



Streets People Love Hobart

Submission to the Productivity
Commission - ***Pillar 4: Delivering
quality care more efficiently***

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This submission includes contributions from professionals working in a volunteer capacity for Streets People Love Hobart. The views expressed are those of Streets People Love Hobart as an organisation and do not represent the positions of contributors' employers.

Thank you for the opportunity to contribute ideas for the interim report: **Pillar 4: Delivering quality care more efficiently**

Streets People Love Hobart is a community-led initiative organised by a passionate group of local advocates. Our mission is to engage people and advocate for streets that prioritise people, safety, and sustainability. We believe Hobart deserves vibrant, welcoming spaces where everyone can connect, move, and thrive. (We also believe that applies equally to all cities and towns across the nation!)

We understand the interim report has been created to help generate solutions to counter Australia's falling productivity, focusing broadly on three recommendations: reforming quality and safety regulation, improving partnerships for care services and national framework to support government investment in prevention.

Our ideas are focused on the third area - prevention - and specifically focus on the linkages between population health, transport and placemaking. The ideas are in the national interest, fiscally responsible (likely to significantly reduce future health care burden) and practical. We also consider they will help ensure "*a more dynamic and resilient economy*" – with the ultimate goal being to improve the quality of life for all Australians.

Chapter 3 - A national framework to support government investment in prevention

We agree with all four key points in the summary on page 51 of the Interim Report. The key information outlined on pages 52-70, and the graphs provided (Figs 3.1-3.4) all help portray the value of early intervention and possible funding mechanisms and models for the Independent Prevention Framework Advisory Board (PFAB).

We think the National Prevention Investment Framework (NPIF) is a model worth trying, and particularly with the backing of the PFAB to develop an actuarial model for analysis of programs. The modified budget process for prevention programs also has significant merit. As a small state, with a significant health burden, we can see how Tasmania would benefit from having an improved budget process - particularly if the Federal funding is tied to State and local co-contributions.

For this consultation process, we have read widely from peak professional bodies such as Climate and Health Australia, Planning Institute of Australia, and have used these to complement the proposals in the interim report.

We advocate for primary prevention in the broadest possible sense - improving the design of the cities and towns in which nearly 18 million Australian live for better health and productivity outcomes. The Australian Government, in agreement with all states and territory governments, made a commitment through the National Urban Policy to ..."planning metropolitan regions which are well-connected, foster active transport, drive innovation and support our cities and suburbs as hubs of productivity". It outlined that the Australian Government has unique capacity, as a policymaker, investor and regulator, to foster collaborative action across partner governments to support delivery of a shared national vision¹.

Health impacts of Australia's transport system

Negative health impacts from our transport system include injury and chronic diseases, including cardiac arrests, asthma, respiratory disease, strokes, diabetes, lung cancer, adverse

¹ Department of Infrastructure, Transport, Regional Development, Communications and the Arts (2024) *National Urban Policy: A vision for the sustainable growth of our cities and suburbs*, p.6, 13,

birth outcomes, impaired cognitive development in children and accelerated cognitive decline in elderly people.

Traffic-related air pollution has far-reaching health impacts, placing a significant burden on the healthcare system and affecting productivity (Figure 1). A recent estimate from the University of Melbourne suggests traffic-related air pollution is linked each year to 11,000 premature deaths, 19,000 hospitalisations due to cardiovascular and respiratory disease, and 66,000 asthma cases in Australia². There is growing evidence of the impact of air pollution on human cognition. Increased exposure to ambient air pollution is linked to impaired neurodevelopment in children³.

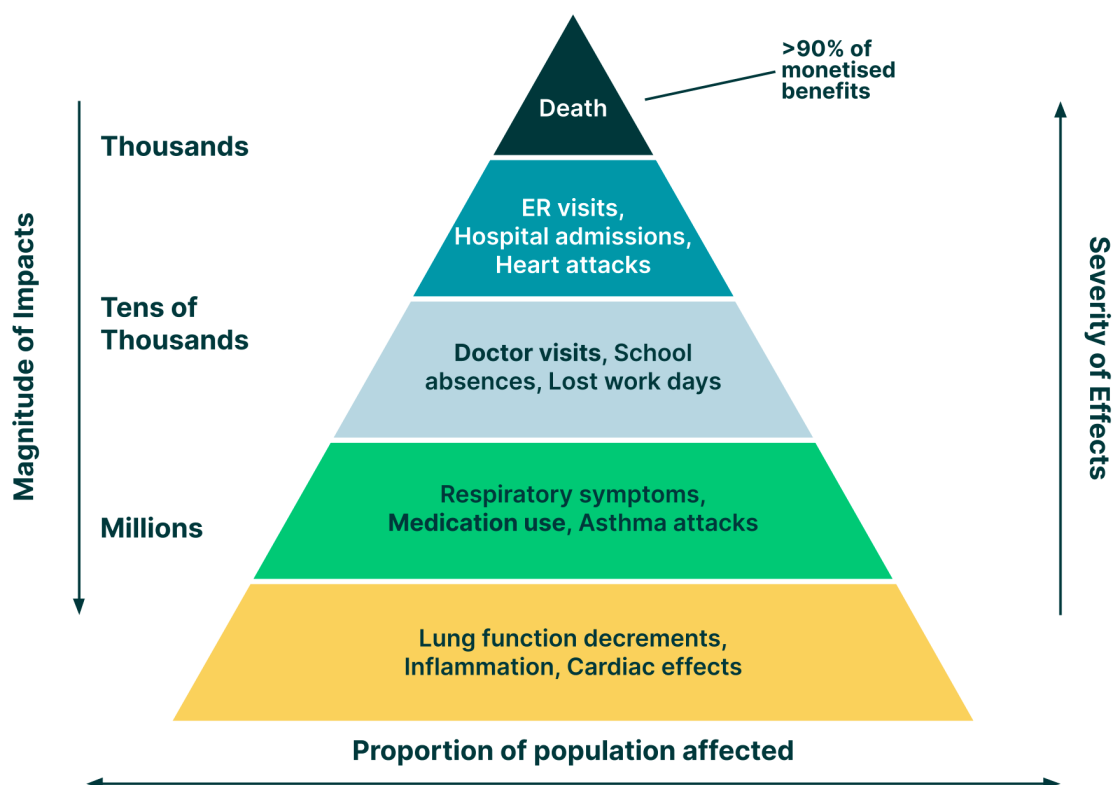


Figure 1. Pyramid of effects from air pollution. Source: US EPA, BenMAP

Physical inactivity is a global public health challenge, partly due to urbanisation and increased use of passive modes of transport such as private motor vehicles (Brown et al. 2019). Australia is no exception – the majority of Australians do not meet the minimum

² Walter C., Say K., Irving L., et al. 2023, *Health impacts associated with vehicle emissions in Australia: Melbourne Climate Futures Expert Position Statement*. https://www.unimelb.edu.au/data/assets/pdf_file/0006/4498161/Expert-Position-Statement_Vehicle-emissions_FINAL.pdf

³ Morgan, Z.E.M., Bailey, M.J., Trifonova, D.I., Naik, N.C., Patterson, W.B., Lurmann, F.W., Chang, H.H., Peterson, B.S., Goran, M.I. and Alderete, T.L. 2023, *Prenatal exposure to ambient air pollution is associated with neurodevelopmental outcomes at 2 years of age*, *Environmental Health: A Global Access Science Source*, vol. 22, no. 1.

recommendation of physical activity⁴. Australians are also highly reliant on passive modes of transport – less than 5% of commuters travel as a pedestrian or cyclist⁵.

Physical inactivity increases the risk of many diseases and is causally linked to the burden from type 2 diabetes, bowel cancer, dementia, coronary heart disease and strokes, as well as uterine and breast cancer in females. It is the ninth leading preventable cause of ill health and premature death⁶.

Car dependency also causes road trauma, the leading cause of injury mortality and morbidity globally.

Active transport and urban planning

The shift to electrified transport is necessary but not in itself sufficient to create a healthy and equitable low emissions transport system. Many more health benefits can be unlocked by a more holistic shift from a car-dependent transport system to one which incentivises walking and cycling (active transport).

Replacing car trips with cycling or walking has been found to meaningfully increase physical activity levels, significantly reduce the risks of premature mortality and morbidity from obesity, cardiovascular disease, type 2 diabetes, dementia, ischaemic heart disease, cerebrovascular disease, osteoporosis, cancers, and other non-communicable diseases associated with inactive lifestyles⁷.

One study of longitudinal data from seven European cities underscored both the physical and mental health improvements associated with active transport. Active transport users reported higher self-perceived health and mental health than those using passive modes like cars or motorbikes. Cycling was associated with good self-perceived health and mental health measures like vitality, and fewer feelings of loneliness. Walking was associated with good self-perceived health, higher vitality, and more frequent contact with friends and family⁸.

⁴ Australian Institute of Health and Welfare (AIHW), 2023a, Physical activity. <https://www.aihw.gov.au/reports/australias-health/insufficient-physical-activity>

⁵ Australian Bureau of Statistics, 2021 Census data, Australia <https://www.abs.gov.au/census/find-census-data/quickstats/2021/AUS> - *Method to travel to work on day of census*, respondents could report up to three modes

⁶ Australian Institute of Health and Welfare (AIHW), 2021, [Australian Burden of Disease Study 2018: Interactive data on risk factor burden](#), AIHW website, accessed 17 October 2022.

⁷ Penn, A.S., Bartington, S.E., Moller, S.J., Hamilton, I., Levine, J.G., Hatcher, K. and Gilbert, N. 2022, *Adopting a Whole Systems Approach to Transport Decarbonisation, Air Quality and Health: An Online Participatory Systems Mapping Case Study in the UK*, Atmosphere, vol. 13, no. 3.

Jarrett, J., Woodcock, J., Griffiths, U.K., Chalabi, Z., Edwards, P., Roberts, I. and Haines, A. 2012, *Effect of increasing active travel in urban England and Wales on costs to the National Health Service*, The Lancet, vol. 379, no. 9832, pp. 2198-2205.

Rojas-Rueda, D., De Nazelle, A., Andersen, Z.J., Braun-Fahrlander, C., Bruha, J., Bruhova-Foltynova, H., Desqueyroux, H., Praznocy, C., Ragetti, M.S., Tainio, M. and Nieuwenhuijsen, M.J. 2016, *Health impacts of active transportation in Europe*, PLoS ONE, vol. 11, no. 3.

⁸ Avila-Palencia, I., Int Panis, L., Dons, E., Gaupp-Berghausen, M., Raser, E., Götschi, T., Gerike, R., Brand, C., de Nazelle, A., Orjuela, J.P., Anaya-Boig, E., Stigell, E., Kahlmeier, S., Iacorossi, F. and Nieuwenhuijsen, M.J. 2018, *The effects of transport mode use on self-perceived health, mental health, and social contact measures: A cross-sectional and longitudinal study*, Environment international, vol. 120, pp. 199-206.

However, shifting people from passive to active transport must be accompanied by appropriate urban infrastructure to ensure the safety of cyclists and pedestrians. Perceived risk is a key barrier to cycling, which can be overcome by separated and safe cycling infrastructure⁹.

Solutions

We have seen at least eight strategies developed by Tasmanian state and local governments to improve active transport over the past decade, but in most cases without any funding for implementation. The evidence is clear, there is a strong case for population wide preventive health outcomes by investing in active transport. We now need the Australian Government to take a leadership role to translate scientific evidence into on the ground outcomes. It has a significant lever through its funding programs. Here are our suggested amendments for the Commission to consider.

**New* Draft recommendation 3.2 - Everyone has access to safe mobility in Australia's cities, whether in a private vehicle, on public transport or walking and cycling*

We note the Federal funding allocation of \$17.1b for road and rail construction over the coming decade (to 2035-26)¹⁰. However funding for the Active Transport Fund over the coming 4 years (to 2028-29 FY) is \$100m, which equates to 1.2% of the roads budget (based on road funding over equivalent four year time period). International best practice is for at least 10% of road-related funding be allocated to active transport, with the UN recommending 20% allocation¹¹.

If a 10-20% allocation for active transport were implemented, and a funding agreement made between the Australian Government and the collective states and territories, through the NPIF, it would equate to \$1.7-\$3.4b invested by the Australian Government over the coming decade. If this were provided on a 50:50 basis to the state and territory governments, it would create a total of \$3.4b-\$7.2b public investment. This doesn't include any additional local government or private sector investment that would likely follow. Economic benefits of this combined Federal, state and territory investment (such as reduced health costs, reduced congestion, property value uplift) are estimated to be 5:1, suggesting an economic boost of \$17-\$34 billion to the nation's economy¹².

⁹ Marshall, W.E. and Ferenchak, N.N. 2019, Why cities with high bicycling rates are safer for all road users. *Journal of Transport & Health*, vol. 13. <https://doi.org/10.1016/j.jth.2019.03.004>

Useche, S.A., Montoro, L., Sanmartin, J. and Alonso, F. 2019, *Healthy but risky: A descriptive study on cyclists encouraging and discouraging factors for using bicycles, habits and safety outcomes*. *Transportation Research Part F: Traffic Psychology and Behaviour*, vol. 62, 587-598. <https://doi.org/10.1016/j.trf.2019.02.014>

¹⁰ Commonwealth Government, *2025-26FY Budget, Budget Paper No. 1, Statement 1: Budget Overview*, page 29 - https://budget.gov.au/content/bp1/download/bp1_bs-1.pdf

¹¹ Adhikari, A, Ryan, M and Harrington, M, The Australia Institute, *Proactive investment: Policies to increase rates of active transportation* (2024), page 2-3, 27 - <https://australiainstitute.org.au/wp-content/uploads/2024/10/Policies-to-increase-rates-of-active-transportation.pdf>

¹² Queensland Department of Transport and Main Roads (2023); *Queensland Cycling Infrastructure Investment Strategy and Business Case 2016-2026* - <https://www.tmr.qld.gov.au/travel-and-transport/cycling/cycling-investment-in-queensland>

**New* Draft recommendation 3.3 - Link infrastructure funding to alignment with the National Preventive Health Strategy objectives.*

Through the *National Preventive Health Strategy 2021-2030*, the Australian Government has noted that *Physical inactivity is a complex problem. A whole-of-systems approach to physical activity will be required to better support Australians to embed physical movement into their everyday life.* It also noted that in 2018-19, public health expenditure was 2.0% of total health expenditure across all governments, and set a target for this to rise to 5.0% by 2030. The Focus area “Increasing physical activity” included one of the policy achievements by 2030 of: *Prioritise urban design, land use and infrastructure to support physical activity by providing Australians with access to natural environments, public open spaces and green areas, and active transport networks*

Therefore, the Australian Government should explicitly link national infrastructure funding to projects that support and advance the objectives of the *National Preventive Health Strategy 2021-2030*. This will ensure better alignment between funding decisions and the delivery of these key national priorities.

Funding sources (budget positive outcomes)

Remove fuel tax credits

Additional to the options presented in interim paper 5 (*Investing in cheaper, cleaner Energy and the Net Zero transformation*) for new emissions-reduction incentives, such as phase-out of Fringe Benefit Tax incentives for electric vehicles, we advocate for the removal of fuel tax credits for businesses that use vehicles on non-public roads (mining companies, agricultural businesses). These fuel tax credits are forecast to rise from \$10.7bn this year to \$13.1bn in 2028-29¹³. The budget notes that they expect an increase in fuel use over the coming four years¹⁴. We consider this to be a perverse outcome, as the credits are effectively creating a disincentive to switch from fossil fuels to electric-powered (or lower emission) machinery and vehicles. Therefore, the fuel tax credits should be phased out, so there is a levelling of the incentives.

Remove exemption for utility vehicles (aka utes) from Luxury Car Tax

While the Treasury annually calculates the cost of other tax exemptions, such as the exemption of fresh fruit and vegetables from GST, there is no government measure of the cost or distributional impact of the ute exemption. Publicly available data indicates that a considerable number of utes are likely exempt from LCT each year, notably many of the 2023 best-selling utes have model variants whose cost exceeds the LCT threshold (such as the Ford Ranger and Toyota HiLux).

¹³ Commonwealth Government, *2025-26FY Budget, Budget Paper No. 1, Statement 5: Expenses and Net Capital Investment*, Table 5.3.2 - Top 20 programs by payment, page 120 - note that this is the 18th highest expenditure program by Australian Government.

¹⁴ *ibid*, Refer figures for Fuel Tax Credits Scheme in Table 5.12.1 on page 136, and notes below.

Currently the Commonwealth Government forgoes at least \$250 million in tax revenue (2023 value) by allowing large, expensive utes to be exempt from the Luxury Car Tax¹⁵.

If this revenue were entirely reallocated to the Active Transport Fund it could potentially increase it by up to tenfold, from the current \$100m over the coming 4 years (to 2028-29 FY) to \$1bn. However, it is likely the removal of the tax incentives would lead to a decline in large ute sales, so the net result would be less than \$1b. It would still be positive for reducing greenhouse emissions, as many of those needing a vehicle would be selecting a more appropriate size for their business needs.

Additional measures - investment in climate adaptation and resilience

With the changing climate, Australians need resilient cities and regional centres to help improve health outcomes. The Federal government has a significant role in planning, designing and maintaining the infrastructure that services our populations. Following measures are considered complementary to the objectives for this report.

Establish a Federal Government Architect of Australia

As the built environment undergoes rapid decarbonisation, there is an urgent need for a shift in policy to focus not just on the verification of end-building products, but also on the front-end design process and urban interventions. To ensure the success of retrofits and adaptations, a higher level of expertise from design professionals is essential.

Establishing a Federal Government Architect of Australia would provide the federal government with a powerful mechanism to coordinate policy, drive national scale innovation, and ensure that taxpayer dollars are invested in resilient, high-impact public infrastructure¹⁶

Strengthen the National Urban Policy to include a spatial strategy and infrastructure plan for managing population growth.

Australia's cities and regions are experiencing rapid population growth, placing significant pressure on housing, infrastructure and services. While the new National Urban Policy is a positive step in the Australian Government's leadership on urban challenges, Australia needs a clearer spatial strategy to guide where and how growth occurs.

Urban biodiversity and active transport corridors should be integrated into cities and towns (both existing and planned) and align with blue-green infrastructure.

¹⁵ Thrower, (2024) The Australia Institute, *Luxury Car Tax and the ute loophole* -

<https://australiainstitute.org.au/report/luxurycar-tax-and-the-ute-loophole/> - Author calculates a LCT payable of about \$321 million, this is adjusted down to 'over \$250 million' to ensure figures are highly conservative and to account for lack of data on proportion of sales of each variant/trim, which would affect the cost of the car. For instance, the 2024 Ram 1500 TRX Final Edition (4x4) is priced at \$249,950 before on-road costs, and avoids more than \$50k in tax due to its exemption from LCT.

¹⁶ Architects Institute of Australia - 2025 Australian Federal Election Priorities. Suggested to be part of the Department of Infrastructure, Transport, Regional Development, Communications and the Arts (DITRDCA).

Such measures will significantly enhance transport choice, environmental resilience, help mitigate flooding risk and reduce urban heat¹⁷.

A cohesive national spatial strategy and infrastructure plan will ensure growth is well managed, equitable and sustainable. Without coordinated planning, we risk worsening housing shortages, congestion and reduced liveability.¹⁸

Link infrastructure funding to alignment with the National Urban Policy and National Housing Accord objectives.

Under the National Urban Policy, the Australian Government has already committed to a review of existing urban funding to identify opportunities for more integrated, strategic, urban investment and planning. Expanding this to explicitly link national infrastructure funding to projects that support and advance the objectives of the National Urban Policy and National Housing Accord will ensure better alignment between funding decisions and the delivery of these key national priorities.

Appropriate levels of infrastructure investment prioritising residential apartment buildings and “missing middle” housing will result in more affordable housing outcomes. Investment in sustainable and climate resilient communities will result in smaller operating carbon footprints of our cities.

We trust our recommendations are able to be integrated by the Productivity Commission into the final report.

Yours sincerely

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¹⁷ Climate and Health Alliance, 2023, *Clearing the air - Transport decarbonisation and health - a rapid evidence review*, pages 8-10, 26-27

¹⁸ Planning Institute of Australia - Planning for a Better Future - Federal Election Priorities 2025