Sustainable Transport: Bridging the Gap between Policy Rhetoric and Action
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Awais PIRACHA
Course Advisor Planning
School of Social Sciences
University of Western Sydney
Locked Bag 1797, Penrith South DC
NSW 1797, Australia
Phone: 61 2 4736 0049
Fax: 61 2 4736 0150
Email: a.piracha@uws.edu.au

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Running Head: Policy Rhetoric and Action in Sustainable Transport

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Abstract
Ecologically sustainable development (ESD) is the stated planning policy in many countries including Australia. The increasing concern for the climate change by the Commonwealth, numerous awareness campaigns on sustainability, and environmental impact assessment requirements point to the policy direction in Australia.

Concern for sustainability is also widely shown to exist in many organisations in Australia. This is presented on their websites, disseminated through pamphlets, mail, and in the form of recycled products, joining environmentally friendly organisations, companies’ statements available over the internet, planting trees or cleaning up the coast lines and many more initiatives.

Use of private car has been identified as a major contributor to air pollution, sprawl, traffic congestion, and greenhouse gas emissions. As such it is not surprising to find a plethora of schemes and initiatives that promote public transportation and discourage over-reliance on the private car.

Despite the high level of environmental awareness and knowledge of the harm cars cause, the number of cars on Australian roads keeps on rapidly increasing. The per capita mileage also keeps on growing every year. This suggests that even when the problem and required measures to address it are clearly identified, there can remain significant gaps between the policy rhetoric and action.

Australia (along with a few other countries) has a peculiar set of taxation mechanism in place which through direct subsidies encourage rapid rise in car use. Even environmentally conscious organizations such as universities and the local governments are actively facilitating use of these subsidies by their employees.

This paper analyzes the mechanisms that encourage car use in Australia. With the help of a survey, it also looks closer into the gap between the intension and the real actions of the environmentally conscious public organizations and individuals when it comes to car use. It focuses on gaps between rhetoric and action and seeks to identify the reasons.
1. Introduction

Australians are driving more cars, more often. Over the last 30 years the total number of Australian cars has grown three times faster than population (NSW Greenhouse Office, 2007). In the last decade, in Sydney the number of kilometers traveled per vehicle has risen more than twice as fast as the population with private cars producing 47%, and commercial vehicles 25%, of all NSW transport emissions in 2002 (NSW Greenhouse Office, 2007).

Burning of fossil fuels is the most significant source of carbon dioxide emissions world wide and carbon dioxide is identified as the chief contributor to global warming (Reese, 2007). There are four main sources of greenhouse gas emissions these include burning of fossil fuels for electricity, industrial and commercial use of fossil fuels for heat, emissions from agriculture and miscellaneous activities, and the burning of fossil fuels for transportation (Reese, 2007).

Australian Local Government Association on its report on sustainable transport (ALGA, 2007) describes the transport problem (resulting from excessive dependence on and fast growing use of cars) in terms of:

- Climate Change: Fuel use in transport is a substantial source of greenhouse gas emissions.
- Congestion: contributes to various problems involving travel time, further emissions, behavioural issues, health risks, and loss of economic profit
- Environmental Damage: Car usage produces 1/3 of Australians carbon output.
- Access and Equity: The western car culture is creating an environment in which those without vehicle transport cannot gain access to vital resources.
- Policy: various policies rather than deter un-sustainable practices, instead promote car dependency. e.g. Fringe Benefit Tax system.

When all the negative environmental impacts of automobile use are well known, why are people still driving their cars more? This paper tries to address this question by highlighting the difference between policy and rhetoric on environmental sustainability in relation with transport. It does so by looking into the rhetoric and reality of various levels of government, private organizations and individuals.

The information used in this research came out of number of sources. This author conducted a survey of students at the University of Western Sydney and the Queensland University of Technology on factors influencing students’ choice of employers. Discussions with the students in this author’s Transport Planning class are another source of contribution to this paper. Information was also collected through meetings and phone calls at various local governments and private organizations on their transport policies. This author is indebted to his students in helping him out in that regard.

Ecologically sustainable development (ESD) is the stated planning policy at all three levels of government in Australia. The ratification of the Local Agenda 21 by the Commonwealth of Australia is a strong indication of commitment to sustainability by Australia. Most public sector organizations including local councils also promote sustainability initiatives by various actors within the community.

The concern for sustainability is widely known to exist in many organisations. This is presented on their websites, disseminated through pamphlets, mail, and in the form of recycled products, joining environmentally friendly organisations, companies statements available over the internet, planting trees or cleaning up the coast lines and many more initiatives.
A survey conducted by this author with the planning and construction management students (individuals) at the University of Western Sydney and Queensland University of Technology indicated no particular preference for employers that provide company cars.

This brings out the issue of gaps between rhetoric and action. If the governments, organizations and individuals really had a strong culture in favour of the environment this would also reflect in their transport related policies and preferences especially when it comes to car use. If they really were serious about sustainable transport, the governments, and public and private organizations and individuals would make sure that their policies and choices result in a reduction in cars use.

The area of transport offers an interesting insight into policy rhetoric versus action. Whilst governments are committed to achieving Ecological Sustainable Development they appear to be achieving the opposite when it comes to Australian cities. In particular the way their transport related decisions shape the spatial dimensions of the urban environment and the way that affects our individual behaviour. The paper aims to highlight this gap by analysing Fringe Benefit Tax arrangements in relation to company cars popular with organizations and individuals.

It can be argued that there are gaps between rhetoric and action of public and private organisations in terms of what they are saying about helping the environment and what they are actually doing about the environment. Also there seems to be a gap behind individual choices when it comes to the environment in particular regarding car use.

Section two of this paper describes and analyses the Australian Federal Government’s FBT (Fringe Benefit Tax) system. It demonstrates the FBT system is encouraging excessive and wasteful use of cars in Australia.

Section three looks at the transport policies and actions of the Local Governments. Many local governments in Australia are very liberal in provided FBT based leased cars to their employees. They tend to offer cars as attraction for employment with them. The section analyses the situation at three councils in Sydney Metro.

Section four discusses the policies and actions of private companies in relation to sustainable transport. While these organizations seem to be ahead of public sector organizations in making transport sustainable there is still a substantial gap between their rhetoric and reality.

The fifth section describes findings from a survey this author conducted to determine individuals’ preferences for company cars (in choosing their employers). And the sixth and the last section presents conclusions. The conclusions could have been more forceful if this author has been more successful in obtaining historic data on car leasing to its employees by individual organizations. Unfortunately most organizations were very unwilling to share this information with this author. That information is still being chased.


There are calls within Australian economic circles for tax reform to rectify what can be seen as giving preference to a system that encourages an increase in vehicles and urban congestion under the current FBT regulations. Hatfield Dodds. (2003) suggests that the ‘FBT system provides a significant concession for employer provided vehicles…’ even when that vehicle is predominately used for private use. It is estimated that purchasing a vehicle under the FBT system reduces the real cost by up to 50% and that 40% of peak hour traffic consists of corporately owned passenger vehicles or provided though the FBT salary packaging provisions. (Hatfield Dodds. 2003)
2.1 The FBT Policy

According to Smart Company (2008) motor vehicle related fringe benefit tax concession claims are sharply rising. The value of claims for FBT concessions on company cars was almost 50% higher than Treasury forecasts in 2007-08. In the current FBT system, company cars receive a greater FBT concession if they travel more. Smart Company reports that a coalition of taxation groups is calling for reforms to reflect the environmental cost of car use. The Taxation Institute of Australia (a part of the coalition) senior tax counsel Michael Dirkis explains that businesses have an incentive to make sure work cars travel further.

“It just doesn’t make a great deal of sense to have people driving around the country just to avoid a tax liability, so we’re calling on the Government to implement a simple set of rules that provides the concession without the mileage requirement,” Dirkis says.

Company cars are becoming more and more popular for employees of large companies. The problem of FBT essentially starts with its statutory formula. This taxation formula encourages individuals to drive company cars more to save on the amount of money they are taxed. Put simply, “if you drive more kilometers the FBT rules increase the concessionary benefit of having an employer-provided car” (Greco, 2008).

<table>
<thead>
<tr>
<th>Percentage applied to cost of car</th>
<th>Kilometres travelled</th>
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<tbody>
<tr>
<td>26%</td>
<td>&lt; 15,000</td>
</tr>
<tr>
<td>20%</td>
<td>15,001 to 24,999</td>
</tr>
<tr>
<td>11%</td>
<td>25,000 to 40,000</td>
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<tr>
<td>7%</td>
<td>&gt; 40,000</td>
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As can be seen from the table above, the more you drive, the less tax you pay. Important to this argument is to highlight the amount of money that the Australian government (Australian Tax Office specifically) does not tax individuals that drive company cars. For example – An individual drives his/her company car 16,000 km’s per year. This means that he/she will be taxed on 20% of the total car costs. This 20% is essentially a dedicated part of the employee’s salary sacrifice package i.e. income tax deductible.

Therefore, environmental groups and lobbyists are pointing out that these tax concessions are adding up to a large sum of money. They argue that the Australian Government is spending money on polluting the environment.

The Australian Conservation Foundation (ACF) is at the centre of this debate and stands behind a move to abolish the company car subsidy that is provided under the FBT policy. ACF Executive Director, Don Henry has highlighted that “Treasury predicts by 2009-10 taxpayers will be spending more than $2 billion a year subsidising the use of company cars through a fringe benefits tax break”. Henry also claims that “…eighteen per cent of greenhouse pollution from the car sector is coming from company cars, and in our view the average taxpayers shouldn’t be paying for that.” (Davidson, 2007)

Apart from the massive amounts of money that is being spent on company cars, the FBT also puts forth another major obvious problem. FBT brings more cars to the road. It completely (indirectly) offsets the efforts of the Australian Government to reduce car dependency. For employees of large companies, a company car is an attractive option.

A survey by a research team at Latrobe University on the driving habits and vehicle data of 2766 taxpayer/ratepayer-funded cars supplied by 37 universities, more than 100 Victorian local governments and four Victorian departments discovered that up to 80 per cent of FBT
recipients lived within 15 kilometres of the office, indicating an estimated annual mileage for the round trip to work of 7200 kilometres or less. But 80 per cent of cars surveyed declared an annual mileage of more than 15,000 kilometres. The researchers point out that the FBT perk is predominantly offered to white collar, desk-bound employees. (Davidson, 2007).

The research clearly suggests that 20 per cent of the case study drivers had aimed to reach the necessary kilometer (15,000km, 25,000km or 40,000km) for the FBT concession with no regard to climate change. It was also highlighted in that research that under the current FBT regime if one travels a mere 3700 km to get to the '15,000 km band' for a tax break, the extra petrol cost is $525 but the FBT savings is $1960. The system overwhelmingly rewards higher mileage to the cost of the environment.” (Davidson, 2007).

2.2 The Policy Rhetoric

Green Vehicle Guide is one of the Australian Government initiatives to promote and encourage the use of cleaner cars. The ‘Green Vehicle Guide’ (GVG) website is aimed at helping individuals choose cleaner (greener) cars. The GVG website is packed with detailed information about all types of car makes. The information includes greenhouse ratings (based on CO\textsubscript{2} emissions), air pollution ratings, and overall star ratings to help choose the best type of car. Above all, it can be argued that the GVG website is a means of showing the public that the government wants to reduce vehicle emissions. The GVG website is also a “smarter way to help the environment and save money” (Lloyd, 2006).

Greenfleet is a ‘not-for-profit’ organisation that allows large companies to offset their greenhouse gas emissions by planting native forests. The ‘Greenhouse Friendly’ program is in a way Australian government initiative – “Greenfleet has received Australian Government approval to provide offsets under the Greenhouse Friendly™ initiative” (Wong, 2008). As the public is becoming increasingly aware of climate change and how greenhouse gasses exacerbate the problem, many large companies are starting to incorporate ‘carbon offsetting’ into their corporate responsibility policies.

Travel Smart Australia is a government based program that brings together federal, state and local governments and community groups to promote and encourage people to make voluntary changes in their travel choices. In particular, it is encouraging people to catch a bus, catch a train, catch a ferry, ride a bike, or practise car pooling instead of driving in a car alone. Travel Smart Australia recognises the problem of climate change and understands the effect that vehicle emissions have on the environment. Travel Smart is essentially a government based program that is trying to change the culture of car dependency and individual choice in regards to travel needs (http://www.travelsmart.gov.au).

2.3 The Gap

The Gap between Rhetoric and Effective Policy is summarized in the following table.

<table>
<thead>
<tr>
<th>RHETORIC</th>
<th>ACTION</th>
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<tr>
<td>• Government promotes greening of cars (Green Vehicle Guide)</td>
<td>• Government subsidy of nearly $2 billion dollars per year goes to FBT/ company cars</td>
</tr>
<tr>
<td>• Government promotes the Greenfleet program for offsetting carbon emissions</td>
<td>• FBT essentially brings more cars to the road</td>
</tr>
<tr>
<td>• Government promotes public transport and car pooling to reduce carbon emissions</td>
<td>• More cars mean more CO2 emissions.</td>
</tr>
<tr>
<td></td>
<td>• Government is arguably ‘paying nearly $2 billion dollars to pollute the environment.</td>
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So far we have seen that surprisingly the federal government is promoting car culture for both individuals and business through the use of the tax systems which creates a system where the use of company cars is highly beneficial.

Other levels of government also have conflicting objectives and policies on sustainability related with transport. In section 3 policies and actions in of three local governments in Sydney Metro have been analysed for sustainability in relation to transport.

In the following a comparison of the situation in Australia with overseas is presented. While Israel has seen fast proliferation of the company cars, the UK experience is that of reduction in those numbers. In both cases it relates to the taxation policies in Israel and the UK.

2.4  **The Fringe Benefit Experience: Israel and UK**

The dramatic increase in numbers and use of company cars in Israel has been directly correlated to the Israeli taxation system and a lack of coordination or oversight between government ministries, policymakers and specific organisational policies. Cohen-Blankshtain (2007) has identified that the jurisdiction of company cars ‘does not fall within the Ministry of Transport (MOT), but rather of the Ministry of Finance (MOF) as part of the general taxation framework’ and this has led to a ‘by the way’ or unintended transport policy that has seen increasing numbers of company cars throughout Israel.

The use of company cars in Israel has increased from 63,383 in 1983 to 229,913 in 2006 (Cohen-Blankshtain, 2007). This rise came about for two reasons: first, the Israeli economy was booming during the 1990’s and the market was flooded with cheap Japanese vehicles and secondly the MOF reduced taxes on the purchase of vehicles which in turn led to an increased share of company cars. Taxation reforms introduced in 1994 meant that it was more beneficial and cost effective for a company to give an employee a company car instead of increase in salary. It is therefore inferred that Israel’s transport policy has come about as a by-product of a MOF decision and policy with no cooperation with the MOT.

The United Kingdom however, has seen a reduction in the number of company cars on the roads since the 1980’s when taxation reforms were introduced to correct a bias that favoured company car ownership, thereby targeting employers and employees by reducing the benefit associated with company cars and non business travel.

A further reform introduced in 2000 was designed to reduce emissions of CO₂ however this reform offers financial incentives for companies to ‘purchase vehicles which emit lower levels of CO₂ and to reduce unnecessary miles’ (Cohen-Blankshtain, 2007) rather than reduce the amount of company vehicles on the road overall, instead the policy intends to reduce the environmental harm caused by additional company cars and also intends to cause an effect in the choice of vehicle.

3. **Public Sector Institutions**

Novated leasing (the FBT based car provision by employer) is a common practice in Australian public service at various levels of government. Within the NSW public service, 58 agencies offer all employees novated leasing of vehicles as a benefit (NSW Legislative Assembly, 2006).

A report has found that the government’s vehicle fleet has a high proportion of 6 cylinder vehicles using unleaded petrol with emissions increasing by 5% from 2007 (Millar, 2008). Of the executive fleet used by ministers 91% are 6 cylinder vehicles (Millar, 2008). “More than half the Government’s 5275 cars are six-cylinders” (Millar and Morton, 2008).
Greenhouse emissions from the State Government's car fleet are continuing to rise despite dire warnings of global warming and an environmental crisis (Millar & Morton, 2008) and it has been revealed that the government’s car fleet contract has been extended at a cost of $800 million despite media and public opinion about high emissions (Millar, 2008).

In the following transport policies of three councils in Sydney Metro have been described. This information was in part collected by UWS planning students from their contacts at these councils.

### 3.1 Sutherland Shire Council in the South

Sutherland Shire is one of the largest councils in New South Wales and covers a number of southern Sydney suburbs. The Council is taking a number of practical steps to reduce its transportation related environmental footprint:

Like other councils Sutherland Shire offers to its employees vehicles in which all maintenance, fuel, servicing, registration and other car expenditures are included. However, the council encourages four cylinder (Light Vehicles) instead of six cylinder vehicles provided to its employees.

The council encourages the use of LPG and diesel powered vehicles which are appropriate alternative to petrol. Under this new policy the lessee is also urged to optimize fuel efficiency and emission performance by regularly inspecting the vehicles tyre-pressure, wheels alignment, and avoiding unnecessary loads.

Sutherland Shire Council has implemented a Travel Pass Policy to encourage staff to use public transport by assisting them to purchase a season Travel Pass Ticket.

Consultation with the staff at the council revealed that even though the Light Vehicle Policy is effective for the environment it is not popular amongst staff. Most of the staff had reservations about downgrading to a smaller car, as most people like big luxurious cars. And of course the Light Vehicle Policy still encourages people to drive and lease more cars. A better option would be for the council to greatly reduce car leasing.

In fact car leasing at the council is growing as it saves them money. The Sutherland Vehicle Policy actually encourages people to drive more because a condition of lease is that the lessee drives a minimum of 25,000km.

A brief survey by a UWS planning student at Sutherland Shire Council indicates only a small percentage of the employees actually take up the concession travel passes.

### 3.2 Blacktown City Council in the West

Blacktown is situated approximately 35 kilometres from Sydney on the Cumberland Plain in the heart of Western Sydney. Blacktown City Council has a variety of transportation polices for both its employees and the general public. The transportation policies available to the employees include leases, free parking, and pooling arrangements.

Many employees of Blacktown City Council are provided with vehicles via a lease back arrangement. These lease back arrangements (based on the FBT) are provided as part of the salary package for an employee. They are part of the salary package which has a component lease fee that is paid for by the Council. Usually lease back arrangements are reserved for employees having relatively higher position in the Council. The Council has around 200 vehicles on lease back arrangements. The number of lease back vehicles tends
to remain static with little if any variation year to year. All council vehicles are parked in the
council car park at no cost. Parking for employees is also provided on Council grounds at no
extra cost.

### 3.3 Gosford Council in the North

Gosford City Council employs over 1200 people. This large LGA (Local Government Area) is
situated nearly 50km north of Sydney and covers an area of approximately 940 km$^2$. The
population of the LGA was 163,300 in December 2007. Through discussions with the Human
Resources department at the council the following was discovered.

According to council policy *D207- Environmental Policy*, ‘the decisions and activities of
Gosford City Council have a significant impact on the local and regional ecological systems’.
In this policy council has also stated, ‘through its policies, Council will achieve ecological
sustainability in accordance with and beyond the requirements of the Local Government Act
1993. Gosford City Council has taken steps to reduce its transport related footprint however
there do remain aspects that are questionable from an environmental aspect.

One of the main policies implemented by council is its promotion of car pooling. As
mentioned before council employs over 1200 staff member who travel to work everyday from
many different areas ranging from Newcastle to southern Sydney. In its attempt to curb the
number of commuters, the council created a website on the council’s intranet. The websites
function is to ‘match-up’ staff members that are traveling on the same route.

If a staff member wishes to car-pool all he/she has to do is to enter his/her address and
his/her route take to work and the website will match up staff members who take a similar
route. One flaw with this initiative is that there seem to be no incentives to encourage staff
members to take up this program. Also it doesn’t seem to be very effective in getting people
who wouldn’t have thought to car-pool.

Another program implemented by Gosford City Council is the incentives for taking the train.
Gosford has a salary sacrifice program for train tickets. The council buys the tickets in bulk in
advance to receive a discount. The council then simply deducts a weekly sum from
employees’ at a discount. This program is used by those who live close to a train line. One
problem with this program is that the majority of staff members live on the Central Coast that
has only one train line.

The council, as with many other local governments, use leased cars for its staff. Gosford City
Council manages its own leased cars. Data as to whether the leasing is increasing or
decreasing or the number of cars managed by the council was not made available for this
study. However, the council disclosed that for council 25,000-40,000km per year per car is
best range to make the car economical. As 25,000km is a large number, this leads to ‘March
Madness’ in words of Greco (2008).

Gosford City Council has attempted to reduce the number of private leased vehicles by
requiring all new leases to be reviewed to make sure that there is a need. They have also
restricted the departments that are entitled to a private lease car. Some of the departments
include the management, building surveyors, environmental auditors and planning
departments. The cars are planned to be used as council cars during business hours for
duties such as site visits. Although council has attempted to limit the number of private lease
cars, they are still using it as an incentive to prospective employees when advertising a
position (GCC website, 2008).
4. Private organizations

In the following an analysis of sustainability elements in the transportation policies of three large private companies has been presented. It seems that the companies are a bit more advanced than the public sector in adopting strategies for reducing environmental impact of their transport. However, their policy rhetoric also seem to exceed their actions on sustainable transport.

4.1 National Australia Bank

Transport Ticket Loans: This policy provides the opportunity to purchase the yearly transport ticket using an interest free loan facility. This loan is used to reimburse the purchase price of the ticket and have repayments made directly from your salary for the duration of the loan.

Job Required Vehicle and Pool Cars: Vehicles provided by the National Australia Bank are leased from Custom Fleet on a fully maintained lease basis. All vehicles are supplied by the manufacturer Toyota. As of the 1 March 2006 all new job required vehicles and pool cars classified in the metropolitan area will be 4 cylinder sedans. (Personal Communications with the Bank, March 2008).

Fringe Benefit Tax for Packaged Vehicles: National Australia Bank (NAB) provides the opportunity for employees to lease a car from Custom Fleet through their remuneration package. A novated car lease is a non-cash benefit which attracts Fringe Benefits Tax (FBT). It is a three-way lease agreement between the employee, National Australia Bank and Custom Fleet.

Employees will be responsible for the actual Fringe Benefits Tax cost payable to the Australian Tax Office (ATO) for their leased vehicle each FBT year. National Australian Bank offers three types of novated leases; novated operating lease, novated finance lease, and budget finance lease. Novated operating leases and novated finance leases both apply to new vehicles only. When a car is returned under novated operating leases, no residual risk is carried as it is borne by Custom Fleet. However, the residual risk is borne by the employee and the operating costs (excluding fuel and Fringe Benefits Tax) are fixed for the term of the lease under novated finance leases (National Australia Bank, 2007).

Package Parking: Other than General Managers, leased parking spaces are on a ‘first come, first serve’ basis and must be in facilities that are owned or leased by National Australia Bank. However, through correspondence it is known that parking is expensive to lease if a car is also leased under the organization.

Through the given transportation polices provided by National Australia Bank, it can clearly be derived that the organization caters for motor vehicle dependency. There probably are not many incentives to take other means of transport such as trains and buses or cycling to work. The public transport stoppage policy and transport ticket loans seem to be the only policies that have any reference to transport other than a motor vehicle.

4.2 Telstra

Telstra is Australia's leading telecommunications and information services company. The Telstra fleet is the largest private fleet in the nation with a massive 14,960 vehicles as of June 2007. The organisation has taken practical steps to reduce its transport related environmental footprint. Telstra has placed an importance on buying LPG cars and diesel vans for their large fleet. It is a cleaner option and ultimately reduces CO2 emissions. In 2007, the number of LPG vehicles in the Telstra fleet was 2,122 – an increase from the 1,174 LPG vehicles the previous year. Telstra’s calculations have shown that over 2007, LPG
vehicles saved 1,833 tonnes of CO² emissions and diesel vehicles have saved 1,434 tonnes of CO² emissions (Telstra, 2007).

Discussed in the 2007 ‘Corporate Social Responsibility Report’ is the concept of ‘carbon offsetting’ (Telstra, 2007a). The report highlights that the CO² emission savings (of the LPG vehicles and diesel vans mentioned previously) put together “equates to a carbon offset equivalent to taking 700 average cars off the road for one year”. What must be acknowledged here is that this measure is not so much preventative, but more rather ‘counter-balancing’. Whatever effects Telstra cannot help but inflict on the environment (through business and service commitments) can be offset by smart choices in its vehicle purchase. To further extend this point, Telstra have made hybrid cars, such as the ‘Toyota Prius Hybrid’, available as salary a sacrifice vehicle (Telstra, 2007a).

Telstra’s vision to reduce its transport related environmental footprint is lined with the concept of carbon offsetting. Evidence to this statement is Telstra’s partnership with Greenfleet. Greenfleet is a ‘not-for-profit’ organisation that plants trees to offset CO² emissions from large car fleets. It is important to consider that for each ‘salary packaged vehicle’, a payment is made (by the employee) to Greenfleet. This payment is then used to plant trees which counter-balance vehicle CO² emissions.

As a result of the measures adopted by Telstra its annual greenhouse gas emissions have dropped by a small percentage. This is an achievement when compared with many government organizations.

4.3 Woolworths Limited

Woolworths Limited currently operates more than 3000 locations and employees over 180,000 staff. The supermarket serves over a million customers a day. But as with any company of this size it has a considerable impact on Australia’s; economic, social and environmental (transport) balance. (Woolworths, 2007)

The “Sustainability Strategy 2007-2015”, is the key policy concerning the reduction in Woolworth’s environmental footprint. It outlines the main challenges that are faced by the supermarket in the areas of climate change (including transport), water usage, sourcing, packaging, waste and store design. Extensive data was gathered to create a current picture of Woolworths in terms of their environmental damage (Woolworths, 2007).

Woolworths continued profit relies on freight transport. Due to this, transport has been outlined as a major focus area. In its current state Woolworths produces around 410 kilo tonnes of CO2 per year. Their aim is to reduce it by 25% over the next 6 years (Woolworths, 2007).

To achieve that target Woolworths has devised a 3 tier strategy to reach that 25% reduction in total carbon emissions.

1. Alternate fuel usage in trucks (13 percent reduction). Changing freight transports to bio-diesel, which will be a combination of 80% diesel and 20% biomix fuel. This has already being trailed and successful implemented in the Victorian truck fleet its prediction that it will save 11,000 tones of emissions in Victoria alone.

2. Vehicle design (8 percent reduction). Aerodynamic trailers and cabs will be incorporated into the fleet alone with European style engines, experimental hybrid trucks will also be considered.
3. Reducing distance travelled through efficiency (4 percent reduction). Includes fleet efficient planning (truck monitoring); regional disruption centres to reduce trip lengths. For example a liquor truck travels to Penrith every day from Moore Bank return. The new scheme will see one trip to a regional centre and shorter trips to individual stores.

The Sustainable strategy outlines research into their 2,600 strong cooperate fleet to adopt hybrid fuelling technologies. However, these figures were for the shared fleet cars and not for the fully leased cars (that the managers receive) or the novated leased cars.

So is Woolworths moving towards a sustainable transport future? There are several initiatives in place to reduce the environmental impact of the company’s transport. However, the exact data on the cars leased to Woolworth’s employees was not available for us. One only wonders why is such information not freely available from the company?

5. Claimed Individual Preferences

A survey of 34 planning and 51 construction management students from the University of Western Sydney and the Queensland University of Technology was conducted to gauge their preference for cars in choosing employers. Through informal communication this author had learnt that employing organizations (such as councils) offer cars as employment benefit to attract good employees. The objective of this survey was to test this claim.

The students were asked to rank their preferences of five different employment benefits. They provided relative rank (of their choice) for the following: company car, flexible working hours, flexi days, additional superannuation and maternity leave and childcare.

As figures 1 and 2 indicate, both the planning and the construction management students do not consider company cars as a high priority in selecting employers. Flexible working hours and flexi days are more important for them.

This brings us to the conclusion that either the employers are mistaken in their belief that cars are what the prospective employees are after or the individuals’ claims and their real actions about cars have a gap.
The theoretical debate on consumption provides one possible explanation for this gap. Having its origin in destruction (dictionary meaning) consumption has become a very positive notion (Mackay, 1997). It is good to consume for happiness and for success of the economy which is intricately linked with people’s livelihoods. The assumption and the contemporary paradigm of consumption being good can partially explain both individuals’ behaviour as well as official policies on cars. Self identity through consumption and distinguishing oneself through power and ability to consume (Mackey, 1997) can also explain individuals behaviour related to car use.

Freudendal-Pedersen (2009) discussion on people’s justification to prefer cars due to impossibility of travel with kids on public transport and poor quality, low frequency and delays in public transport provides us with another explanation. Freedom and ability to move is now taken for granted as a fundamental right like any other. Through her so called “Structural Stories” Freudendal-Pedersen (2009) examines the most common narratives about mobility within everyday life conversations: an example of which is, “when one has children one needs a car”. There is a very strong and complex human dimension attached to continued reliance on cars.

6. Conclusions

The gap between policy rhetoric and action is clearly visible when it comes to what governments, employing organisations and individuals say about ecological sustainability and what they are actually doing about it. The rising number of cars on the roads today during peak hours reflects both individual choice and transport policies of governments and employing organisations. It is clear that if organisations provided more incentives for workers to reduce car use and use alternative transport methods this would reflect in individual behaviour and a reduction in congestion on roads. It is apparent that employing organisations have stated that they are environmentally friendly and ecologically sustainable but there is little evidence of the policy in their efforts in transport.

The initiatives of the Australian government for reducing car dependency and subsequent vehicular emissions are undermined by its FBT policy. This is counterproductive to its environmental sustainability goals and highlights the contradiction that exists between policy rhetoric and action. If the government is serious about achieving ecological sustainable development these contradictions needs to be addressed.

Employers in Australia are providing an ever increasing number of cars to their employees. The employees are happily taking them up. The employers, guided by the FBT regime, encourage their workers to drive more. Employees are happily obliging. Employing organizations and individuals need to closely look into the gap between their sustainability claims and rhetoric and their real actions.
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