CITY OF MELBOURNE

City of Melbourne submission to Infrastructure Victoria

Discussion Paper – The Road Ahead

February 2017

1 Background

This submission has been developed by the City of Melbourne administration. It is based on existing approved City of Melbourne policy and strategy, but the submission itself has not been formally endorsed by Council.

1.1 Context

The City of Melbourne is the centre of Metropolitan Melbourne and has unique capital city responsibilities and characteristics. It is the primary destination of nearly a million people each day and generates 30% of the Victorian Gross Domestic Product. Transport in the City of Melbourne is an intensive mix of trips to and from, through and around the central city.

1.2 City of Melbourne existing policy

City of Melbourne existing policy on road pricing is contained in the Transport Strategy 2012[1] (see page 55). Key parts of this policy are:

- Maintaining and enhancing access to the city for a wide variety of trip purposes is a key issue for the City of Melbourne.
- Council will only consider a congestion levy or 'City Access' charge to manage demand for private vehicle access to the Central City during peak periods once capacity issues on public transport have been addressed.
- There are a number of price levers in the transport sector which send mixed messages to users. These include tollway charges, on and off-street parking charges, registration fees, petrol levies and public transport fares. Most of these charges have been separately established to raise revenue or recover infrastructure investment. There is an opportunity to look at these in a more integrated way and consider how they can work together to achieve a more balanced transport system.

The Transport Strategy 2012 contains a vision of a connected city linked by a well-designed and efficient transport system. The strategy emphasises that future growth in transport in the City of Melbourne should largely be provided for by enhancing public transport, cycling and walking networks and transitioning away from motor vehicles as the dominant mode.

1.3 Overview of the submission

The City of Melbourne administration welcomes the opportunity to provide input on Infrastructure Victoria's discussion paper The Road Ahead – How an efficient, fair and sustainable pricing regime can help tackle congestion[2], released on 25 November 2016.

Improving the efficiency of access to the central city and movement around the central city is vital for the future of the City of Melbourne and the State of Victoria. Road pricing has long been considered a tool with significant potential to improve the efficiency of the transport network.

City of Melbourne's Transport Strategy 2012 recognises that existing price levers do not deliver the most efficient transport outcomes, but notes that improvements to public transport would be a necessary precursor to any central city access charge.

City of Melbourne supports a program of research and public discussion about road pricing and the opportunities it may offer to improve the city's transport system. The City of Melbourne administration would be interested to participate in this program.

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[1] http://www.melbourne.vic.gov.au/SiteCollectionDocuments/transport-strategy-2012.pdf
[2] http://www.infrastructurevictoria.com.au/sites/default/files/images/The%20road%20ahead%20final%20web.pdf

One important issue which should be considered in the discussion on road pricing is that one of its benefits may be the reduction in the need for the construction of major new roads. This would reduce the many negative impacts of new road construction, especially in built up areas, such as the central city. These impacts often include removal of trees, noise, pollution, loss of public space, community separation and potentially greater congestion on adjoining roads.

Another key issue for the City of Melbourne is to assess the opportunities that road pricing offers to improve the performance of on-road public transport. The current performance of Melbourne's extensive tram and bus network is significantly affected by traffic congestion. The on-road public transport network has the potential to move significantly more people in and around the central city at relatively little extra cost. Reducing the impact of traffic congestion would make a significant contribution to achieving that potential.

2. Details submission

This section contains the City of Melbourne's comments on the discussion paper. Comments are grouped under the chapter headings from the discussion paper.

2.1 Summary (Page 6)

The City of Melbourne agrees that building more roads does not permanently reduce congestion and may only deliver temporary relief, unless other measures are also taken to manage traffic quantity. It should also be emphasised that building more roads or increasing the capacity of existing ones can have other significant impacts. Adding capacity can worsen congestion on connecting roads or in nearby areas. Increased road capacity frequently requires more land, the removal of trees and open space, an increase in paved areas which worsens the urban heat island effect and reduced water infiltration, negative urban design outcomes, greater community separation, poorer conditions for people walking and cycling, more noise, more pollution and potentially greater road safety risks. The impacts of these negative outcomes are magnified in the busy central city because they affect so many people and because the scarcity of land means that loss of open and public space is very difficult to replace. Avoiding and potentially reversing some of these negative outcomes would be a significant benefit of a road pricing scheme.

The discussion paper states that adequate public transport – and other transport choices - must be in place prior to the introduction of a road pricing scheme. This is well aligned with the City of Melbourne's current policy both in terms of being a prerequisite for the introduction of road pricing and supporting the overall direction of the City of Melbourne's Transport Strategy 2012. The City of Melbourne would be interested in working with Infrastructure Victoria and the State Government to explore what public transport improvements and other transport choices would be required to support a road pricing scheme.

2.2 What is transport network pricing? (Page 10)

The City of Melbourne strongly agrees that engaging the community is critical to designing a successful road or transport network pricing system. Given that access to the central city will be a key consideration of any road pricing system, we would be pleased to discuss further with Infrastructure Victoria how the City of Melbourne could assist in community engagement on future stages of this work.

2.3 How can Melbourne address the congestion problem? (page 32)

The possibility that the introduction of driverless vehicles could lead to a significant increase demand to use the roads and greater congestion emphasises the need to consider road pricing sooner and to ensure any system is designed to address this possibility. City of Melbourne has published a report "Emerging transport technologies: Assessing impacts and implications for the City of Melbourne, February 2016"[3] which

[3] http://www.melbourne.vic.gov.au/sitecollectiondocuments/emerging-transport-technologies-report.pdf

recommends we take a leadership position in the assessment and analysis of disruptive transport technologies. It considers the impact of autonomous vehicles on congestion and reviews road pricing approaches to manage this.

2.4 Road pricing benefits and limitations (page 38)

The discussion paper notes that current modelling is yet to consider how a road pricing scheme might encourage a shift to active transport walking and cycling. The City of Melbourne has successfully encouraged greater use of these modes for many years and enjoys the highest level of walking and cycling activity in Victoria. We support a further shift to these modes and would be enthusiastic to work with Infrastructure Victoria and the State Government to model this shift and plan appropriate new infrastructure to support it.

The effect of congestion on the reliability and journey times of on-road public transport has very significant implications for the performance of the central city economy. Trams and buses play a vital role in moving people into and around the central city. Melbourne has one of the world's largest tram networks but some of the world's slowest tram speeds. About 80 per cent of the tram network operates in space shared with motor vehicles. The discussion paper notes that based on international models, road pricing could deliver a five per cent reduction in traffic and a reduction in journey times of one third. It also notes that in January 2016 trams ran on time about 80 per cent of the time, compared with about 73 per cent on time running in May (2016) or October (2015), an improvement of 9.5 per cent. This is a significant benefit of a road pricing scheme. Reduced tram journey times could allow the current tram fleet to offer more services at almost zero extra cost.

City of Melbourne supports more detailed analysis being done to investigate how a road pricing scheme could be specifically designed to benefit on-road public transport. This could also help alleviate current tram overcrowding (both at stops and on board trams and buses) and cater for the current strong growth in tram patronage.

The discussion paper suggests road pricing is likely to reduce emissions of greenhouse gas and other pollutants as well as support urban consolidation. The City of Melbourne strongly supports both of these outcomes.

Another possible benefit of road pricing could be encouraging greater vehicle occupancy and innovation in technology-enabled ride sharing allowing a similar number of people to access the central city but using fewer vehicles. Current car occupancy levels in Melbourne for the journey to work are around 1.07 people per vehicle (see Charting Transport[4]). Road pricing costs could be shared among people sharing a vehicle.

2.5 Road pricing models and mechanisms (page 44)

City of Melbourne administration does not have a view on what models or mechanisms are most appropriate for consideration at this stage. We would like to work with Infrastructure Victoria and the State Government to understand the benefits and impacts of the full range of approaches to road pricing.

Reducing motor vehicle journey times will mean greater overall travel speeds. This may have implications for road safety. City of Melbourne has a Road Safety Plan 2013-17[5] and a strong commitment to reducing road trauma for all and especially for vulnerable road users. Road safety implications should be a key part of the assessment of road pricing models and mechanism.

2.6 A way forward (page 52)

Based on existing City of Melbourne policies, the objectives of a road pricing scheme should include:

- Improving environmental sustainability

[4] https://chartingtransport.com/2011/08/20/whats-happening-with-car-occupancy/
[5] http://www.melbourne.vic.gov.au/SiteCollectionDocuments/road-safety-plan-2013-2017.pdf

- Improving on-road public transport performance (journey times and reliability)
- Encouraging greater use of public transport, cycling, walking, car sharing, higher vehicle occupancy and new efficient forms of transport
- Improving road safety
- Reducing the need for new road construction or road expansion
- Improving motor vehicle journey times
- Improving access to jobs and other destinations
- Supporting urban consolidation and other land use benefits such as a reduction in the amount of land used for car parking
- Improving delivery times for freight, especially last kilometer freight in the central city
- Reducing the amount of time wasted in travel to improve economic and social outcomes.

The discussion paper seeks feedback on how important public transport improvements are in order for road pricing to be successful. As already noted, the City of Melbourne considers that public transport improvements are vital to the success of a road pricing scheme to provide an alternative for people shifting from motor vehicle travel and to increase the level of access to and around the central city particularly for access to jobs.

2.7 Others comments

The City of Melbourne prefers that the term “central city” be used instead of central business district or CBD. The centre of Melbourne is not a business-only district but a mixed use precinct featuring a wide variety of activities. Also, the term CBD can sometimes be mis-interpreted as pertaining only to the Hoddle Grid which may result in community misunderstanding of how a road pricing scheme would work.