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## Submission on State Budget 2010/11

### Summary

The Metropolitan Transport Forum (MTF) representing municipalities covering 2 million Melbourne residents<sup>1</sup>, advocates that State investment in public transport infrastructure and services is critical to the ongoing development of Melbourne as a viable and liveable city.<sup>2</sup>

While the MTF seeks greater investment priority for public transport, particularly in growth corridor urban development, it acknowledges that state strategy is driven by the Victorian Transport Plan (VTP) and population growth. The MTF welcomes the State Government commitment to implementation of the first stage of the VTP, and the significant investment by the federal government in response to State submissions on Infrastructure Australia funding.

This MTF submission deals with the following further key aspects of transport funding:

#### 1. **Improved public transport service levels**

The MTF believes enhanced service levels are critical components of the transition from the current largely commuter-based network to a modern metro system, one of the key features of the VTP. A modern metro network meets a greater range of people's daily travel needs with more off-peak and multi-directional travel. This better serves higher density, mixed land uses characteristic of activity centres identified in Melbourne 2030 and central activity districts envisaged in Melbourne @ 5 Million. This MTF submission includes measurable targets to be achieved by 2012 in the following areas:

- 1.1 Integrated timetable for train, tram and bus services;
- 1.2 Service frequency targets;
- 1.3 Extended hours of service;
- 1.4 Implementation of Metropolitan bus review;

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<sup>1</sup> The (MTF) is a local government transport advocacy network in Melbourne seeking to promote effective, efficient and equitable transport. It provides a forum for debate, research and policy development, and disseminates information to help improve transport choices. Founded in 1994, its membership comprises 18 Melbourne metropolitan councils, with associate members in the transport sector. When the MTF presents submissions, the views presented are independent of its associate members. The views are also the views of the MTF as a peak body and do not necessarily reflect the detailed specific views of individual local government members.

<sup>2</sup> *Most Liveable and Best Connected: the economic benefits of investing in public transport in Melbourne*, MTF 2006 [www.mtf.org.au](http://www.mtf.org.au)

- 1.5 Extension of SmartBus route kilometres;
- 1.6 Extended train and tram capacity – rolling stock;
- 1.7 Enhanced funding for interchanges and station/stop upgrades;
- 1.8 Level crossings;
- 1.9 Improved accessibility;
- 1.10 Enhanced bike parking at all rail stations.

## **2. Development of next stage of the VTP**

The MTF seeks that the next stage of the VTP places greater emphasis on the role of transport in reducing greenhouse gas (GHG) emissions and planning for further public transport infrastructure development to serve wider Metropolitan Melbourne and urban population growth. Another element of this refinement of the VTP is the role of public transport in supporting social inclusion, economic development and liveability. Planning for the following is sought in the next stage of the VTP for:

- 2.1 Mernda and Epping North;
- 2.2 New rail station at Lynbrook;
- 2.3 Cranbourne East;
- 2.4 Rail to Rowville;
- 2.5 Rail to Doncaster;
- 2.6 Tram Extensions;
- 2.7 Enhanced rail freight.

## **3. Proper costing of transport**

Victorian transport budgeting for five or more decades has been based on the assumption that investment in roads has economic advantages to Melbourne and the State over investment in public transport infrastructure and services and rail freight. The MTF seeks a full comprehensive analysis of road costing which includes all, not just some, externalities, and that the methodology used is made public. The MTF seeks that this analysis also covers the costs to the State and community of expanding Melbourne's urban growth boundary as against the urban consolidation envisaged in Melbourne 2030.

The MTF turns to deal in more detail with each of these aspects.

### **1 Improved public transport service levels**

The MTF seeks budget funding for enhanced integration and service levels for train, tram and bus services. These are critical components of the transition from the current commuter-based network to a modern metro system, one of the key features of the VTP. A modern metro network meets a greater range of people's daily travel needs with more off-peak and multi-directional travel. This also better serves higher density mixed use land uses characteristic of the activity districts identified in Melbourne 2030, and the central activity districts envisaged in Melbourne @ 5 Million.

Enhancing service levels outside peak periods is focused on spreading public transport services to improve frequencies and maximise use of rolling stock outside peaks. This can be done at relatively low cost with better use of existing infrastructure, while supporting job creation in terms of more drivers and other personnel.

## **1.1 Integrated timetable for train, tram and bus services**

The MTF urges the government to fund adoption of an integrated timetable for public transport modes – train, tram and bus. Coordinating these modes around an integrated and standardised timetable greatly helps components of the transport system work together to achieve a network effect. This also extends useability of the network, facilitating a greater range of travel opportunities and connections for users.

A study commissioned by the MTF and north eastern councils, conducted by Jan Scheurer, Rolf Bergmaier and John McPherson<sup>3</sup>, recommended that a standard service interval be adopted for the Melbourne network. In discussion of service templates, the report stated:

*“There are only two basic frequencies that allow integrated, easily memorized frequencies across a large system: four services per hour (15 minute headways) and three services per hour (20 minute headways), with all other clock-face headways (where departure times repeat every hour) either doubling or halving these. Thus 15 minute services are complemented by 7.5, 30 and 60 minute services on routes with higher / lower demand while 20 minute services integrate with 5, 10 and 40 minute services.”*

The report recommended a 15, 30, 60 minute timetable template for Melbourne. It proposed that this fixed service template be continued through peak, off-peak, evening and weekend travel, using greater headways for periods of lower patronage and shorter headways for peak periods.

Note that the SmartBus system uses this template, operating at 15 minute headways weekdays to 9 pm, then 30 minute headways, weekdays from 9 pm to midnight and weekends.

Where headways are already better than 15 minutes, as for tram services which run at 8-10 minutes weekdays, we note that harmonisation of headways between modes is less critical; it would not make sense to downgrade any current tram service levels in particular.

As the network has not been set up or operated in this way, it may take some time to achieve standardized timetables. But the value to the user of integrated and coordinated services across train, tram and bus would be worth localised compromises or adjustments.

The MTF argues for fuller integration of transport modes so these better complement each other. Funding for improved integration should be commenced on a transitional basis, aiming for full implementation over a 5-10 year period.

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<sup>3</sup> *Keeping People Moving in Melbourne's North East*, Metropolitan Transport Forum (MTF) and Northeastern Councils' study, MTF 2006 [www.mtf.org.au](http://www.mtf.org.au)

## 1.2 Service frequency targets

The MTF seeks funding for implementation of the following service frequency targets:

Mode	Measure	2012 Target	May 2009	Comments
Train	No. of main lines running every 15 minutes inter-peak on weekdays	13	6	(excepting Eltham-Hurstbridge)
	No. of main lines running at least every 15 minutes until 9pm	13	2	Currently Ringwood, Sandringham only
Tram	Maximum headway of 10 minutes on all tram routes until 9pm weekdays	100%	0%	
	Maximum headway of 15 minutes on all tram routes at other times	100%	0%	Same timetable for Saturdays & Sundays
Bus	A bus every 30 minutes or better inter-peak weekdays	100%	50%	(excludes special purpose and non-urban routes)
	A bus every 30 minutes or better weekends daytime	40%	16% Saturdays 6% Sundays	

## 1.3 Extended hours of service

A major improvement to bus services under the VTP has been upgrading to minimum service levels of 30 minutes to at least hourly between 6 am and 9 pm weekdays, and operating on weekends.

Around half of Melbourne's bus routes now meet this minimum span of hours on weekdays, and it is important that the rollout of extended span of hours be continued to all suburban bus routes both weekdays and weekends. Extended services are also sought to meet demand through Friday and Saturday nights.

The MTF seeks budgeting for extended hours of services, including evenings and weekends as follows:

Mode	Measure	2012 Target	May 2009	Comments
Train	No. of lines running at least every 20 minutes 9pm until 12 pm	13		Lines run later Friday, Saturday nights
Tram	No of routes to run hourly through Friday and Saturday night	2	0%	Run as a trial
Bus	Last bus departs 9pm or later on weekdays	100%	54%	(excludes special purpose, non-urban routes, and NightRider)
	Last bus departs 9pm or later on weekends	100%	48% Saturdays 41% Sundays	

The MTF further seeks planning to be undertaken for bus services to run until midnight on Fridays and Saturday nights and 10pm on other days.

## 1.4 Implementation of Metropolitan bus reviews

The MTF seeks that the Budget provides enhanced funding for implementation of bus reviews undertaken in 2008/09. Local bus reviews have rolled out over much of Melbourne with local governments encouraged to participate and make best advantage of the opportunity. The reviews have covered:

- Increased and standardised frequencies;
- Coordinated interchanges with good information flow;
- Future premium bus routes;
- Bus routes to connect local facilities, communities and new developing areas;

- Bus routes to be within 400 metres of most households and to provide a consistent network with minimal route variations and loops;
- Buses to provide capacity relief for crowded trains.

At the time of writing, only 4 of 12 bus review reports have been finalised and published, and BusVic estimates that only around 40% of review recommendations have been implemented, an overall result of 13%.

The MTF seeks publication of all finalised reviews. It also seeks funding for implementation of the majority of recommendations identified in these reviews across Melbourne as per the following target:

Mode	Measure	2012 Target	Sept 2009	Comments
Bus	Bus Service Review recommendations implemented	80%	13%	High priority

### **1.5 Extension of SmartBus route kilometres**

SmartBus has proven to be a highly effective service standard for attracting significant bus patronage growth.

The success of the SmartBus network warrants additional route kilometres over and above the VTP target. This is justified by both the patronage growth for SmartBus services and that 80% of Melbourne residents live more than 400m from train stations and tram stops. In particular, an expansion of the SmartBus network is required to build the Principal Public Transport Network (PPTN) in middle and outer suburbs – a key instrument in connecting land use plans (with an emphasis on activity centres) and the public transport network. The MTF identifies this as critical to support economic and social development.

The current SmartBus route network totals around 200 kms with the VTP target to extend this to 320 kilometres in 2010.

The MTF seeks funding to achieve the following target network extension. This would include a significant increase in the number of on-road priority locations for buses.

Mode	Measure	2012 Target	May 2009	Comments
Bus	SmartBus network kilometres	550 kms	198 kms	Forecast 380kms by end 2010. (excludes non-SmartBus routes)

### **1.6 Extended train and tram capacity – rolling stock**

Overcrowding has become commonplace on commuter rail and tram services. The MTF urges the government to set a target of no load breaches by 2012 and fund services to ensure this target can be met.

Tram overcrowding will be relieved by 50 additional trams ordered for progressive delivery by 2014. However, the MTF seeks a regular program for funding tram acquisition beyond 2014, to ensure trams are upgraded and expanded in line with projections in population and patronage.

Also sought is a plan for local content and production of all rolling stock to support local employment, use of local resources and skill development.

Additional services can be added to the system by speeding up tram times through tram priority measures, which the MTF strongly supports. The MTF however, questions the extension of clearways which primarily serves sole occupant vehicle (SOV) commuters and encourages vehicle use, rather than prioritising public transport. Clearways along strip shopping strips also limit access to activity centres to the detriment of small business. The MTF seeks more tangible solutions to support tram priority which focus on reducing through traffic, substantial additional funding for accessible tram stops (see section 1.9 below), traffic metering, and increased priority at traffic signals.

Likewise, a significant increase in train capacity will only come about when new infrastructure is completed. In the meantime, the MTF supports funding for shorter term measures to relieve overcrowding such as additional services in shoulder peak periods, and express buses from crowded stations to key destinations.

MTF proposes that the State Budget funds achievement of the following targets:

Mode	Measure	2012 Target	Sept 2009	Comments
Train	Overcrowding – No. of weekday trains exceeding load standard	0	26 Note May 2009 report	Technically “Rolling Hour Average Loads above Load Standards”
Tram	Overcrowding – No. of routes operating at full/excess capacity	0	6 Note May 2009 report	Routes 6,8,55,86,96,112 Upgrade peak period frequency on these routes
	Size of operational tram fleet	600 by 2016 +150 by 2025	500 (450 operational)	50 new trams ordered by 2014
	No. of traffic signals with tram priority	462 (100%)	250 (54%)	462 traffic signals affecting trams. 32% of tram delays are at signals
Bus	Locations with bus priority	Double current		

### 1.7 Enhanced funding for interchanges and station/stop upgrades

Ease of interchange between public transport services is a key component in ensuring a successful network that supports transfers. The VTP allocated \$50 million over 12 years to improve metropolitan stations. MTF is concerned that this will spread thinly across time and locations, preventing good outcomes at interchanges need significant improvements.

Cross government collaboration is needed at key stations to deal with transport integration with activity centre planning, offering multiple benefits of higher density, social housing, accessibility, amenity and economic development. Surplus VicTrack land around rail stations should be retained for integration in station redevelopment on the above lines. It is understood that VicTrack is actively pursuing the sale of key parcels of land around rail lines. A moratorium is sought on such sales with a joint state/local government task force examining opportunities for redevelopment of land around stations and rail lines.

Key examples of interchange developments sought are:

- **Greensborough Station**
- **Balaclava Station**
- **Richmond Station**
- **Epping Station.**

Staffing the system provides users with greater confidence about their personal security, and assists new users with ticket purchasing and public transport information. Real time information displays at bus and tram stops provide customers with greater certainty about when services will operate and reduce perceived wait times and anxiety levels when waiting for public transport to arrive.

MTF seeks the following targets for such improvements

Mode	Measure	2012 Target	Sept 2009	Comments
Train	No. of premium stations	100	74	
	No. of host stations	50	26	Currently 111/211 stations unstaffed
Tram	No. of tram stops with real time passenger information	300	182	
Bus	No. of bus stops with real time passenger information	1,000	290	
All	No. of interchanges upgraded	20		

Passenger information displays should be available at all CBD tram stops, interchanges, termini, and high patronage stops. High quality walking pedestrian and bicycle links to all rail stations is a high priority.

### 1.8 Level crossings

Anticipating increased train services, the MTF raises the issue of additional level crossing closures with consequent congestion which will affect tram and bus services at a number of locations. Given the expense, upheaval and long lead times of grade separations, the MTF urges the government to explore techniques to minimise tram and bus delays at such sites.

As the provision of grade separation in lieu of level crossings is geared towards improving the flow of road transport, the MTF points out that such funding should be sourced from the road budget and not from public transport allocations. The public transport budget should only apply to grade separations where the latter benefit public transport, such as where a direct benefit is demonstrated for road based public transport.

### 1.9 Improved accessibility

Progress to achieve Disability Discrimination Act (DDA) 2002 targets requires greater investment in accessible stops for bus and tram modes. Improved accessibility in stops also achieves outcomes for tram priority given that 47% of tram delays are assessed by Think Tram as due to passenger boardings. Accessible tram stops serve multiple purposes; they increase safety, improve access to tram routes and patronage, and support tram priority by substantially reducing passenger boarding time.

In line with improved physical accessibility to the public transport network, MTF proposes the following targets:

Mode	Measure	2012 Target	Sept 2009	Comments
Tram	DDA compliant tram stops	488	288	1770 tram stops on network, 50% goal of DDA compliance by 2017 and 100% by 2032
	No. of low floor trams in fleet	200 by 2016	100	
Bus	No. of accessible bus routes	70%	50%	

There are no accessible tram stops serving route 96 north of the CBD, in marked contrast with the route to St Kilda. Priority should be given to ensuring accessible stops to service the Exhibition Buildings and Museum and activity centres. Route 86 is another priority for accessible tram stops, particularly along activity centres, to complement strategic transport planning undertaken by the City of Darebin with input by State agencies<sup>4</sup>.

### 1.10 Enhanced bike parking at all rail stations

The Government in the Victorian Cycling Strategy, commits to installing 33 bike cages at train stations by the end of 2009<sup>5</sup>. However, bike parking at stations should be further accelerated. In the interests of sustainability, priority needs to be given to bike parking over provision of car parking as the latter encourages car transit. More bikes are sold than cars and 8-10 bikes can occupy the space for 1 car. Thus parking allocation for bikes should exceed car parking spaces. Apart from bike cages, bicycle parking can be provided via multiple bike racks, subject to these being centrally located in manned stations in secure, well lit areas.

Mode	Measure	2012 Target	Sept 2009	Comments
Bike parking	No. of rail stations with secure bike parking	100%	30%	Multiple racks, well located, secure

## 2. Development of next stage of the VTP

The MTF seeks as part of the 2009/10 budget, funding for further development of the VTP with greater emphasis on the role of transport in reducing greenhouse gas (GHG) emissions and planning for future public transport infrastructure development to serve Melbourne's growth suburbs.

The Government's Climate Change Green Paper identified transport as the second largest producer of GHG emissions with almost 90% of transport emissions from road transport<sup>6</sup>. Emission reduction in this sector thus necessitates higher priority in funding for public transport, walking and cycling modes. The MTF urges enhancement of the VTP to ensure adequate and equitable public transport services for wider Metropolitan Melbourne, and to deal with social inclusion/exclusion<sup>7</sup> in line with social justice aspirations.

There is strong demand for public transport for environmental reasons, fuel and other cost savings, including congestion reduction. Metlink research has shown that 94% of Melbourne residents want more public transport and ranked this as more important than fuel price relief or tax cuts. A recent Age poll identified that 88% of respondents sought extension of public transport to outer suburbs; only 30% sought improved freeways.<sup>8</sup> The MTF argues for the State to respond by curtailing new road projects and giving priority to funding allocations for public transport.

The MTF argues that public transport investment must match public demand and Melbourne's strong population growth to support job creation, economic development, sustainable communities and to alleviate social disadvantage. Currently some 70% of Melbourne residents have no effective access to regular public transport services. Given

<sup>4</sup> *Going Places*, Darebin Transport Strategy 2007-2027

<sup>5</sup> Victorian Cycling Strategy, March 2009, pages 6, 11

<sup>6</sup> *Victorian Climate Change Green Paper*, (Victoria, DPC, June 2009), part 3.3 Transport, page 37

<sup>7</sup> Currie G, Stanley JR, Stanley JK, *No Way to go: transport and social disadvantage in Australia*, Monash-e-Press, 2007

<sup>8</sup> Sunday Age Readers' Poll, 18 October 2009, page 4

urban and population growth, this can be expected to rise to 80% without more concerted investment in the next stage of the VTP. Apart from in principle commitment, funding of core rail services is sought as a precondition for urban development through any extension of urban growth boundaries.

The MTF seeks enhanced funding for acceleration of transport services to support the development of activity districts as envisaged in Melbourne 2030 and Melbourne @ 5 million. New Central Activities Districts (CADs) provide alternatives to Melbourne CBD city centric commuting through decentralising employment and services, while supporting access to under-utilised counter peak travel.

The MTF urges the Government to promote decentralised development through funding the relocation of Government agencies to the new CADs (and regional centres).

Specific agencies that could be relocated include: VicRoads, the Department of Regional Development, the Growth Areas Authority, and Parks Victoria. These should be based closer to areas serviced, rather than in inner Melbourne.

In its response to the Eddington Inquiry, the MTF presented a Metropolitan Transport Plan (MTP)<sup>9</sup> which set out objectives for future planning of Melbourne's transport system. Some of these have been incorporated into the VTP. However, other elements of the MTF MTP are still to be included in transport planning.

To build upon the current planning for rail infrastructure in Melbourne, the MTF seeks that the 2010/11 State Budget fund further planning, design and infrastructure development as follows:

- 2.1 Mernda, and Epping North** to complement development of the South Morang rail extension due to be completed by 2014. The planning amendment to incorporate the Mernda Strategy Plan in the Whittlesea Planning Scheme, providing for extension of rail to Mernda Town Centre was gazetted by the Minister for Planning on 21 October 2004. The planning amendment to incorporate the Epping North Strategic Plan in the Whittlesea Planning Scheme, with extension of rail services to Epping North, was gazetted by the Minister for Planning on 13 September 2002. As both plans with rail extensions to Mernda and Epping North have been approved by the State, budget allocations in 2010/11 to plan implementation are now sought. Planning for Epping North should be integrated with a rail reservation to link to Craigieburn.
- 2.2 New rail station at Lynbrook.** This was envisaged in Meeting our Transport Challenges with infrastructure to be allocated from 2011. The VTP also identified capital expenditure for the Lynbrook station. Funding is sought for this project to include public toilet facilities, and bicycle parking.
- 2.3 Cranbourne East rail extension** was included in the VTP with capital expenditure to be allocated from 2013. Acceleration of this project from 2010/11 is sought given the huge population growth in this area. Funding as a TOD project is sought.
- 2.4 Planning for rail to serve Rowville,** Monash University and the Chadstone major activity centre. It is essential that these major sources of employment and services

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<sup>9</sup> *Melbourne Transport Plan: pt4me2 for a change*, Metropolitan Transport Forum, December 2008  
[www.pt4me2.org.au](http://www.pt4me2.org.au)

are able to be accessed by rail. The Monash Clayton campus is hampered by poor access; the University's Caulfield campus is at the point of overtaking Monash Clayton due to the superior public transport serving Caulfield.

- 2.5 Planning for rail to serve the Doncaster corridor.** Transport from the east will be assisted by the bus DART, but congestion along Alexandra Parade and Hoddle Street will not be alleviated until the east is served by rail. A fast metro rail service is needed to serve the major activity centre at Doncaster Hill and other growth on the corridor including the Amcor site in Fairfield, and Doncaster East golf course site. The new line should be planned to link with the South Morang and Hurstbridge lines at Clifton Hill, the Richmond line and the future Parkville metro rail station.
- 2.6 Funding to examine tram extensions:** Route 75 beyond Vermont South to Knox City transport interchange; Route 48 beyond North Balwyn to Doncaster Shopping Town; Route 86 from Clifton Hill along Hoddle Street to Bridge Road/Swan Street tram; Route 57 beyond West Maribyrnong to Avondale Heights, Route 59 beyond Airport West to Tullamarine, and Route 112 beyond West Preston to Reservoir.
- 2.7 Rail freight:** In relation to freight transport, the MTF notes the impact of increased numbers of freight vehicles on roads and their impact on the road network including on local roads. MTF seeks enhanced funding of rail freight infrastructure and services to achieve progress to increase the proportion of freight on rail. Also sought is investment in logistics to achieve greater efficiencies of freight vehicles into and out of the Port and to reduce empty running assessed by the Port of Melbourne at 50%.<sup>10</sup> A specific portfolio responsibility for rail freight transport is sought with a Minister tasked with the objective of increasing the share of freight to rail.

### **3. Proper costing of transport**

The MTF is of the view that public transport should be acknowledged as far more cost effective for transit in cities such as Melbourne, than car based solutions. As cities become conurbations, reliance on the motor vehicle as the primary mode of transport undermines city liveability, amenity and efficiency.

The MTF seeks that the budget provides for undertaking an informed cost benefit analysis of transport modes to deal with the following myths:

**Myth No 1: that public transport is heavily subsidised by the State.**

The costs of public transport infrastructure and services must be balanced with the greater benefits in emissions, health, safety, land use, congestion, social equity, inclusion/exclusion and other externalities. The Independent Pricing and Regulatory Tribunal (IPART) has assessed that given wide economic and social benefits, public transport requires only 30% cost recovery from fares.<sup>11</sup>

**Myth No 2: that investment in roads is more cost effective than investment in public transport infrastructure and services.**

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<sup>10</sup> Port truck utilisation survey, November 2004, by Sinclair Knight Mertz for Port of Melbourne Corporation 2005, quoted in Port of Melbourne Corporation submission No 53, to VCEC Congestion Inquiry 2006

<sup>11</sup> Review of CityRail Fares 2009-2012, IPART 16 December 2008; Mike Smart for IPART 20 November 2008; *Value of Sydney Bus externalities and optimal Government subsidy*, IPART 12 May 2009

The analysis should examine the full externalities of road pricing including GHG and other emissions, taxation, spatial land use, accidents, health impacts, parking and consumer costs. When properly costed, it is submitted that the public road subsidy far exceeds the public transport subsidy.

**Myth No 3: that road freight is more cost effective than rail transport.**

Rail transport uses, on average, one third the fuel of road freight per tonne carried, and puts out one third of GHG emissions. Steel wheels on rail have far less friction than rubber on bitumen. Road freight incurs high accident, road infrastructure and damage costs. Any analysis should also examine road and related costs incurred by local authorities which are responsible for 80% of roads. It should be noted that the latter costs and GHG emissions were not properly costed by the Productivity Commission in its inquiry into freight transport.<sup>12</sup>

**Myth No 4: that affordable housing/living can be achieved by expansion of Melbourne's urban growth boundary.**

The cost of providing transport and infrastructure for a dispersed city has been assessed at over double the cost of urban consolidation.<sup>13</sup> The MTF estimates that building 284,000 dwellings through expanding Melbourne's urban growth boundary will cost at least \$102 billion more than if the same number of dwellings were accommodated within established suburbs.<sup>14</sup> The MTF seeks that the Budget fund analysis of the costs to the State and community of expanding Melbourne's urban growth boundary as against the urban consolidation envisaged in Melbourne 2030.

There has been broader transport cost-benefit research by Professor Peter Newman in WA<sup>15</sup>, John Stanley in Victoria<sup>16</sup>, the Independent Pricing and Regulatory Tribunal (IPART) in NSW<sup>17</sup>, RailCorp in NSW<sup>18</sup>, the Australian Senate<sup>19</sup>, and Todd Litman<sup>20</sup>. The MTF urges that a comprehensive study is undertaken in Victoria to examine externalities of road pricing compared with public transport and rail freight. The MTF seeks that this analysis also covers the costs to the State and community of expanding Melbourne's urban growth boundary as against the urban consolidation envisaged in Melbourne 2030.

The MTF emphasises the considerable dormant and under-utilised land within established parts of Melbourne, inside the present urban growth boundary available for development.

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<sup>12</sup> *Road and Rail Freight Infrastructure Pricing*, Productivity Commission Inquiry Report, No 41, 22 December 2006

<sup>13</sup> For every 1,000 dwellings, the infrastructure cost for infill development is estimated at \$323M, while for fringe development, the estimate is \$684M per 1,000 dwellings - See Trubka, Newman, Bilsborough study below

<sup>14</sup> MTF submission on Urban Growth Boundary to the Growth Areas Authority, 17 July 2009

<sup>15</sup> *Assessing the Costs of Alternative Development Paths in Australian Cities*. R Trubka, P Newman, D Bilsborough, Curtin University Sustainability Policy Institute, Fremantle, 2008, page 27, commissioned by Parsons Brinckerhoff, [http://sustainability.curtin.edu.au/research\\_publications/publications.cfm](http://sustainability.curtin.edu.au/research_publications/publications.cfm)

<sup>16</sup> John Stanley, *Getting the Prices right: Policy for More Sustainable Fuel Taxation for Road Transport in Australia*, Bus Industry Confederation submission to the Commonwealth Fuel Taxation Inquiry, October 2001.

<sup>17</sup> IPART study showing benefit of Sydney rail is c \$2B pa even with current inefficiencies. See IPART's *An empirical estimate of CityRail's marginal costs and externalities*, Mike Smart for IPART 20 November 2008; *Value of Sydney Bus externalities and optimal Government subsidy*, Mike Smart for IPART 12 May 2009

<sup>18</sup> G Karpouzis et al, *The Value of City Rail to the NSW community 1997-1998 to 2006-07*, RailCorp, NSW, June 2007, found that for every \$1 invested in passenger rail transport, returns \$1.80 to the economy

<sup>19</sup> *Investment of Commonwealth and State funds in public passenger transport infrastructure and services*, Senate Standing Committee on Rural and Regional Affairs and Transport, August 2009

<sup>20</sup> Todd Litman, Victoria Transport Policy Institute, Vancouver. [www.vtpi.org](http://www.vtpi.org) "Evaluating Public Transit Benefits and Costs"; "Smart Transportation Economic Stimulation"; "Transportation Cost and Benefit Analysis"

There are many Council approved projects which are not being proceeded with by developers holding permits. Approved structure plans by Councils involving urban consolidation around rail stations are also awaiting investment. These should be examined by DPCD and DTF for assessment of incentives to encourage their development against the costs of further extending Melbourne settlement in areas without supporting infrastructure and services.

The analysis of marginal costs and externalities is sought so that these are properly understood and documented so as to provide a firmer base for public policy decision making. This research is essential to properly inform policy development and to take into account Government policy and the economics of climate change, emission reduction, infrastructure and other costs to the community.

In terms of funding, the MTF considers that budget savings should be identified through a rigorous analysis of State expenditure and the 1.2 million people on the Government payroll.<sup>21</sup> Priority should be given to service delivery and infrastructure development over administration.

## 4 Concluding Remarks

The MTF looks forward to the Budget reflecting its submissions on these critical issues. Leadership is sought by the State through giving priority to public transport in its funding commitments to reflect demand and projections of population growth. Every initiative by the State should be tested against the objective of reducing emissions and transit by private vehicle and supporting transit oriented development.

The MTF emphasises that its local government members are well placed to identify opportunities to improve and expand services and work in partnership with the State to achieve a world-class public transport system that is fast, frequent, reliable, well-connected, accessible and safe. The MTF and member councils are pleased to continue to work co-operatively with State agencies to achieve these outcomes.

As President Obama said on 16 April 2009, setting out new plans for rail in America:

*“What we need is a smart transportation system equal to the needs of the 21st century. A system that reduces travel times and increases mobility. A system that reduces congestion and boosts productivity. A system that reduces destructive emissions and creates jobs ... (and will) lay a new foundation for our economic competitiveness and contribute to smart urban and rural growth.”*

Yours sincerely,

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<sup>21</sup> See Julie Novak *A Growing Risk: The Impacts and Consequences of Rising State Government Employment* ([www.ipa.org.au](http://www.ipa.org.au))