30 Years of Australian Transport Policy: What Makes for Success?

Phil Potterton¹
GHD Strategy & Economics, GPO Box 1877, Canberra ACT 2601
Email for correspondence: phil.potterton@ghd.com.au

Abstract

Australia’s transport system will face many challenges in the future, known and unknown. So what can we learn about the sources of policy success from recent history? With transport investment often long-lived, capital intensive and sometimes involving land use change, transport policies require decades of commitment by governments for major impact. However, the twin realities of periodic changes of government and the priorities and accountabilities of separate jurisdictions in a federal system threaten this commitment. The paper argues that only a higher level goal and rationale that are accepted by governments can successfully overcome the difficulties. The paper assesses the effectiveness of Australian transport policy since the 1970s in six areas – aviation and airports, the road network, road safety, rail freight and urban public transport – with effectiveness considered against available indicators of growth and productivity. The paper finds that progress has been significant in five of the six areas. In the sixth, urban public transport, while national-level data is limited, outcomes appear less impressive. The paper then considers each sector against the three success factors of: an accepted higher level policy goal and rationale; national leadership by relevant governments; and persistence over time in policy action. An accepted goal and rationale has been present in five areas, linked in four cases to an economic growth goal and in one, road safety, to a public health one. No comparable goal and rationale have yet been accepted or indeed articulated for urban public transport. For the five ‘successful’ sectors, durations of national policy commitment up until the present range from 25 years for rail freight, albeit with a ‘foundation’ phase 40 years ago and 90 years for aviation.

1. Introduction

Transport policies at a national level require decades of commitment by governments for major impact. Time is needed: to design and deliver complex and costly infrastructure programs; to lobby for and implement regulatory reform and then have it work through the transport system; and to change behaviour on a whole-of-population basis. At the political level, with periodic changes of government, this necessitates a degree of bipartisanship and common ground between the major parties.

In the Australian federal system, the reality of jurisdictions with separate constitutions and accountabilities poses a second challenge to establishing and sustaining a national transport policy. Moreover changes of government in the state and territory sphere only add to the challenge of achieving effective political bipartisanship.

The proposition of this paper is that only a higher level (non-transport) goal and rationale that is accepted by governments can overcome the threats posed by changes of government and the differing priorities of separate jurisdictions. The goal and rationale must be at a higher level because transport is a derived demand, where by and large the value to be had is not intrinsic, unlike health say, but rather in what transport enables – for example, efficient

production and distribution of goods and services, access to employment, or access to entertainment and leisure activities. Consequently only a goal at this level is likely to be sufficient to motivate and bind governments over the long haul.

This paper assesses the effectiveness of Australian transport policy since the 1970s with reference to six areas: aviation and airports; the road network; road safety; road freight; rail freight; and urban public transport. In each sector or policy area, the paper first outlines growth and productivity performance, with productivity addressed using available and context-specific indicators (e.g. fatality reduction in the case of road safety), together with the key government policy initiatives. In each case the narrative covers (briefly) at least the last 30 years. The paper then discusses each sector against the three success factors of: an accepted higher level policy goal and rationale; national leadership by relevant governments; and persistence over time in policy action.

2. Aviation and Airports

Over the past two decades domestic air travel has grown at 9.0 per cent a year, 2.7 times the average annual economic growth rate over the period (Figure 1). This compares with an average growth rate of 3.7 per cent over the preceding twenty years, 1.2 times the rate of economic growth during these years.

Figure 1 Domestic air travel growth

![Figure 1 Domestic air travel growth](image)

Source: BITRE 2011a

Strong growth in air travel has been a global phenomenon. However, the impact of Commonwealth Government policy, which, stemming from a predominant constitutional position², has and has always had the leading role in aviation and airports policy, in

² The Commonwealth Government has and has always had the leading role in aviation and airports policy. The main source of Commonwealth leadership is the constitutional power to legislate with respect to overseas trade and commerce and the origins are in the Air Navigation Act of 1920, covering interstate and (initially) intrastate aviation, which gave effect to the Paris Convention of 1919, regulating aviation between nations. In addition, under section 52 of the Constitution the Commonwealth has exclusive power to make laws in respect of land acquired for public purposes, which have included airport development.
facilitating this growth – through industry deregulation, lessening of restrictions on entry of foreign capital and reform and privatisation of government business enterprises (airlines, airports) – is evident from the historical narrative.

In 1980 the ‘Two Airlines Agreement’ was renewed for the last time, for a 10 year period. As previously, airline entry onto capital city routes was prohibited and competition was restricted to the two incumbent airlines of Trans Australia Airlines (government owned) and Ansett Airlines. In 1987 the Government gave notice that the agreement would end and not be renewed in 1990.

The deregulation policy thrust (of domestic airlines in 1990 and foreign ownership restrictions in 1999) was a ‘slow burn’ in its impact. Aside from brief and unsuccessful entry by Compass Airlines following deregulation in 1990, there were only two airlines on major routes in the 1990s, Qantas (following merger with Trans Australia Airlines in 1992) and Ansett. Real air fares nevertheless began to decline from the mid 1990s, a course that has continued (Figure 2).


**Figure 2  Real best discount air fares**

Investment in major airports has also been strong (Productivity Commission 2011) despite and possibly even because of privatisation (1997- 2003). Aeronautical investment was low in the early years but has been substantial since removal of regulatory price caps in 2002. Additionally the Productivity Commission has found that airport charges have remained low and relatively stable as a proportion of airfares.

Airport privatisation has not resolved the issue of how to expand substantially the Sydney region’s aviation capacity, which was first examined by government in the 1940s and again in the 1970s. Sydney is the largest of the three eastern seaboard cities and the only one
without access to a second or third airport within 100 kilometres of the city centre. But it is not clear that privatisation has made an already hard issue more difficult to resolve. While on the one hand the owners of Sydney Airport have a legislated right of first refusal in respect of the construction of any new airport within 50 kilometres of Kingsford Smith, on the other the emergence of Canberra Airport as a prospective new international airport may exert some competitive pressure on Sydney Airport at the margins. It is certainly a reminder of the dynamic role that private capital can play in providing infrastructure for a fast growing sector of the economy.

3. Road network

Investment in Australia’s total road network has been relatively constant at around one per cent of GDP since at least the late 1980s, with a significant increase from the early 2000s (Figure 3). This reflected both increased Commonwealth and private sector (PPP) funding.

State and territory and local governments have always been and remain the leaders in planning, managing and funding Australia’s roads. Even with the recent increase in Commonwealth expenditure, states and territories still fund more than two thirds of road-related expenditure (BITRE 2011c). However since the National Roads Act 1974, the Commonwealth has taken a leading role in developing a major national arterial road network.

The National Highway system, connecting all state and territory capital (with Cairns and Burnie included as de-facto state capitals) and with links terminating on the edge of each capital city was established under the act ‘to encourage and contribute, to a major extent, to trade and commerce, overseas and among States’.

Figure 3 Roads and bridges construction investment

Facilitation of road freight, interstate restrictions on which (designed to protect state rail systems) were removed only in the 1950s and 1960s, was an underlying objective. At the same time, in a period long before the emergence of low-cost air travel, improved long distance driving conditions, including safety, for general motorists were also important, as evidenced by the active and successful lobbying for the national highway system that was undertaken by the Royal Automobile Association (Ozroads website 2012). A minimum two
lane all-weather sealed route around Australia was achieved 12 years after the National Roads Act, in 1986.

In the 1990s, under the successor legislative framework of the Australian Centennial Roads Development Act 1988, Sydney-Adelaide (Sturt Highway) and Melbourne-Brisbane (inland) links were added (1992), together with the roads in the mainland capitals that connected the end points of the National Highway (1994).

In 2006, the AusLink National Land Transport Act took effect. By this time, the Commonwealth was increasingly funding costly road upgrading projects on the edges of and through cities. While these improved routes were invaluable for freight collection and distribution, at least some of the benefit was perceived as ‘local’ rather than ‘national’. As a response, the new act provided for shared capital and maintenance funding of the entire network. Shared funding was also seen as reducing the incentive for state governments to ‘gold plate’ projects. For the first time the act provided for funding of the interstate rail network (see below) and for involvement of private partners (already implemented for the Sydney Westlink M7, to which Commonwealth and NSW funds had been committed in 2000-01 and 2001-02 respectively).

In 2008, the Pacific Highway was added to the network, on the basis of 50-50 shared funding with New South Wales for future projects. The route had long had an inferior safety record and by this time the highway was carrying more freight between Sydney and Brisbane than the inland New England Highway.

In 2009 routes to capital city ports were included as part of the network, adding a stronger ‘overseas trade facilitation’ dimension to the network’s objectives.

4. Road safety

Road fatalities have fallen from in excess of 3,600 in the mid 1970s (and a peak of 4,055 in 1969) to below 1,400 currently, a reduction of more than 60 per cent (Figure 4). On an exposure basis, with a trebling in road user distance travelled since the early 1970s, the overall reduction is around 85 per cent.

The reduction can be largely explained in terms of key successive national policy interventions: compulsory fitting and wearing of seat belts; random breath testing; and speed cameras (BITRE 2010). In all three cases, the impact of the measures has been cumulative, as take-up has increased and as road user behaviour has changed over time in response to the measures and their enforcement.

In 1969 Australian Design Rules for new vehicles came into effect on a national basis, following endorsement by governments through the Australian Transport Advisory Council. These included mandatory fitting of seatbelts for all new passenger vehicles, which had begun to be fitted to new vehicles on a non-mandatory basis from the 1950s onwards. In 1970 Victoria introduced compulsory wearing of seatbelts, becoming the first jurisdiction in the world to do so and by 1973 seat belt wearing laws were in place in all states and territories.

These early initiatives were responses by governments, both Commonwealth and state, to growing community concern and frustration, both in Australia and internationally. All

3 In the United States, publication in 1965 of Ralph Nader’s Unsafe at Any Speed: the Designed-In Dangers of the American Automobile led to heightened public attention to its also high road toll.
governments have continued to work together through the ministerial council to address road safety since that time. Since 1992 cooperation has been formalised through commitment to ten year national road safety strategies.

**Figure 4 Road fatalities and distance travelled**

![Figure 4](image)

Source: BITRE 2011a

While fatality rates dropped sharply from the late 1970s, there were substantial lags in full take up of seatbelt wearing (BITRE 2010). For Victoria, it is estimated that 95 per cent of drivers had seatbelts fitted by 1976 (six year lag), 95 per cent of drivers were wearing seatbelts by 1989 (19 year lag) and a similar proportion of all occupants were wearing seatbelts by 1993 (23 year lag). Thus the seat belts measure, together with its enforcement and associated attitudinal change, had an active impact on road safety outcomes for well over 20 years.

In 1976 Victoria introduced random breath testing for alcohol and by 1988 similar legislation was in place nationally. In 1989 a national Ten Point Plan was introduced, including a national 0.05 blood alcohol concentration limit and random breath testing to ensure that one in four drivers was tested annually. RBT implementation increased markedly, including in Victoria, from this time onwards.

In 1988 Western Australia deployed the first speed cameras to be used in Australia. Speed camera coverage across the country remained stable through the 1990s, but expanded sharply from 2002, roughly in conjunction with introduction of a 50 kilometre per hour default urban speed limit.

These two latter measures have progressively reduced the road fatality rate as the impact of the seat belts measure slowly attenuated. Random breath testing impacted the rate mostly strongly in the 1990s, while speed cameras had the greater impact in the 2000s.

**5. Road freight**

Total Australian road freight (measured in tonne-kilometres) has increased seven-fold since the early 1970s, while heavy vehicle road use (vehicle-kilometre metric) has little more than doubled (Figure 5). More intensive vehicle use (i.e. larger average loads, longer and/or more frequent trips) and larger vehicle combinations, facilitated by improved infrastructure, are the key reasons that the ‘doubling of the freight task’ approximately every 20 years has
not resulted in a corresponding doubling in the number of ‘trucks on the road’ (Mitchell 2010).

**Figure 5  Heavy vehicle road use**

This significant productivity performance has resulted in vehicle combinations which are the largest in the OECD for mass and in the top three (behind Canada and Mexico) for size (Woodroffe and Nordengen 2010).

The productivity outcome has not been at the expense of safety. There were 147 deaths from crashes involving articulated trucks in the year to September 2011, compared with 200 in 2000, a decline of 2.8 per cent a year, compared with a 3.0 per cent a year for the larger remainder of road fatalities (Australian Transport Safety Bureau 2008, BITRE 2011b and 2011d).

Road infrastructure improvement over a long period – duplication, realignment and stronger road surfaces – on the National Land Transport Network, which absorbs 20-40 per cent of the total road freight task (BTRE 2006) and elsewhere, has been critical to road freight productivity improvement. Illustratively, as a result of improvement to the Hume Highway, a heavy vehicle trip from Sydney to Melbourne has fallen from around 15 hours in 1971 to 11 hours today (Mitchell 2010).

In addition, at least since the early 1980s, policy has been explicitly directed at road freight efficiency and the safe use of larger, more productive heavy vehicles. The six axle semi-trailer was introduced in the early 1970s. In 1980 mass limits increased to 38.4 tonnes gross vehicle mass and in 1987 maximum heavy vehicle speed limits increased from 80 kilometres per hour to 100 kilometres per hour. By the early 1990s, the semi-trailer was undertaking half of the total road freight task. After a fairly slow introduction in the early 1980s, B-double numbers grew strongly in the 1990s (access to the Hume Highway was granted in 1991) and by the mid 2000s the B-double had overtaken the semi-trailer as the dominant vehicle type (Mitchell 2010).

In 1991 the Commonwealth and the states and territories established the National Road Transport Commission with a mission to put in place uniform regulations. In 1995 uniform national heavy vehicle charging was introduced, ending a situation where national operators could ‘jurisdiction shop’ for the cheapest rates. In 1998 the Australian Transport Council
approved the Higher Mass Limits initiative, permitting larger loads on designated roads and national adoption was completed in 2005, when New South Wales agreed to implementation following extended resistance.

Performance based standards, in which higher limits are approved for particular routes on the basis of vehicle design and performance and agreed to by the Council in 2006, are yet to be fully implemented by either states or local governments. Full implementation will be part of the remit of the future National Heavy Vehicle Regulator. This is a further stage in the long-term push for regulatory harmonisation between jurisdictions.  

6. Rail freight

Australian intermodal (non-bulk) rail freight has grown particularly strongly in the last two decades, with bulk rail freight also growing rapidly in the post 2000 resource boom phase (Figures 6 and 7).

**Figure 6 Non-bulk interstate rail freight**

Rail investment has also been strong since the 1990s, with the trend of the last decade steadier than earlier, where a ‘recession response effect’ in the 1990s, centring on Melbourne-Adelaide track standardisation, is evident (Figure 8).

Development of the interstate infrastructure network has in part been guided by Australian Transport Council performance targets set in 2001. Transit times between Melbourne and Perth declined from 68 hours in 2005-06 to 59 hours in 2007-08, but increased between Melbourne and Brisbane, from 36 to 38 hours. Both routes continued to exceed the targets, of 55 and 30 hours respectively (BITRE and ARA 2010, BTRE and ARA 2007.)

As with the national road network, development of a modern interstate rail network commenced similarly in the 1970s, but the gestation period was longer and substantial progress did not eventuate until the late 1980s and 1990s.

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4 Whereas currently each state and territory drafts its own legislation, drawing on a model document, under the proposed Heavy Vehicle National Law, one state or territory will enact a national law, which is then replicated by other jurisdictions.
In 1975 the Commonwealth invited state governments to hand over their railway systems. Just two (South Australia and Tasmania) accepted, which were combined under the Australian National Railways Commission (Australian National).

In 1991 a five government agreement between the Commonwealth, Queensland, New South Wales, Victoria and Western Australia provided for a new National Rail Corporation to take over the operation of interstate train services from the states. The agreement took place in the context of the emerging national competition policy reform agenda, which established a principle of access by third parties to essential ‘monopoly’ infrastructure. The National Rail Corporation operated in its early years as a third party operator on track owned by both state and Commonwealth governments. Following substantial Commonwealth capital investment,
a sustained efficiency improvement program and ultimately merger with the NSW Government owned FreightCorp, the company was privatised in 2002, to become Pacific National (Affleck 2002).

In 1992, against the background of a recession, the Commonwealth committed to standardisation of the Melbourne-Adelaide broad gauge line, which was completed in 1995. Standardisation provided a springboard for strong growth in rail freight traffic between the eastern seaboard states and Western Australia. Together with investment in National Rail Corporation operations, it was also the start of sustained Commonwealth investment in interstate rail. This has covered east-west, north-south (eastern seaboard) and north-south (central) corridors – the latter with the opening in 2002 of the Alice Springs to Darwin line (Commonwealth, South Australian and Northern Territory governments’ joint venture).

In 1998 the Australian Rail Track Corporation (ARTC) was established with the South Australian and Tasmanian assets of Australian National’s Track Access Unit, as an ‘open access’ rail infrastructure owner and manager. ARTC leased the Victorian interstate rail network from the South Australian border through Melbourne to Albury. With agreement with the Western Australian government, it was also able to sell access to interstate services between Kalgoorlie and Perth. In 2004 ARTC commenced a lease of the New South Wales interstate (and Hunter Valley coal) network and in 2010 it leased from the Queensland government the line – upgraded with Commonwealth investment – from the New South Wales border into Brisbane. This completed unified management of a core interstate rail infrastructure network.

Both interstate and intrastate rail systems have seen significant growth in the number of rail operators in recent years. Three main policy strands have made this possible: separation of infrastructure and operations (the interstate track and New South Wales, Victoria, and non-Pilbara Western Australian systems); third party access arrangements under competition legislation elsewhere; and privatisation and removal of industry-specific restrictions on the foreign ownership of railways (notably Genesee and Wyoming as the owner of Freighlink, the integrated Adelaide to Darwin railway).

From 2013 all Australian rail systems are to be subject to National Law administered by a single national rail safety regulator. The regulator will have a brief to modernise Australia’s rail safety regulatory system.

7. Urban public transport

The history of Australian urban public transport since the 1970s can be divided into two periods, before and after the mid 2000s.

Until about 2005, both public transport use (3.0 per cent a year) and car travel (3.6 per cent a year) grew at quite similar rates (BITRE 2011a). The public transport mode share was steady at around 10 per cent of passenger kilometres travelled in the metropolitan areas, neither decreasing, in contrast to the 1950s and 60s when it fell sharply in a context of city expansion, motorisation and extensive arterial road construction, nor increasing. Since then (to 2009) public growth has increased to seven per cent a year, while car travel has barely grown. This is in response to cost of living pressures, particularly with higher oil prices reducing vehicle use (Figure 8), while other factors including CBD employment growth, changing community attitudes and public transport service improvement are also cited as contributing to the change (Allsop 2010, BITRE 2009, Gaymer 2010).

There is no national reporting of public transport productivity or performance trends (or of investment), so it is not possible to determine whether unit costs have increased or fallen in
recent years, in response to higher patronage. There is also no national monitoring of cost recovery performance, although, at 20-40 per cent of operating expenses, these are significantly lower than some overseas systems (Hale 2011, Mees 2010).

Figure 8 Public transport use, car travel and oil price trends

Whatever the trends, the more recent period appears to have been characterised by community dissatisfaction with the quality of public transport, in response to experiences of overcrowding, breakdowns or lack of services in areas where previously less concern had been evidenced. Public transport featured as an issue in both the Victorian (2010) and New South Wales (2011) elections (Allsop 2011, Scepticlawyer 2010). In addition, public transport improvements are the highest priority transport issue with the general public by a large margin, at 49 per cent compared with 28 per cent for the second highest priority, road improvements (Institute of Transport and Logistics Studies 2012).

Policy-wise, it is doubtful whether Australia has ever had an agreed national policy agenda to improve the coverage and quality of mass public transport. Instead, there have to this point been episodes of Commonwealth involvement, with niche or targeted rather than comprehensive scope and outside of any clear framework of complementary action by states and territories.

Under the States Grants (Urban Public Transport) Act 1974, the Commonwealth sought to improve public transport as part of a package of measures to improve the quality of life in Australian cities, particularly to strengthen district centres as alternatives to the CBD-centric city. This program continued until 1981, when expenditure stood at $125m (Senate 2009).

The Hawke-Keating Labor Government sponsored two initiatives. First, the Urban Public Transport program aimed to improve public transport in the outer metropolitan regions of the capital cities and major provincial centres (1990-93). Secondly, the Building Better Cities program (1991-96) aimed to provide urban infrastructure in growth corridors before development began and also to facilitate urban renewal in de-industrialising areas. Program funding reached $2.3 billion (one third Commonwealth, two thirds states). Transport projects

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5 How long community views have been along these lines is not known. The survey commenced in the March 2010 quarter, when 58 per cent nationally nominated public transport improvements as their highest priority transport issue.
included contribution to the Gold Coast railway, the Sydney light rail line and the Parramatta ‘Y-link’. A planned second tranche of the program was approved in 1995 and cancelled by the Howard Coalition Government in 1996.6

A number of Travelsmart projects were funded under the Coalition Greenhouse Gas Abatement Program (2003 to 2009), aimed at promoting public transport use, as well as walking and less car use.

Under the Infrastructure Australia Act 2008, the current Labor government established Infrastructure Australia, to advise it on current and future infrastructure needs and priorities of national significance. Infrastructure Australia prepares an annual pipeline of infrastructure priorities. Priorities are organised into eight categories. One of these, ‘Transforming Our Cities’ relates to urban public transport infrastructure projects. Public transport projects which have received funding include the Melbourne Regional Rail Link and the Gold Coast light rail project. At $3.6 billion, the Commonwealth financial commitment for these two projects alone represents a quantum change from earlier interventions.

In addition, the COAG Reform Council, in reviewing capital city planning systems, has identified a need to place ‘more emphasis on public transport to combat congestion and address social inclusion by integrating transport planning with land use decisions’ (COAG Reform Council 2011).

At an individual state level, Queensland and Western Australia have shown leadership over the past decade, notwithstanding the absence of a national public transport policy agenda.

Whereas public transport growth was flat in most cities in the early 2000s, i.e. before the onset of much higher oil prices, growth was strong in Brisbane. This reflected a proactive policy stance, particularly with the opening of the Southeast Busway in 2001, which greatly exceeded its patronage projections. Further busways were opened in 2008 and 2009.

Perth similarly has seen two new major railway lines over the past 20 years, the Joondalup line to the city’s north (1992) and the Mandurah line (2007) to its south. Both exceeded patronage expectations. As with the Southeast Busway, the success of the lines served to demonstrate that quality public transport in low density residential areas is achievable when it is closely integrated with other modes, i.e. feeder bus services and the private car (through park and ride facilities). Western Australia was also the first state to introduce Smartcard integrated ticketing across all public transport modes (2007 in Perth), followed by Queensland (2008 throughout Southeast Queensland).

8. Success factors in the six policy areas

8.1 Accepted goal and rationale for national action

From the 1920s aviation has been seen as an essential means to overcome an external ‘tyranny of distance’ and equally as indispensable to internal communication. From the 1980s policy towards the aviation sector has been part of the Commonwealth-led microeconomic reform agenda and has benefited from the processes of deregulation and reform and privatisation of government business enterprises.

6 In addition the Australian Bicentennial Road Development Program 1982 and the Australian Land Transport Development Program 1988 each allowed for urban arterial road funds to be spent on urban public transport. Queensland and possibly other states took up this option (John Elliott, Department of Infrastructure and Transport, pers.comm.).
Intermodal rail freight similarly has been a focus of national policy attention since the 1980s because of its perceived importance for national economic growth and integration. While the ‘pre-reform era’ actions of the 1970s, in establishing a South-Australia-located Australian National Railways Commission provided the foundations, the microeconomic reform agenda of the 1980s and 1990s – both government business enterprise reform and national competition policy aspects – provided critical support in achieving change.

While never formally part of a national economic reform agenda, the underlying rationale for building the National Highway system was to foster an efficient national economy, following the removal of state-based restrictions on interstate road freight in the 1960s. Indeed the goal of an efficient national major road network has always been closely linked to the goal of an efficient road freight industry to meet the needs of agriculture, manufacturing and the wider economy. Both have been core priorities of government since the 1970s.

Road safety has been a focus of major government attention since the late 1960s, in pursuit of the single goal of reducing the road toll, with a public health and wellbeing rationale well ahead of any economic one. However, ‘health’ as an issue stands equal with the economy in community attitudes on priorities for government\(^7\) and can therefore on occasion be a comparably strong motivator of government action.

Urban public transport policy initiatives at a Commonwealth level have been linked to planning objectives (changed urban form), social equity objectives (affordable lifestyles, urban regeneration) and climate change mitigation, but not to economic (or health) objectives. As such they have not developed into a concerted national approach, with the potential to be either comprehensive in coverage or sustained.

8.2 Government leadership

The Commonwealth has always made full use of its constitutional position in respect of overseas trade and commerce and its ownership of airport land, to exercise leadership in aviation policy. From the 1980s onwards this meshed well with the Commonwealth-led microeconomic reform agenda. The Commonwealth’s effective power finds limits in some areas, notably in establishing major new airports, but as the recent joint Commonwealth-NSW study on aviation capacity in the Sydney region demonstrates (Department of Infrastructure and Transport 2012), it is actively engaged.

In the case of the road network, state governments recognised from at least the 1930s the value of cooperation and collaboration to promote consistency in standards, research and to engage the Commonwealth. The first annual conference of state road authorities, a predecessor of today’s Austroads, was held in 1933 (Austroads website 2011). In effect, in the 1970s the Commonwealth accepted the states’ offer of a leading or shared leadership role and the terms and boundaries of this leadership have been constantly under review since – most evidently with the AusLink initiative in the mid 2000s.

With road freight, the Commonwealth has been a leading and continual advocate of productivity improvement through use of larger vehicles. At the same time, the Commonwealth has been dependent on state action, with state decision-making necessarily taking account of additional factors, including safety, infrastructure condition and community attitudes. Less urbanised jurisdictions and those where the primary sector is larger (Queensland, Western Australia and Northern Territory) have often been the main

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\(^7\) In the March 2012 Transport Opinion Survey, 44 per cent of Australians nominated health as one of their two highest priority issues. 39 per cent nominated the economy and 29 per cent education. Transport was one of the two highest priority issues for 8 per cent of Australians (ITLS 2012).
productivity innovators and strong forces, in conjunction with the Commonwealth, for change.

Rail freight policy has similarly been a shared governmental enterprise. While the Commonwealth was the initiator and principal funder of reform of interstate rail services – and of the supporting national competition policy architecture – it would have achieved very little without the commitment of in particular the two largest states, New South Wales and Victoria.

The Commonwealth and Victoria were the key sponsors of an effective road safety policy at the close of the 1960s. The Commonwealth-led establishment of the Australian Design Rule regime for new motor vehicles and Victoria led the states, with compulsory seat belt wearing legislation and enforcement. The pattern of states leading and following one another, with Commonwealth facilitation, through both regulation of new vehicles and policy coordination via national road safety strategies, has continued and developed since then.

While there has been recent movement in urban public transport, with a significant Commonwealth financial commitment since 2008 and leadership over a longer period from Queensland and Western Australia, a full concerted national approach is yet to emerge.

8.3 Policy persistence

In the 67 years since the end of World War Two in 1945, the Commonwealth has experienced six changes of government, with an average duration between changes of 11 years and a range of three years to 23 years duration. One to two three year terms of government can be enough to establish a new policy direction, but substantial change requires much longer, implying that effective political bipartisanship is a prerequisite.

Probably all Commonwealth governments since the 1920s have been committed to an efficient, safe, growing aviation sector. In more recent times, the critical period of policy reform was from the late 1980s to the early 2000s, a period that includes a change of government in 1996. The period encompasses airline deregulation, merger of the two government owned airlines TAA and Qantas and Qantas’s subsequent privatisation, removal of restrictions on foreign ownership of domestic airlines, airport privatisation and finally entrenching of the deregulatory policy course with the government’s ‘hands-off’ response to the collapse of Ansett Airlines in 2001.

Commitment to development of a national road network has been similarly continuous since the early-mid 1970s, a period with four changes of government.

A road freight productivity policy can be dated at least to around 1980 (three changes of government). Rail freight policy saw something of a hiatus between the mid 1970s and late 1980s. However even the shorter period since then now encompasses two changes of government.

Road safety policy has seen continuous commitment by all governments since the late 1960s.

Urban public transport policy at a Commonwealth level saw initial continuity following change of government in 1975, but interest had faded by the early 1980s. The last 40 years have seen two long policy hiatuses, in the 1980s and again from the mid 1990s to the late 2000s.
9. **Urban public transport and productivity**

Linking an efficient urban public transport system to Australia’s broader economic welfare, in similar manner to as has occurred with aviation, the road network, road freight and rail freight, would provide a rationale for Australian governments to collaborate over an extended period in order to develop such a system.

It can be argued that urban public transport is critical to the needs of the advanced service sector (industries such as business services, information technology, finance, health services, education, arts, sport and culture) and of the information economy, much as the road network, road freight and rail freight are key to the needs of the resource, agricultural and manufacturing sectors. Cities offer firms in the information sector economies of agglomeration, through reducing the costs of accessing skilled labour, of interacting with customers and of product innovation, through the opportunities for information exchange (Department of Infrastructure and Transport 2011, World Bank 2009). This broadly is the context for the finding that a doubling of city size results in a 2 to 8 per cent increase in firm productivity (Rosenthal and Strange 2004). However, city congestion is a brake on city growth, leading over time to greater dispersal of employment locations and limiting both agglomeration and productivity growth.

Transport policies such as road pricing hold out the prospect of managing congestion better through optimising use of the existing road system. However, it is doubtful whether road pricing and private vehicle transport can deliver scale increases in the number of commuters or other travellers accessing a confined urban area. Only fast and efficient urban public transport, with its capacity to move large numbers of people into and out of a particular urban space over short (peak) periods of the business day, will underpin sustained central city growth – and hence productivity, it can be argued – over the longer term.

From this perspective, a debate over the benefits or otherwise of a national urban public transport policy agenda is one about the importance for a future Australian economy of those sectors that value and are willing to pay to access central city locations. In research terms, this is the field of the relationship between agglomeration and labour productivity in different industries (Rawnsley and Szafreneic 2010).

10. **Conclusions**

Five of the transport policy areas examined in this paper have seen concerted action by Commonwealth and state governments that the governments have sustained over an extended period. Durations up until the present range from 25 years for rail freight – but with an important ‘foundation’ period 40 years ago – to 90 years for aviation.

An accepted goal and rationale linked to a higher level ‘non-transport’ policy objective – economic growth in four cases and public health in one, road safety – have been critical in order to motivate and organise the concerted action over these lengthy periods. The higher level goal and rationale have worked to overcome two major difficulties in sustaining a national transport policy – the realities firstly of jurisdictions with separate constitutions and accountabilities and secondly periodic changes of government.

Arguably, a goal and rationale of this kind has been less important in aviation, where a single government, the Commonwealth, has had available to it and has made use of a predominant national authority under the constitution, than in the other four areas. However, even here policy was spurred in the 1980s and 1990s by being part of a broader microeconomic reform strategy, aimed at improving the productivity of the Australian economy.
In the sixth area, urban public transport, a goal and associated rationale to bind governments together has in contrast thus far proved elusive. However the new economics of agglomeration and a growing interest in the spatial sources of productivity growth offer encouragement for the future.

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