion. Not congestion changes but the cost of it. And we have got a daily economic cost of road congestion set at around \$800,000 in the Transport Strategy. And that looked quite low to me, actually, I think it looked like a very figure.

Does that include the carbon cost of congestion? Because when you have one car, all the other cars around them are idling at traffic lights. And there is some quite complicated modelling that has come out of the ADRE, on that carbon cost.

Mr Steel: Do you have any further—

Mr McHugh: Ben McHugh. So my understand is that the figures that have been used in the Transport Strategic around the cost of congestion do not include the cost—the carbon cost associated with that—

THE CHAIR: Yes.

Mr McHugh: —but our lost productivity cost—

THE CHAIR: Yes.

Mr McHugh: —associated with travel time delays to commuters.

THE CHAIR: That makes sense. That is why it is so low. If there—would you ever revise that? Is there any, you know, any intention given that we are, you know, probably more concerned about the carbon right now than productivity?

Mr McHugh: I think it is another issue that we can definitely look into in the future as we assess the—I guess the success of the delivery of the Transport Strategy.

THE CHAIR: Yes, interesting. Because then that figure may well shoot up, I would imagine. So on that—

Mr Steel: Possibly. Just—



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THE CHAIR: Yes, yes.

Mr Steel: Ms Clay, know—

THE CHAIR: Yes.

Mr Steel: —that there is current—this sits outside of my portfolio directly. But there is work on the zero emissions Transport Action Plan.

THE CHAIR: Yes.

Mr Steel: And that may be considered as part of future reiterations of that plan to look at the carbon costs of not transitioning—

THE CHAIR: Yes.

Mr Steel: —and what that means. But with a specific, maybe view around congestion as well—

THE CHAIR: Congestion, yes.

Mr Steel: Yes.

THE CHAIR: Yes, as I said, every city that has done that modelling has been surprised at the results. So it is probably worth doing.

So on that, we have got—TCCS has a target of 71 per cent subsidy per boarding with the buses. So obviously you have—we understand how much our buses cost and we understand how much we are subsidising it. Have we included the benefits of reduced congestion in those figures? Even the productivity benefits. We have got a congestion cost.

Mr Steel: I do not think so.

THE CHAIR: Yes.

Mr Steel: I think that is probably a second-round effect, in terms of the accounting treatment—

THE CHAIR: Yes, sure.

Ms Sturman: Yes, yes.

Mr Steel: —that is being undertaken.

THE CHAIR: Sure. Is it too complicated to do it? Or is it a sensible thing to do?



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Mr Steel: It is a question around account—I think this is a direct look at the amount we bring in, in terms of Farebox Revenue—

THE CHAIR: Yes.

Ms Sturman: Yes, yes.

Mr Steel: Yes.

THE CHAIR: Yes. So cost of services and—

Mr Steel: As opposed to cost, yes—

THE CHAIR: —money received. But not all the other benefits of having people in buses, not in cars?

Mr Steel: No, that is certainly a—that would be a useful analysis to do—

THE CHAIR: Yes.

Mr Steel: But the specific figure is just looking at the Farebox Revenue—

THE CHAIR: Yes, sure.

Mr Steel: —versus the costs of delivering the transport system. Which from an accounting point of view, would be the best way to do it. And it would not include second-round effects associated with the benefit of investing in public transport. ‘

THE CHAIR: And do we do—do we measure those greater benefits and any sort of —and I appreciate how complicated these things get when you start down those road-wholes. But do we have any accountability indicators on those other benefits? The environmental and social benefits of bus use, that we are measuring?

Mr Steel: I think that some of those have certainly been picked up through the Transport Strategy, in terms of the outcomes that have been established during that strategy.

THE CHAIR: Yes.

Mr Steel: Yes.

THE CHAIR: Okay. Maybe on notice, specifically you could—for me and my new team of staff, who may be learning a new field—

Mr Steel: Yes.



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THE CHAIR: —if you could just draw our attention to which accountability indicators and we will keep an eye on them. Thank you. Ms Orr.

CHRIS STEEL MLA: The answer to the Member's question is as follows:—

The Minister for Water, Energy and Emissions Reduction ensures an independent inventory of emissions across the Territory is published annually. The Government also reports annually on emissions from government operations.

Approved for circulation to the Standing Committee on Planning, Transport, and City Services

Signature:

A handwritten signature in blue ink, appearing to read "Chris Steel".

Date:

15 / 3 / 21

By the Minister for Transport and City Services, Chris Steel MLA