

30 March 2009

## Senate Inquiry urged to support Public Transport Investment

The Metropolitan Transport Forum (MTF), today urged the Senate Inquiry into Public Passenger Transport, to recommend major Federal funding of public transport projects.

Cr Fristacky, Chair of the MTF representing 20 Councils across metropolitan Melbourne, told the Senate Inquiry hearing in Melbourne today that 'public transport infrastructure development was an essential investment for the Australian economy, job creation and social benefits.' A New South Wales study showed that every \$1 invested in rail transport returned \$1.80 to the economy.

Cr Fristacky emphasised that road congestion, environmental concerns and fuel prices have increased the demand for public transport by over 20% in the past two years, while car usage in cities had declined by up to 5%.

'Yet Australia is the only OECD country where the central government has not made a serious contribution to public transport systems and urban amenity.'

The MTF contests the argument that public transport is solely a state responsibility. The Forum highlighted how the Federal Government's grants and subsidies for road-based transport, and motor vehicle tax concessions create major market distortions which undermine public transport systems. The first home owners grant has provided an economic stimulus that places further burden on growth area infrastructure provision.

'This is at a huge cost to the nation,' cautioned Cr Fristacky. 'The distortions in Government transport funding, with failure to support public transport expansion in growth areas, has contributed to accelerating demand for inner city and middle ring housing, placing greater pressure on housing and land prices. This has created the affordability crisis in both housing and transport in urban Australia.'

Cr Fristacky stressed the major contribution public transport played to support access and the social system adding that 'as Minister for Social Inclusion, Julia Gillard should lead the charge for real transport choice in the outer suburbs.'

'Federal investment in public transport would have multiple "e" effects - with economic, environmental and equity benefits. Increasing the availability of public transport would also substantially reduce the Government health bill,' Cr Fristacky said.

**Media enquiries:**

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