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Congestion Levy Review
Economic and Financial Policy Division
Department of Treasury and Finance
1 Treasury Place
East Melbourne Vic 3002

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1 May 2010

Dear Mr Monforte,

We thank you for the opportunity to contribute to the Congestion Levy Review. As you have identified, the Public Transport Users Association (PTUA) does have an interest in the operation of the Levy. We endorse its implementation, we encourage its continuance and we advocate that the funds raised be spent on sustainable transport alternatives.

We support measures that increase the sustainability of our community and the liveability of our cities. Shifting journeys onto more sustainable modes of transport, walking and cycling ahead of public transport and public transport ahead of private vehicle use, contributes significantly to this. With the current need to find solutions to climate change and peak oil, such a shift would be more cost effective and palatable to the community than many of the others measures being contemplated.

Inner Melbourne is well served by public transport infrastructure and the current service patterns favour peak period commuters to and from the CBD therefore of all travellers in Victoria, city workers have the least reason to use private vehicles. One of the most significant factors in the decision to drive or to find an alternative is the availability and cost of car parking.

The competitiveness of locations such as central Melbourne lies in activity density and agglomeration economies. Such locations will never be able to compete with suburban locations on the availability and cost of car parking or ease of private motor vehicle access. The success of locations such as the Melbourne CBD depends inherently on the quality of alternatives to driving so that large areas are not consumed by roads and parking at the cost of activity density. Attempting to allow a significant proportion of CBD access by car is destined to fail and lead to CBD decline [1].

In addition to encouraging more CBD trips to be made by modes other than driving, a parking levy can help to recover some of the huge external costs of motoring such as air, water and noise pollution; crash costs and land use opportunity costs [2]. Our calculations show that the social costs imposed by motorists are well in excess of the level of taxes and charges they pay, so there is no justification for the revenue from charges such as the Congestion Levy to be used to directly benefit motorists. Furthermore, while the \$5 million of Levy revenue directed to the City of Melbourne has been used for a number of worthwhile improvements, we do not believe a free tourist bus is a good use of Levy funds. These funds would better serve the stated objectives of the Levy if directed to improving facilities, amenity and priority for public transport users, pedestrians and cyclists. Although the CBD is comparatively well-served by public transport compared to outer suburbs, the system continues to suffer well-publicised inadequacies such as over-crowding on several train lines and inadequate public transport in the Doncaster corridor. The network would greatly benefit from expenditure to increase staff presence, increase vehicle frequency, improve passenger comfort and improve coordination between routes.

The objectives of the levy would also be better served by the City of Melbourne and state government working together to enhance priority for road-based public transport. Our research has shown that trams waste a great deal of time waiting at traffic lights [3]. This time wasting reduces the capacity of tram routes into the city and increases the cost to the state government of providing tram services. These delays can be minimised by "dynamic" traffic light priority that gives trams a brief green phase as soon as they wish to cross the intersection rather than having to wait for the next programmed green phase. This form of genuine traffic light priority is proven in many cities overseas and would drastically cut journey times and increase the effective capacity of tram routes into the city by enabling more services with the same infrastructure and rolling stock [4]. Prioritising trams in this way - rather than expanding general road capacity with clearways - is entirely consistent with the objectives of the levy to encourage mode shift away from private

cars onto public transport and would be far less disruptive to businesses along inner city tram routes.

The objectives of the levy would also be served by directing revenue to enhancement of the capacity of the heavy rail network. Although the government has proposed a multi-billion dollar metro rail project, we believe there are a range of more affordable capacity enhancements that can be implemented much sooner, including boosting off-peak and peak-shoulder services; continued reform of stopping patterns; and improved service levels and operating spans of buses and trams that feed rail services [5]. These sorts of investments would also serve off-peak passengers to the City of Melbourne who are expected to form a large proportion of future central city visitor growth [6] and better utilise the significant investment in infrastructure across more of the day.

Since much of the central city visitor growth is expected outside peak, there is a risk that off-peak traffic levels may harm the amenity and competitiveness of central Melbourne. This risk can be minimised by improving off-peak public transport service levels and extending the congestion levy to short-stay parking spaces.

We look forward to release of the Review's Final Report and Ministerial support of the Levy and its expenditure targeted to sustainable transport choices.

Yours faithfully,
Public Transport Users Association

Kerryn Wilmot
Treasurer

Footnotes:

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2. 'Designing a more efficient, equitable and sustainable motor vehicle tax system', PTUA, 2009, http://www.ptua.org.au/files/2009/tax_review_submission_2009_05.pdf

3. <http://www.ptua.org.au/2007/09/27/dead-time-tolls-trams/>

4. 'BALANCE Urban Transport Control with Intelligent PT Priority', 1999,
<http://archive.rec.org/REC/Programs/Telematics/CAPE/goodpractice/trnsprt/doc/MUNICHBalance.doc>;

'Implementation of Zürich's Transit Priority Program', Andrew Butler Nash & Ronald Sylvia, Ph.D., 2001, pp.77-81,

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'Dynamic Right-of-Way for Transit Vehicles: Integrated Modeling Approach for Optimizing Signal Control on Mixed Traffic Arterials', Peter A. Duerr, 2000,
<http://trb.metapress.com/content/kn31u25530n4g1vn/>

5. 'Getting Our Rail System Back On Track', PTUA, 2007,

http://www.ptua.org.au/files/2007/PTUA_GettingOurRailSystemOnTrack_200710.pdf

6. City of Melbourne forecasts

http://www.melbourne.vic.gov.au/AboutMelbourne/Statistics/Documents/City_User_Estimates_Forecasts_2004-2020_2009_update.pdf

About the Public Transport Users Association (PTUA):

Founded in 1976, the Public Transport Users Association is the recognised consumer organisation representing passengers of public transport in Victoria. The PTUA is a non-profit, voluntary organisation, with no political affiliation, which lobbies governments and public transport authorities in the interest of all users of public transport.

PTUA - Standing up for passengers since 1976