

BICENTENNIAL CONFERENCE

Australian Keynote Address by Kevin Shea on Public Transport in Australia

"EVEN OUR PUBLIC TRANSPORT IS MULTICULTURAL"

1. INTRODUCTION

In our Bicentennial year we have been looking at many features of Australia and its culture and its relationships with the rest of the world. I would like to pick up some of these themes as they relate to public transport.

I will be talking firstly about our multicultural heritage and how this has influenced the development of public transport and the community's attitudes toward it. I will then turn to Australia's changing economic relationship with the rest of the world and the resultant structural changes in industries such as public transport that are currently taking place. Finally I will discuss the directions of technological innovation that are currently priorities in Australian transport.

Australia is a country of more than 7000 kilometres in area which is comparable with that of Europe and of the United States, yet its population is less than 20 million. It is more than 10,000 kilometres from most of Europe and North America which which it has maintained its strongest cultural links. It is these features that led a prominent Australian historian to describe much of the physical, economic and social development of Australia as a reaction to the "Tyranny of Distance".

Despite the size of the continents, nearly 80% of Australians live in towns or cities, most clustered on the south-eastern seaboard. One-third of Australians live in Sydney and

Melbourne, each being cities of some 3 million people. Nearly 20% live in the three other major cities, Brisbane, Adelaide and Perth, each having populations of 1 million.

Australia is a multi-cultural society. In addition to its indigenous population of aborigines, there has been an influx of new arrivals for 200 years: initially from the United Kingdom and, particularly through a post-war immigration policy, from all over the world. The Met itself is a microcosm of cultures with half of its staff born in non-English speaking countries including:

Italy	8%
Greece	5%
India	4%
Vietnam	4%
Sri Lanka	3%
Egypt	3%

and more than 30 other countries.

2. THE EUROPEAN INFLUENCE ON PUBLIC TRANSPORT

Each of the major cities was developed in the 19th Century by immigrants, primarily from the United Kingdom. Immigrants brought with them the emerging transport technologies of the day: firstly the horse drawn trams but soon after the fixed rail of trains and cable trams. The cities, particularly Melbourne with the effects of the gold rush in the 1850's and 1860's, developed rapidly at this time with public transport used as a major tool in shaping the direction and style of growth. Land speculators, the "Landboomers", were quick to recognise and exploit the interaction between transport and land use.

Melbourne's present fixed rail network of 560 kilometres was largely built by the end of the 19th Century. Even now there are only a handful of cities in the world with comparable fixed rail networks.

Electrification of railways and tramways in Sydney and Melbourne was completed in the 1920's. Brisbane has recently electrified its railways and Perth will electrify next year.

Australian cities, particularly Sydney and Melbourne, therefore have a strong transit culture similar to that in most European cities. Although the effect may diminish over time, most city dwellers either live in an area that developed around public transport or once lived in such an area before moving to more distant suburbs. They therefore have strong expectations that public transport will be available to them even if they no longer use it on a regular basis.

Market research is regularly conducted to assess the attitudes of passengers and the community at large toward public transport. The story is consistently one of community support.

Amongst urban Australians, transit issues are generally viewed as very important. In a 1980 survey they were exceeded in importance only by education and health/drugs concerns.

When asked in a 1984 survey about their sentiments toward transit, people responded as follows:

PROPOSITION	% IN AGREEMENT
. Public transport is an extremely important part of community life; it should be supported more.	60%
. Public transport is important, but there are other problems in the community as well.	30%
. The importance of public transport is over-estimated; however, it should not be neglected.	8%
. Public transport is no longer important, and public money should definitely be used in other ways.	1%
. No answer.	1%
	100%

About three-quarters of respondents wanted more money to be spend on expanding and improving public transport and felt that politicians should be more concerned about it. Less than one quarter wanted transit funds redirected into road construction or wanted uneconomic transit lines closed.

The surveys indicate support for public transport amongst non-users as well as users.

The Metropolitan Transit Authority has recently completed a major community consultation program for the long term development of transit in Melbourne. In total over 100 public

meetings were held and 300 written submissions received from interested groups and individuals. Strong support came from a broad-section of participants for expansion of the fixed rail network and other major service improvements. As a result, a 15 year development strategy has been prepared which will see an expanded public transport system in the 21st Century.

3. THE NORTH AMERICAN INFLUENCE ON PUBLIC TRANSPORT

Despite a continuing public transport culture in major Australian cities, the post-war period has seen trends common to all affluent and western countries, typified by the newer cities in the United States. Car ownership in Australia is one of the highest in the worlds and cities are spreading at low densities as people avail themselves of the freedoms provides.

Conversion of tram systems into bus routes in all cities outside of Melbourne, except one line in Adelaide, were an early reaction. With some notable exceptions all expansion of public transport in this era has been in the form of buses as the most cost-effective means of taking public transport into newly developing suburbs.

The 1970's was a watershed in government policy toward public transport. Patronage had been falling steadily for nearly three decades and there had been little infrastructure renewal as resources were focused on road building. At this point most state governments (who have the responsibility for urban public transport) opted for renewal rather than abandonment. For a variety of reasons including concerns about the effects of road building on established residential areas and other environmental issues, new investment did take place to varying degrees. In Melbourne, for example, investment has been at a level commensurate with fare revenues for more than a decade allowing construction of an inner city subway (the Underground Loop), a total renewal of the train fleet, substantial renewal of the tram fleet and replacement of obsolete infrastructure. In combination with other initiatives such as fully integrated ticketing across all modes, this has transformed what had been a 2%-3% annual decline in patronage into an average 2% annual

growth during the 1980's. In Brisbane, patronage has grown by 17% since 1980 and in Sydney by 7%.

Obviously many of you will ask the question, "Why be concerned?". Investment has been going well, practically all rolling stock has been replaced. We have new light rail vehicles coming on stream at a fast rate, and in a few years we will have replaced most of our traditional trams. Some of those date back to the 1930's.

We have new buses - the first 100 buses with air conditioning have arrived and are being used in service. Obviously the Government has recognised the need for investment in public transport and has honoured its pledges.

At the same time public opinion is in favour of such investments. People are happy that hundreds of millions of dollars are being poured into the re-equipment of the public transport sector.

User satisfaction is at a tolerable level. Admittedly, user satisfaction could be higher but under present conditions we are not unhappy about the level of satisfaction our customer's are experiencing.

The problem I see is the problem of a manager who sees Government and public enterprises generally being faced with one of the substantial reallocation of resources in the Australian economy.

We are attempting to divert savings and investment funds from traditional purposes into new manufacturing industries will allow us to build an additional export base to our traditional commodity mode. As Europe prepares for 1992 and all that it means for trade and economic growth, Australia is also internationalizing its economy in the fastest growing market in the world, the Pacific Basin.

When a whole community undergoes major structural change, there is accompanying hardship in many sectors. Public sector companies cannot be satisfied with pointing to indicators which show relative improvements of performance every year.

It is now that we are being asked to make major efforts to increase our own productivity, to streamline our organisations, so that improve cost efficiency by maintaining reasonable service standards.

Though my own organisation has provided a reasonable return on investment, our indicators show that cost recovery levels of the Melbourne public transport systems are comparable to the better performers in Europe and North America.

If we look at cost recovery on the basis of an indexed notional fare in the year 1983 we can be proud of our achievements. But it is exactly this feeling of pride in relative achievements which I regard as a serious danger to future performance.

Regular improvement of key indicators might be a sign of health in an organisation, but only too often our relative improvements are seen as fully satisfactory and dramatic changes are not being attempted because "we are doing alright", as many of my colleagues tend to say.

This is particularly so in organisations and particularly in public transport sectors where practices and experiences have built up over many decades. Organisations such as mine have internalised traditional forms of behaviour which create a wealth of knowledge and are a major source of strength in any organisation.

On the other hand, it is exactly this form of traditional behaviour which often stands in the way of dynamic change.

Oscitation and lack of dynamism are obvious dangers of traditional organisations in traditional fields of operation. Ideally we find ways to retain the valuable experience and knowledge which has been collected over past decades, while at

the same time keep our organisational forms flexible, review our procedures and organisational responses to problems regularly and keep up with innovations and technology and their major implications for the way we do our business.

Unfortunately this ideal world does not exist. In the real world we have to struggle every day to implement changes, to see opportunities for change to improve effectiveness and efficiency of our operations.

In my organisation we have taken steps to systematically review our organisation form and structure, our operational procedures, our work practices in order to achieve higher levels of efficiency.

This process is only in the early beginnings, but some of the results that we have seen are more than promising. I can see, in my organisation and many similar organisations around the world, a major source of innovations, a major source of productivity gains, a major source of efficiency in terms of returns for the public dollar being spent.

In many ways I regard the present challenge to the Australian economy is a blessing in disguise for public sector operations. Because of the general need to restructure the economy, we are called upon to free every dollar we can find in our organisations for investment in other productive areas of the economy.

In practical terms this means we are experiencing major cost squeezes, the flow of investment has been greatly reduced, we are called upon to review our staffing practices and we can expect continuous scrutiny from our friends controlling the finances of this State.

Now I could complain about the continued squeeze on public funds in the area of public transport when at the same time we have identified the major needs for the future development of public transport services.

However, I am prepared to say we have to learn to live with the funds we have and generate internally the necessary funds for future investment. Obviously, given the size of our investment, this would not be possible in the near future.

But I can see increasing levels of cost recovery. I can see dramatic increases in productivity in some of our areas of operation by continuously re-examining our own operational procedures, our management practices and finally our work practices which are applied on the shop floor.

New technology in public transport will further help and assist us in meeting these aims. Let me repeat, cost squeezes in the public sector are not necessarily the basis for reduced public services and particularly public transport services. They are a challenge to our management ingenuity and the dynamics of our organisations.

Over many years we have built up practices and forms of behaviour which are due to be re-examined. Such re-examination can, and will, lead to major cost savings. Some cost savings will require reasonable levels of investment in order to ensure continued service to the public. In other areas, simple restructuring will free major resources.

Obviously all this cannot be done by management alone. It requires the will and the support of the work force, of the trade unions and finally of the public.

For my own organisation, I want to repeat that we have taken the first steps in a major overhaul of our operations. I hope that we will continue along this road, and that in a few years time I can stand at a future conference and report about the major success which we have generated through these measures.

4. AUSTRALIA'S ECONOMIC REALITIES IN THE 1980'S AND IMPLICATIONS FOR PUBLIC TRANSPORT

I want to indicate to you the general economic environment in which public sector enterprises operate in Australia. As you know, Australia's economy is not large enough to influence international economic conditions and is therefore largely subject to them.

Australia's export composition, which is weighted towards low value-added agricultural products, is increasingly facing severe price competition. At the same time, strong growth in the domestic economy in recent years has induced an increase in imports.

The clearest manifestation of the effects of these trends is in the deficit on the current account of the Balance of Payments, which grew from 1.7% of GDP in 1979/80 to 5.9% of GDP in 1985/86. Meanwhile, the value of the Australian dollar has fallen, putting an upward pressure on domestic inflation.

Government, industry and unions have recognised that the trend in world trade is toward sophisticated manufactures and services. The need to restructure the economy in the medium to long term is therefore recognised to overcome balance of trade constraints while producing low unemployment, low inflation and economic growth which is equitably distributed.

The public transport industry employs 110,000 people nationally and will be expected to be a key participant in this restructuring.

Unions and industry, with Government support, have sought overseas models of industry development and have identified approaches taken in Sweden and Austria as being the most useful. The important features were seen to be:

- . centralised wage setting;

- . recognition of the vital need for international trade and for continuous restructuring in line with major developments in world trade;
- . labour market policies that focus on skill formation, job placement and reduction of labour force segmentation rather than simply on income support from the unemployed;
- . industrial democracy and employee participation in achieving the maximum possible productivity;
- . "Strategic Unionism" which involves integrated policy making beyond a narrow focus on wages and working conditions;
- . a small number of large unions with central co-ordination and strong local organisation.

With regard to this last point it is notable that there are currently more than 20 unions that have coverage of Met staff. Steps towards amalgamation are currently being taken by some of these unions.

The most recent National Wage Case last August provides an immediate arena for commencing restructuring in industry and will be a key area of activity with public transport agencies during the next 12 months.

The Arbitration Commission determined that increases in wages and salaries or improvements in conditions shall be justified if unions formally agree to co-operate positively in a fundamental review of awards to improve efficiency and provide workers with access to more varied, fulfilling and better paid jobs. The measures considered should include at least the following:

- . establishing skill-related career paths which provide an incentive for workers to continue to participate in skill formation;

- . eliminating impediments to multi-skilling and broadening the range of tasks which a worker may be required to perform;
- . creating appropriate relativities between different categories of workers within an award and at enterprise level;
- . ensuring that work patterns and arrangements enhance flexibility and the efficiency of the industry;
- . including properly fixed minimum rates for classifications in awards, related appropriately to one another, with any amounts in excess of these properly fixed minimum rates being expressed as supplementary payments;
- . updating and/or rationalising the list of respondents to an award;
- . addressing any cases where award provisions discriminate against sections of the workforce.

The various issues of training, multi-skilling, wage relativities, work practices and union amalgamation are therefore all before us in a way they have not been before and provide a challenge for public transport managers and employees to grasp the opportunities presented.

5. TRANSPORT TECHNOLOGIES

Australia provides a relatively small domestic market for new public transport products. Also, between the 1930's and the 1970's, Australia focused its attention in urban transport technologies predominantly on road building and traffic management. Accordingly, it has only been in the last decade or so that public transport operators have become innovative in their development and application of new technologies.

The theme of this conference, and the fact that it is being held, illustrates the developments taking place in Light Rail. With its extensive tram network, Melbourne has a long experience in many of the technical aspects of Light Rail. New Light Rail vehicles have been developed in conjunction with the private manufacturer Comeng. An advanced design with a low floor section to facilitate boarding and alighting is planned.

Two lightly patronaged train lines were successfully converted to Light Rail last year. We have been able to increase service frequencies significantly and the lines now run down the main street through the city centre rather than to a rail terminal at the fringe. Operating costs have been reduced and patronage is starting to grow.

LRT is currently being considered for the one remaining lightly patronised train line where LRT is feasible. Again this would allow more frequent services and direct routing through the centre of the city.

MetPlan, the 15 year strategy for the development of public transport in Melbourne, envisages new Light Rail lines into rapidly developing corridors.

The Met has recently been a joint partner in the construction of a new Light Rail service in Hong Kong. The Light Rail Vehicles were constructed by Comeng in Melbourne.

The other major area of technological development in Melbourne has been in automated vehicle monitoring and control systems. The train monitoring and control system, Metrol, was introduced a decade ago and controls all train movements through the central region. More recently, automatic vehicle monitoring has been introduced for all Met-operated buses and the tram fleet will be fully covered by next year.

The successful trialling of Compressed Natural Gas for our buses is also significant. Victoria has extensive Natural Gas resources and the trials have shown that major fuel cost savings are possible.

Adelaide has been prominent in recent years in the application of developing European technologies. The O-Bahn with buses operating at high speeds on a dedicated concrete guideway has been operating successfully for three years. An automated ticketing system was introduced earlier this year.

Although not the successful tenderer in Adelaide, an Australian manufacturer is prominent in development of smart-card technology as the possible next major step in ticketing.

Australia has been at the forefront of developments in road safety and traffic management for a number of years. Australia once had a poor road safety record but is now regarded as a leader in this area. It pioneered the compulsory wearing of helmets on motor cycles in 1961 and the compulsory wearing of seat belts in 1970. Along with the Scandinavian countries it was a leader in the introduction of Random Breath Testing in the 1970's.

Active traffic priority has been another area of significant development. In particular, the computerised signal co-ordinated system SCATS is highly regarded and is widely used in Australia and New Zealand and has also been installed in Singapore and China. Further projects in other countries are under development.

6. CONCLUSION

In conclusion, let me stress we have as many similarities with the problems of European cities as we have a well developed public transport system and we have a population partly drawn from many European countries which expect the continued existence of public transport with a relative high level of service.

However, our urban form and structure have more in common with North American cities in terms of urban sprawl and low density. Because of the low density, Australian cities generally have a lesser density of public transport services than European cities.

This lack of density of transport services in combination with the very extensive urban sprawl and the relocation of employment and production centres within our city region, has led to problems of connecting residential, industrial and business areas by public transport.

In Australia public transport is the major provider of services to the central business district. But public transport has also failed to connect the new emerging centres satisfactorily. We are aware of this problem and we have addressed part of it in our MetPlan projections, but we have to say that European dimensions of public transport penetrations are unlikely to occur here at any stage in the future.

I have emphasised the need for restructuring, reforming productivity and efficiency gains within public transport organisation in order to free resources for other areas of the Australian economy.

I have stressed the shift of investment into new productive areas of the Australian economy. Let me say that in this drive for efficiency and effectiveness, we are not overlooking technological innovation and we are adapting new technologies in transport for our own use. This, in turn, will allow Australian industries to incorporate our own changes to future export drives.

I hope that you will enjoy your stay in Australia and look forward to stimulating discussions during the next four days in both the formal and informal settings provided.