

Gungahlin Light Rail Debate

Private Economics of Public Transport

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Gungahlin Light Rail Debate

Private Economics of Public Transport

1. Who is going to pay for this?
2. What are we already paying for?
3. When will public transport lead to private savings (and overall efficiency gains)?

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Private Economics of Public Transport

- Perth - 25 years - low density city
 - » bus as the primary public transport mode
 - » renewed emphasis on suburban heavy rail
- Melbourne - 6 years - dense urban core
 - » heavy and light rail predominant
 - » world's best practice light rail network

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- Washington DC - 3 years - typical US city
 - » inner urban challenges
 - » suburban and commuter heavy rail systems
- Canberra - 6 years - low density city
 - » bus as primary public transport mode
 - » viability of light rail?

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Private Economics of Public Transport

- Who pays..
 - » For “private transport”?
 - » For “public transport”?
- We all do... just in different ways

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Private Economics of Public Transport

- “Private Transport”
 - › Significant public investment in road construction
 - › Significant private “investment” in motor vehicles
 - › Ongoing public spending on road maintenance and externalities such as environmental and accident costs
 - › Ongoing private expenditure on motor vehicle maintenance and operation

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Private Economics of Public Transport

- Public subsidy to private transport includes:
 - » all construction and maintenance costs
 - » externalities like environmental and accident costs
- No direct payment by private users for public costs (no tolls in ACT)

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Private Economics of Public Transport

- Private cost of private transport include:
 - » depreciation
 - » insurance and registration
 - » maintenance and repairs
 - » fuel
- \$200 per week for a 0-2 year old family sedan travelling 20,000 kilometres per annum
- \$125 per week for a 2-4 year old family sedan travelling 20,000 kilometres per annum

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Private Economics of Public Transport

- “Public Transport”
 - › Significant public investment in infrastructure (roads, busway, light rail) and rolling stock (buses, carriages)
 - › **Potential for significant reduction in private investment in motor vehicles and an associated reduction in operating costs**
 - › Ongoing public spending on maintenance
 - › Ongoing private spending on fares

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Private Economics of Public Transport

- Public subsidy to public transport is
 - » cost of infrastructure and operational costs
 - » less fares paid by private users
 - » less value of externalities saved (accident costs, environmental costs)
- Direct payments by private users (fares paid)

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- Canberra
 - » Low density city
 - » A car is essential for almost all households
- Private economic behaviour
 - » Capital cost is ignored (considered sunk)
 - » Low propensity to use public transport if private transport is available (marginal cost of most urban travel is less by car than by public transport - especially if time is valued)

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- When will public transport succeed in Canberra?
- When households commit to public transport by deciding against the purchase of **additional** motor vehicles
 - » that is, decisions not to buy second (or third) motor vehicles

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- When will households do this?
- When the public transport systems is:
 - » frequent
 - » accessible
 - » reliable/attractive
 - » extensive

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- Frequent
 - › Maximum peak hour wait of 5-7 minutes
 - › Maximum weekday wait for service of 10 minutes
 - › Maximum weekend wait of 10-15 minutes
 - › effectively unscheduled

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- Accessible
 - » 5-10 minute walk to access point
 - origin and destination
 - » 5 minute drive to access point
 - origin
 - » **Does not rely on park and ride**
 - » No interchange

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- Reliable/Attractive
 - » Perception is as important as statistics
 - » Light rail is visible and permanent
 - » Climate appropriate (heating/cooling)
 - » Comfort level exceeds private vehicle

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- Extensive
 - » Gungahlin to Civic via Northbourne Ave?
 - » Gungahlin to Civic via Belconen?
 - » Parliamentary Triangle extension?
 - » Civic to Woden and Tuggeranong?
- » Long term objective must be to extend to all town centres and significant traffic areas (Parliamentary Triangle)
- » Network effect is an important enabler

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- Light rail?
- Busway?
- Questions?