Melbourne, let's talk about the Future: Discussion Paper Submission

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Message to the Ministers for Planning and Public Transport

Dear Ministers Guy and Mulder

It is clear that the tried and tested methods for exclusive planning and transport in and around our great State are unsustainable. Victoria is at a point in time where it must embrace an integrated approach and aspire for economic, social, environmental and governance change in order to sustain our State's liveability and improve the quality of life for its residents.

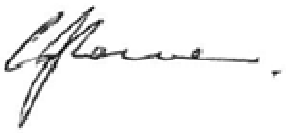
This Submission details Bus Association Victoria's recommendations to achieve these objectives.

We commend the Government for the approach it has taken in developing the Metropolitan Planning Strategy. We have actively participated in the various consultation initiatives that have been undertaken. We are now ready to continue that contribution by assisting the State shift from the development phase to the implementation phase in order to deliver on the objectives set out in the final MPS, and in doing so, we encourage the Government to take the extent of work the Government does in concert with stakeholders like Industry and local government to a new level, because we firmly believe the best outcomes will ensue if all stakeholders share the vision.

The thrust of this Submission centres around reducing our State's reliance upon private transport and introducing initiatives that will see commuters shift to public transport, because of the extensive economic, social and environmental benefits associated with such an endeavour, particularly in the areas of congestion, emissions, social inclusion and public health.

We commend this Submission to you.

Yours sincerely



Chris Lowe
Executive Director

"…get to the bottom of it and frame a definite policy…which would carry us through the temporary and baffling fluctuations which are affecting us so violently at the present time….We are drifting about in a fog without a compass"

WINSTON S. CHURCHILL 8TH OCTOBER 1920.

Executive Summary

1. The Bus Association Victoria (BusVic) supports the Ministerial Advisory Committee (MAC) in its endeavours to understand the scale of planning and policy development required to give effect to the vision for Melbourne in the year 2051.
2. We support the principles and agree with many of the ideas for achieving our common objectives as outlined in the discussion paper. In terms of land use and transport, as an industry and community stakeholders we are ready to work with the State Government and its various agencies. In order to ensure that the public transport network is properly funded and equipped to enable the delivery of a world class urban commuter and social transit network which is fair and equally distributed across the entire metropolitan area, collaboration with stakeholders is a necessary input.
3. The principal message that we would like the MAC, the State Government and its agencies to take heed of is that reducing the city's reliance on cars for all manner of transport needs lies at the heart of achieving the objectives of the planning principles outlined in the discussion paper.
4. In the context of the forecast population and household composition projections its citizens reside in, All areas of Melbourne will require equal access to transport choice if it is to be a *"distinctive city"*, a *"globally competitive and connected city"*, a city with *"social and economic participation"*, a city with *"strong communities"*, a city that is *"environmentally resilient"*, a *"polycentric city linked to regional cities"*, "a *'20 minute' city"*, a place where city growth is matched by "*infrastructure investment*".
5. At present, our city does not achieve transport equity. It is evident by looking at the levels of chronic congestion and seemingly continuous heavy traffic volumes on major arterial roads that travel demand is exceeding the supply of public transport options.
6. This issue has been made abundantly clear in the findings of the Outer Suburban/Interface Services and Development Committee in its December 2012 report on the Parliamentary Inquiry into the Liveability Options in Outer Suburban Melbourne. Many of those findings and recommendations relating to planning and delivery of public transport and the role of buses are consistent with our message expressed throughout this submission.
7. We implore the government to take seriously its own findings and recommendations and turn them into policy actions.
8. The impact of the systematic underinvestment in public transport is an infrastructure shopping list which is estimated to exceed $29 Billion. Meeting the needs of the projected population profile outlined in Victoria in Future (VIF), will require the adoption of new funding and procurement models. The State Government needs to commit to a program of infrastructure development. Deferring investment will only compound the deepening of the infrastructure burden.
9. If the MPS is going to have any long term value it must first of all be honest about the scale of the challenges we face and set its sights on implementation.
10. We acknowledge that the sheer scale of investment needed to achieve this goal will take many years to deliver. However, the role of the MPS should be to set in place public transport and land use planning policies that preserve and facilitate the opportunity to deliver infrastructure progressively.
11. This means that growth must be matched by the building of new infrastructure which gives effect to the land use and development policies which seek to create more access and housing supply in existing areas with capacity.
12. The MPS must be trans-generational and to do this, its implementation must have bipartisan support to the extent that it should not be seen as the plan of the State Government of the day, but as Victoria's macro strategic vision.

9 Principles

1, Distinctive City

13. Given the geographical size of Melbourne today, the MPS should enable sub-regional plans and implementation committees which focus on detailed planning and delivery of critical social and community infrastructure.
14. This would ensure greater collaboration between state and local governments because the focus is on service delivery managed at the local and subregional level. Combined with an acceptance of innovative funding models it would go a long way to supporting the adherence to this principle.
15. With regard to roads as a feature of the public realm; a failure to properly deal with the causes of chronic traffic congestion will ensure that arterial road design and the nature of their use continues to detract from the liveability of the city.
16. The strategy must have a strong focus on linking the development of major decentralised employment centres with transport plans that so as to ensure greater access and amenity to the employment areas.

2, A Globally Connected and Competitive City

17. Melbourne needs to improve its productivity in order for it to be a globally connected and competitive city. The economic cost of road congestion on productivity has been quantified by the Bureau of Infrastructure Transport and Regional Economics (BITRE) (2007). The annual cost of delay in Australian capital cities at $11.1 billion of which $3.6 billion can be attributed to Melbourne. The report goes on to estimate that this cost of congestion will increase to $20.4 billion by the year 2020 of which $6.1 billion can be attributed to Melbourne.
18. While congestion cannot be entirely eliminated from our roads, greater provision of viable social transit and mass transit alternatives in terms of span of hours, frequency of service and coverage combined with hypothecated road use charges would stimulate modal shift sufficient to reduce the cost of delay to the state's economy and improve its productivity.
19. Funds raised from road charges could be used to support the development of a radial network of mass transit routes spreading out from the economic clusters and connecting to the larger network to form part of an integrated web of transit routes.

3, Social and Economic Participation

20. One of the major tasks of the MPS must be to begin to reverse the inequity that exists between inner and outer Melbourne in the context of access to public transport.
21. Car dependency and ownership in growth areas and interface municipalities is among the highest in the country and the economic costs associated with social exclusion are mounting. Addressing transport inequity should be among the highest priorities of the MPS.
22. In terms benefit costs to the Victorian economy, recent research commissioned by BusVic showed that the existing bus services (2009/10) had a benefit cost ratio of 3.5:1.

4, Strong Communities

23. The way we accommodate population growth in this city is unsustainable and we support the idea of unlocking the capacity which sits within existing suburbs. We agree that the state should aim to get greater utilisation of existing community assets through urban renewal and transport policy which augments the capacity of the network.
24. BusVic agrees with the discussion paper regarding the scale of the housing affordability problem in Melbourne. Our primary concern relates to the causal affect of high inner, middle and some older outer suburban house prices has on the way we accommodate growth.
25. Housing policy associated with the MPS should place a strong emphasis on increasing the supply of new housing in the established parts of Melbourne so that more people can live in areas with greater choice in terms of access and amenity. At the same time, housing policy for growth areas should be linked to transport outcomes that ultimately improve the level of access and amenity for new households and businesses.

26. Land use and development policy should give preferential approval to development that in particular places more people within the catchment of existing and well established trunk route services (e.g. SmartBus and DART). This could come in the form of a range of mechanisms such as increased maximum building heights, concessions to the normal car parking requirements, fast tracked approval process or rate based incentives programs.

5, Environmental Resilience

27. Measures designed to reduce congestion and excessive vehicle trip generation have a range of co-benefits associated with reduced greenhouse gas emissions. Based on BusVic research we can demonstrate the extent to which previous initiatives have had a positive impact on achieving greenhouse gas emission reductions.
28. In this regard the MPS focus should be on land use and transport strategies that reduce the dependency on private vehicles. Such policies should include:
    - Requirements for the early provision of public transport services in our newest suburbs,
    - Significant upgrade to arterial trunk and orbital BRT systems linking residential areas to employment clusters, and
    - Completing the implementation of the circa 2008 metropolitan bus service reviews in order to achieve uniform coverage of safety net social transit route bus services.

6, A Polycentric City Linked to Regional Cities

29. We support the concept of a polycentric city as contemplated in the discussion paper because it focuses on bringing people closer to where jobs are located as opposed to trying to get the jobs to move to where people live. The polycentric city model must be supported by transport policies that generate modal shift.
30. There is now a substantial body of evidence from Australia and around the world that demonstrates that where transport options are increased in terms of coverage, span of hours and frequency of services, modal shift from car to mass transit is achieved at faster and higher rates.
31. Greater access and amenity associated with a broader range of transport options contributes to greater demand in a given area and supports the growth of jobs and housing diversity.

7, Living Locally – A 20 Minute City

32. It is submitted (particularly in growth areas) that the provision of public transport should be based on the application of a similar model to that of leading supermarket chains and start services early in the life of the developing area. It is possible to stage the development of the public transport network ahead of full demand in such a way that it stimulates future demand and reduces the need for the purchase of the second, third or fourth car.

8, Infrastructure Investment that Supports City Growth

33. All of the ideas outlined under Principle 8 are the type of positive changes needed to give effect to the MPS. We agree with the discussion paper where it states on page 76 that there is a need to explore a various funding sources for delivering the range of infrastructure requirements implied through the application of the MPS planning objectives. Without a properly formed strategy that systematically facilitates the development of new approaches to investing in infrastructure the MPS will be unable to deliver on its vision.
34. We note that there are many examples throughout Melbourne where vehicle demand far exceeds the lane capacity of the road. Arguably, this is symptomatic of areas where the linking of residential areas to employment centres via public transport is lacking, leaving in some situations only private transport options for residents which further exasperates the congestion of the roads needing duplication.
35. Where identified through the strategic planning process, rapid transit corridors could be reserved and developed in a similar way to arterial roads. With a bold vision the rapid transit infrastructure could be transformative in nature providing positive impacts for 50 or even 100 years plus.

9, Partnership and Leadership

36. BusVic supports "Idea 14: Developing partnerships and agreements" and believes that developing models that generate greater collaboration between state and local government as well as private sector interests such as bus operators will not only see greater efficiencies in the delivery and financing of projects, but make the outcomes more achievable.

10 pillar Action plan

37. The following action plan should form the top transport priorities in the development of land use and transport policy needed to give effect to planning principles outlined in the MPS discussion paper:

Pillar 1 - Agreed and Shared Goals

38. The BIC/UITP/ARA Report entitled Moving People (2011) articulates the following set of strategic outcomes which should be adopted as guiding principles for the objectives of land use and transport planning integration:
    - **Congestion Management**. To manage congestion costs, improving economic competitiveness and quality of life in our cities.
    - **Environmental Improvement**. To achieve sustainable cuts in transport related greenhouse gas emissions.
    - **Social Inclusion**. To ensure adequate accessibility options are available to all Victorians and visitors.
    - **Health and Safety**. To make the transport system safe and encourage healthier transport choices.
    - **Energy Security**. To increase our energy security be reducing our reliance on imported fossil fuels.
39. To achieve the aforementioned strategic outcomes, co-operative initiatives between Industry and State will be necessary.

Pillar 2 Land Use and Transport Integration Governance Structure

40. We recommend a restructuring of Ministerial responsibilities which sees the entire responsibilities for urban planning and the public transport network be combined, and fall under the ambit of one Minister. In essence, create a 'super' Ministry of Planning and Public Transport'. In this model, the strategic (policy) work undertaken by DPCD and DOT could be merged, the planning and transport system design and delivery (tactical and operational) level work could continue to be undertaken by the organisation that is currently PTV, but rolled in the combined 'super Ministry'.
41. We envisage that other responsibilities for transport such as roads, freight and logistics and ports etc could remain with the Department of Transport and that that Ministerial position be renamed accordingly.
42. We further submit that a bolstered amount of Parliamentary Secretary's would be needed to support an enlarged Ministry for Planning and Public Transport. These Parliamentary Secretaries could form a small committee to assist Ministers' with communication and coordination of related elements of the delivery of infrastructure and services.
43. BusVic is firmly of the view that sustaining two silo Ministry's to deliver on what is, or at least should be, an integrated planning and transport plan, would be counter-productive and see the Government less likely to achieve its objectives.

Pillar 3 - Local Bus Route Minimum Service Levels (Safety Net)

44. Minimum Service Levels (MSL) are needed as a baseline. Upgrades to local bus services must keep up with the timing of urban development, rather than lagging behind development. This will promote social inclusion and community well-being by addressing the root causes of 'transport poverty'. The public transport plan should aim for:
    - high frequency services in order to make bus timetables redundant, and
    - improved perceptions of reliability of services.
45. BusVic has modelled and example of indicative costs needed to achieve current services operating at both an hourly MSL and a twenty minute MSL.

Pillar 4 - Arterial & Circumferential (Orbital) SmartBus Routes (A 20 Minute City)

46. The MPS should support the implementation of targeted SmartBus improvements in order to improve access to jobs and services.
47. A strategic program of orbital and trunk route development running to and from the identified employment clusters and along the way linking activity centres and other transport connections is fundamental to fulfilling the principles identified by the discussion paper.

Pillar 5 - Bus Rapid Transit (BRT) Systems

48. Mass rail transit systems come at significant cost and can take many years to deliver.
49. BRT is a relatively low cost alternative that is quick to implement and can provide high quality services to many areas of Melbourne in need of high frequency services. This is being evidenced all over the world, including Australia.
50. BRT systems offer numerous advantages which include:
    - significantly less capital expenditure to deliver the operating project as compared to the construction of heavy rail extensions,
    - being passenger ready in much shorter timeframes due mainly to the availability of rolling stock and more basic construction,
    - having a greater cost benefit ratio than conventional road construction because of lower land acquisition requirements and faster speeds for high capacity vehicles,
    - the shorter timeframes for delivery mean that private and potentially local government can contribute to the investment in the infrastructure. This could be encouraged as a means of reducing the debt burden on the State, and
    - the ability to be delivered well within a term of government making it easier to achieve strategic objectives.

Pillar 6 - Infrastructure and On Road Priority Measures

51. The investigation into the liveability of outer suburban Melbourne, the Outer Suburban/Interface Services and Development Committee (OSISDC) report discusses many examples of value added BRT systems that could be applied to Melbourne situation and highlights the urgent need to consider alternatives to the business as usual approach (refer OSISDC report pages 280 – 297).
52. In the development of land use and transport planning policies the MPS should have a focus on the development of infrastructure that raises the priority of public transport in the hierarchy of travel modes.
53. On–road priorities include better coordination of bus services with other modes and improved on-road infrastructure to encourage passenger flow between modes and improved station design.
54. The action plan calls for:
    - An increase in the quantity of rolling stock needed to facilitate greater frequency and coverage of services.
    - Expansion of the bus lane network particularly in the development of new arterial roads and duplication projects occurring in the interface and growth areas,
    - Expansion of the "Green 'B' go on red" system at controlled intersections,
    - Bus arrival information at on-road bus stops and improved shelters, and
    - Development of modal interchange information network to allow seamless integration between bus, tram and train.

Pillar 7 - Connectivity

55. Land use and development policies flowing from the MPS should have a focus on **Transit Oriented Development** which gives road and access priority to bus where it involves a modal interchange.
56. The key to connectivity is integrating land use and transport planning by ensuring that when land use and development are approved a holistic approach to accessibility has been considered.

Pillar 8 - Embrace a Continuously Improving and Evolving Network (Supply)

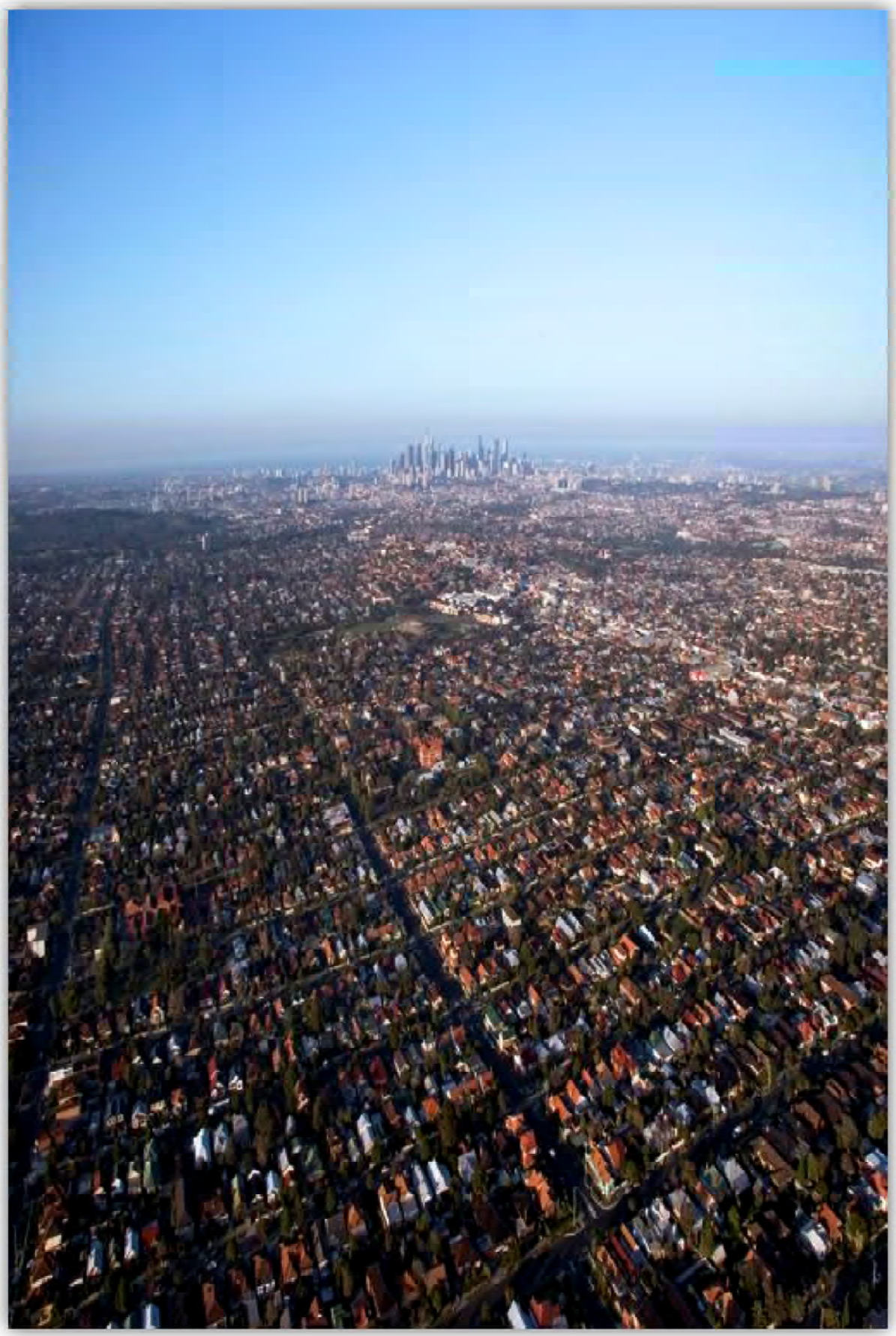
57. The PTV should implement a system whereby services are reviewed regularly and changes made to ensure that bus supply meets demand levels in line with the c2008 service reviews.
58. The recommendations from the 2008 service reviews should be targeted for 'Industry' and State to implement co-operatively focussing on suburbs which do not meet minimum service levels.
59. The review and continuous improvement of local routes should involve stakeholders from local government as advocates for residents, as well as State Government and the relevant incumbent local bus operator(s).
60. The tripartite approach does not envisage the establishment of another agency or new costs, it simply a new structure of existing resources into a forum that occurs periodically (e.g. quarterly) to ensure the routes and services (supply) are elastic to satisfy the continuing changing nature of demand.

Pillar 9 - Fix Community Transport

61. There are many unmet mobility needs in outer metropolitan and regional communities, needs that would improve social inclusion and personal wellbeing if they were met. Current public and community transport ("CT") services are only meeting some of the needs of transport disadvantaged people.
62. Various eligibility criteria serve to impose 'silo thinking' on provision of major forms of regional 'public' mobility services and hinder the effective achievement of personal and community wellbeing in the process.
63. A significant improvement in regional mobility, particularly for transport disadvantaged people, requires breaking through the silo mentality that handicaps delivery and achievement of outcomes. A new model has been commended to the State and the model is being trialled in Warrnambool. Thus far, this new model looks to be improving the mobility options for the transport disadvantaged in a manner considerably more efficiently than TCP.

Pillar 10 - Funding

64. Opportunities to increase funding through traditional means is limited as:
    - Fare increases are inelastic,
    - A reduction or removal of concession fares would be considered inequitable,
    - Advertising pricing on trams, buses and train stations could be increased but the amount of additional funding this would provide is limited
    - These measures are incremental in nature. The task at hand truly is of a transformational scope.
    - Reduced State revenues have stymied the ability to fund the amount of transport projects needed.
65. Consideration of new revenue sources will undoubtedly require the support of government. This submission puts forward a number of suggested options for consideration, most have been discussed by the modal CEO's during 2011/2012, in order to start a public discussion on funding.
66. Importantly, any new funding model(s) must be equitable. No one stakeholder should exclusively be responsible for the funding risk associated with capital and recurrent transport projects merely due to the sheer size of the task at hand. We suggest that the State should consider models that see ALL stakeholders contribute.



1. Introduction

About BusVic

Bus Association Victoria (BusVic) represents the interests of Victoria's private bus operators in a variety of ways, most importantly in respect of their relationship with Government and its Agencies, including contract negotiation, legislative and regulatory compliance, safety and advocacy. BusVic also deliver a suite of products and services to the industry that add value to operators' businesses. BusVic has a long and proud history of working with Government and we appreciate the opportunity of being able to put our views to the Committee and assist the Government with respect to the various proposed reforms to planning in Victoria.

BusVic acknowledges the collective experience of the expert advisory panel for the Metropolitan Planning Strategy and fully supports the initiative of the Victorian State Government in responding to what are obvious challenges associated with the forecast growth of our capital and regional cities.

The purpose of this submission

The purpose of this submission is to offer an informed response to the Metropolitan Planning Strategy Discussion paper (the Discussion Paper) by addressing many of the questions raised by it. On this note, BusVic commends the Ministerial Advisory Committee for the comprehensive way in which it has gone about the task of compiling information and developing ideas for the strategy to consider.

It is the aim of this submission to offer an evidence based response to the Discussion Paper with the intention of demonstrating a range of economically feasible methods of achieving the objectives of the 9 planning principles which it outlines.

Structure of this Submission

This submission is made in 3 distinct segments. The first segment sets out the contextual setting which forms the basis of our position on the pivotal issues many of which are echoed in the discussion paper. The second is dedicated to responding to the points of discussion and questions posed by the Ministerial Advisory Committee ("MAC") in order to offer a representative point of view to the many issues identified. The third part of the submissions outlines an evidence based action plan which revolves around ensuring that Melbourne gets the infrastructure needed to deliver on the vision of a sustainable and modern global city.

As such the third part of the submission will detail high level indicative costs associated with developing the bus based public transport network to a level needed to achieve modal shift and the fulfilment of the strategic vision.

Part 3 of this submission sets out a 10 pillar Action Plan for building the type of public transport network needed in a city of 5 million plus residents. The Action Plan will outline the critical components of achieving transport equity for Melbourne using as yet untapped potential of bus within the public transport network:

1. Agreed and shared goals,
2. Land use and transport integration and governance structure,
3. Local social transit route bus minimum service levels (Safety Net),
4. Arterial and circumferential (orbital) SmartBus routes,
5. Bus Rapid Transit (BRT) Systems,
6. Infrastructure and on road priority measures
7. Connectivity,
8. Embrace a continuously improving and evolving network (Supply),
9. Fix community transport, and
10. Funding.

By making this submission we hope that the strong working relationship that exists between our organisation and the Government will continue to grow in strength and that our input contributes to the achievement of agreed and shared goals.

2. Strategic Context

Playing catch up

Over the course of many years BusVic has contributed to and funded extensive research into the transport needs of residents and visitors alike. We have developed a deep level understanding of those needs and are committed to assisting the State in developing a fully integrated network that is capable of delivering a standard of public transport that is needed and which everyone can be proud of.

Through our involvement, we have observed the continued growth of Melbourne and worked collaboratively with State Government to ensure that Melbourne's buses continue to improve and deliver social and mass transit needs.

In our view the most important principle of planning is the goal of seeking to balance all of the competing interests associated with ongoing development of our city in favour of net community benefit. With this planning fundamental in front of mind, we acknowledge the importance of maintaining affordable land supply for residential and employment purposes along with appropriate mechanisms designed to encourage infill development. We understand the importance of freight and logistics and various inputs required to have a strong and prosperous economy. We also understand the need to ensure that along the way to building a bigger city we need to ensure that we protect our heritage, unique character; our cultural and environmental values.

The preparation of the MPS and indeed the 8 regional growth plans represents an opportunity to build on the achievements of previous plans and from first principles perspective we would urge the State Government to resist 'throwing the baby out with the bath water'. Elements of previous land use strategies and transport plans could continue to service the community and should be actioned for implementation where they align with the principles and objectives of the MPS.

This approach (i.e. not reinventing the wheel) has the advantage of time and costs savings to tax payers and makes better use of funds previously expended in the development of and formation of the plans. A good example of this is the 2008-2010 Metropolitan Bus Service Reviews which made a number of well founded recommendations for service improvements across the metropolitan area. If funded and implemented these services improvements would go a long way towards realising the vision of a 20 minute city.

The MPS also represents the opportunity to re-evaluate our shared needs and values as a city. It's an opportunity to take a 'fresh eyes look' at the potential of what we can achieve if we are prepared to think differently about our city and how we move around it. Rather than sticking to the road based planning approach which has on many levels dictated the terms of the growth of our city (e.g. Doncaster), the MPS should be used as an opportunity to rethink the things we need in our city and plan for a program of infrastructure investment that will benefit generations to come. In much the same way as our inner and middle suburbs continue to benefit from the investment in train and

tramway infrastructure of a century ago; our outer suburban growth areas deserve a level of investment in infrastructure capable of having a transformative affect on the way in which people experience their daily journeys.

The discussion paper acknowledges the very real concerns regarding the amount of infrastructure and service upgrade needed in Melbourne. We believe that a large part of the reason why Melbourne faces such large backlog in infrastructure and service development is because of a pattern of investment deferral by successive governments during the course of the past 40 years. While there have been additions and upgrades, which when looked at individually are significant; it cannot be said that there has been an integrated metropolitan wide approach to the management of growth despite the existence of numerous plans, strategies and agencies.

This is a view echoed in the December 2012 report by the Outer Suburban/Interface Services and Development Committee (OSISDC) report at section 4.6.2 where is discusses the issue of integrating land use and transport planning:

> *"The Committee strongly agrees with views expressed in the course of this inquiry that planning for transport services and infrastructure has not received sufficient priority in Melbourne's land use planning over recent decades. While this is true of planning for both new road and public transport infrastructure, planning for public transport infrastructure has been a particular blind spot. The effects of this 'blind spot' in Melbourne's land use planning have been and continue to be felt most acutely in Melbourne's outer suburbs."* (OSISDC p291)

The impact of this systematic underinvestment today is an infrastructure shopping list which is estimated to exceed $29 Billion. With a population profile such as that outlined in Victoria in Future (VIF), a failure to adopt new funding and procurement models and commit to a program of infrastructure development will only contribute to the infrastructure burden and continue the pattern of deferring investment to later generations whom will potentially have fewer resources available to meet their needs.

The impact of under investment is an issue highlighted by the recently tabled report of the Parliamentary inquiry into liveability options in outer suburban Melbourne. It found that while Melbourne's growth areas have been popular with new households evidenced by the disproportionate amount of population increase experienced between inner and outer Melbourne; the under investment in major transport infrastructure is having significant impacts (OSISDC page 128 & 129). The report states in findings 2.6 and 2.7:

> *Melbourne's Growth Area Councils have accommodated a disproportionate amount of Melbourne's population growth in recent years, which has placed significant pressure on existing infrastructure and created strong demand for new infrastructure, which has not been met and should be addressed as a matter of urgency (F2.6 p128).*
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> *The delayed provision of infrastructure in Melbourne's Growth Areas has significantly increased the demands placed upon the available infrastructure in Melbourne's established outer, middle and inner ring suburbs and has a negative impact on liveability throughout metropolitan Melbourne (F2.7 p129).*

The report goes onto say that:

> *The committee considers that, in addition to the early provision of infrastructure (discussed in detail in Chapter Four), the level of access to infrastructure for Melbourne's residents could be significantly boosted by increasing the amount of future population growth that is accommodated in Melbourne's established outer, middle and inner ring suburbs (p129).*

We note the report also found that:

> *The Committee considers that both the medium and long term benefits of population growth in Melbourne's outer suburbs, when properly managed, far outweigh any negative impacts (such as increased pressure on infrastructure) that may be experienced in the short term (F2.8 p130).*

We support this and note that this approach is reflected in the discussion paper where it discusses unlocking the capacity of existing suburbs. However, we stress the need to ensure that this growth is properly managed as referred to above.

Providing people in all areas of the metropolitan area with real transport choices is key to realising the vision for Melbourne's future whereby households and business are not almost fully dependent on private transport for the majority of trips. This is acknowledged in the discussion paper where it discusses the differences between inner Melbourne and outer Melbourne in terms of transport diversity where ones choices readily include trains, trams, buses, cycling and walking.

We acknowledge that the sheer scale of investment needed to achieve this goal will take many years to deliver but we submit that the role of the MPS should be to set in place transport and land use planning policies that preserve and facilitate the opportunity to deliver infrastructure progressively.

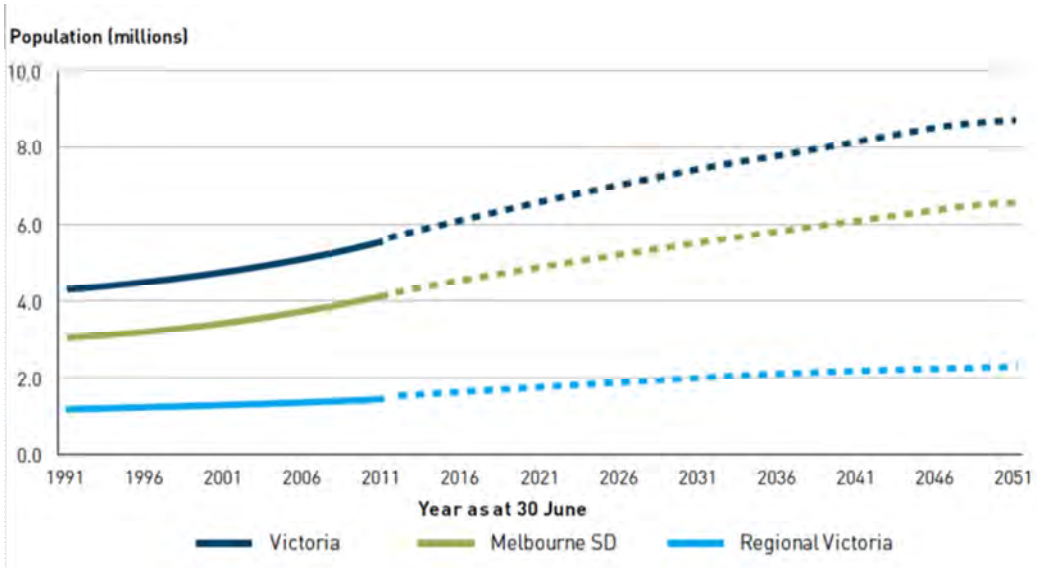
Population and demographic drivers

The forecasts population of between 5.5 and 6.5 million people by the year 2051 should be considered in perspective. On one hand, a population of this size could yield significant benefits in terms of achieving scales of economies. There are many examples of cities with large populations are considered among the most vibrant and exciting places in the world. On the other hand, to have aspirations for a city of this size based on our current models of infrastructure funding, road construction, service procurement and housing supply is a recipe for failure and will further compound our current problems of chronic congestion, social exclusion and transport inequity. Therefore, from a first principles perspective, the MPS must envisage and ultimately enable the development of a world class city wide rapid transit system to rival that of places like Hong Kong, Singapore, London, Tokyo and New York.

Having regard to our population and its forecast growth, we need to stress the point that we do not take issue with the size of the population. Indeed we generally support the concept of a "big Australia" and the need for and capacity of this country to sustain a larger population. However, we qualify this position by noting that with this comes a responsibility to consider and set targets for an appropriate rate of change/growth and along the way ensuring that we grow we increase our capacity to accommodate and support the community and economy. By this we mean simply that growth must be matched by the building of new infrastructure and land use and development policies that create more access and housing supply in existing areas with capacity to accommodate.

A city of 6.5 million people represents a major challenge for the State in terms of understanding the scale of development required to accommodate an additional 2 million people during this period. However, when one examines the forecast demographic profile and components of change depicted in the recently released VIF datasets, one starts to see that it is about more than just gross numbers. In our view, the makeup of the future metropolitan population will drive demand for a vastly different method of transport from what we have been able to rely on in the past.

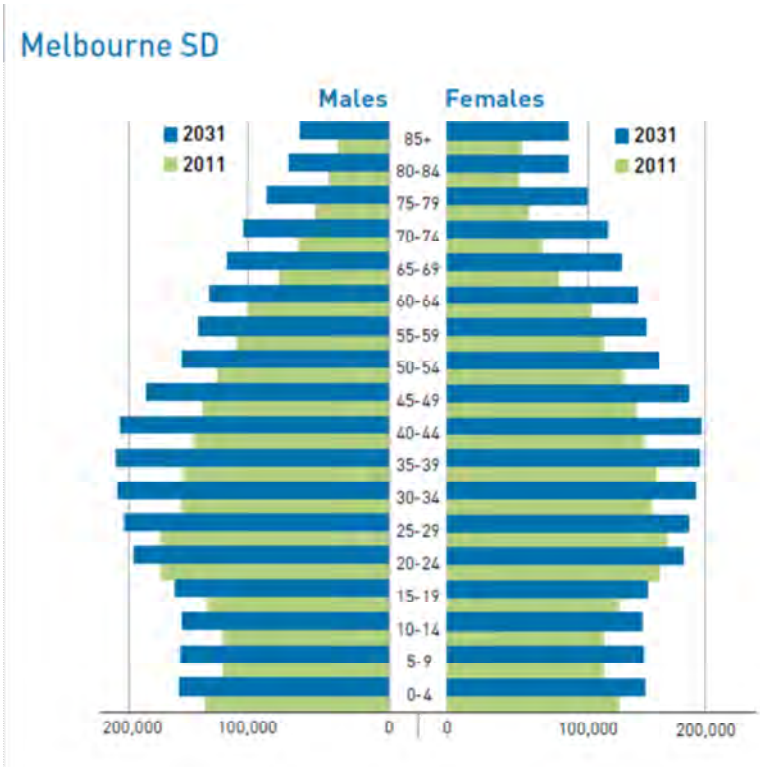
Figure 1: Historical and projected population, Victoria, Melbourne SD and Regional Victoria 1991-2051



Source: DPCD 2012

According to the 2012 VIF the ageing population will continue to grow as the proportion of population. The median age is expected to increase from 37 years in 2011 to 41 years by 2051. The proportion of people aged 65 years is expected to increase from 13.9% to 22.1% with the greatest proportion of change during this period occurring in those aged over 85 forecast to quadruple.

Figure 2: Population by age and sex, Melbourne SD and Regional Victoria, 2011 and 2031



Source: DPCP 2012

This ageing profile and the fact the proportions of ageing in the population are increasing, combined with the fact that according to VIF data most of the forecast population growth will come from net overseas

migration signals that demand for public transport will increase. It follows that as arrivals to the State move to the most affordable locations on the fringes of Melbourne along with new households formations (over half of which are not expected to be first home buyers), the highest level of need will occur in the areas with the lowest levels of service. As we already know, there is very limited capacity in the existing heavy and light rail network to carry extra patronage and while recent projects such as RRL, Sunbury Electrification and the Epping line extension to South Morang have improved access; many residents in Melbourne's most outer areas are far from having access to adequate services. When we then examine the vast area over which Melbourne is expected to grow during this period the prospect of providing rail or expecting people to make the trip to a rail network becomes impossible to imagine.

We have evidence that demonstrates when services are increased for local and trunk bus services, significant increases in patronage occur. Melbourne's buses have grown in ridership of approximately 35% in the last 4 years alone. The recent announcement by the Minister for Planning regarding the growth of Melbourne's metropolitan area and the fact that over 50% of all new household formations are expected to settle outside of the current boundaries, lead us to one conclusion; that Melbourne simply cannot be expected to improve upon its current levels liveability without substantial investment in local and trunk service bus transport.

Easy access to public transport has long been a problem in the outer areas, with infrequent services, long travel times and indirect access to employment activities being major concerns. Our research shows that these problems accentuate risks of social exclusion. This submission wishes to reinforce our message made during consultation and through our submissions to various other strategic planning documents that without significant policy intervention aimed at developing transport infrastructure to match the strong population growth existing issues will compound in years to come.

Recent demographic indicators derived from recent VIF and ABS data support our submission as follows:

- Continued strong increases in population. Forecasts suggest a 47% increase in the Interface Councils' population by 2026, with transport-dependent young people a significant proportion of the total population,
- The interface and growth area group of LGAs are highly dependent on car travel for employment access and mobility. It is likely that fuel prices will increase in the future as the supply of oil reduces and cost of production increases in conjunction with increased global demand associated with an improving global economy. This will put pressure on the affordability of daily travel, putting household budgets under increased stress,
- The share of the population aged 65+ in the Interface Councils will almost double by 2026 and form over 22% of the population by 2051. This age cohort tends to rely more on public transport services; and
- There is a very strong case on equity grounds for continuing to improve bus services in middle and outer areas of Melbourne. These areas have relatively higher transport needs than inner/middle suburbs but lower levels of public transport service available. Research by BusVic has shown that improving bus service levels in these areas will produce substantial economic benefits, as well as improving social outcomes.

Urban growth does not necessarily have to translate to urban sprawl

BusVic's interpretation of the Growth Corridor Plans released in 2012 is that it reflects the principles of integrated transport and as such we support the vision of the corridor plans as outlined under Section 3.2 particularly with regard to:

- Providing travel options,
- Creating an integrated multi modal transport network,
- Opportunities for locating higher density land uses, and
- Creating complementary walking and cycling networks.

A great deal of work has gone into planning the growth area regions with respect to building a vision and establishing an understanding of broad hectare demand, land capability, establishing the network of employment and activity centres and layering the plans with meaningful objectives that add value to the long term development of communities. The amount of time and effort invested into the development of the Growth Corridor Plans warrants an accompanying implementation strategy which focuses on 'do-ables' and it is submitted that the MPS should set in place the funding and delivery strategies that will see the vision and the principles of Victoria's planning framework fulfilled.

In November 2011, BusVic made a submission to the government entitled 'Growing the Suburbs' where we elaborate on factors such as population pressures, social exclusion risk, housing and job access pressure & environmental pressure. This can be made available upon request.

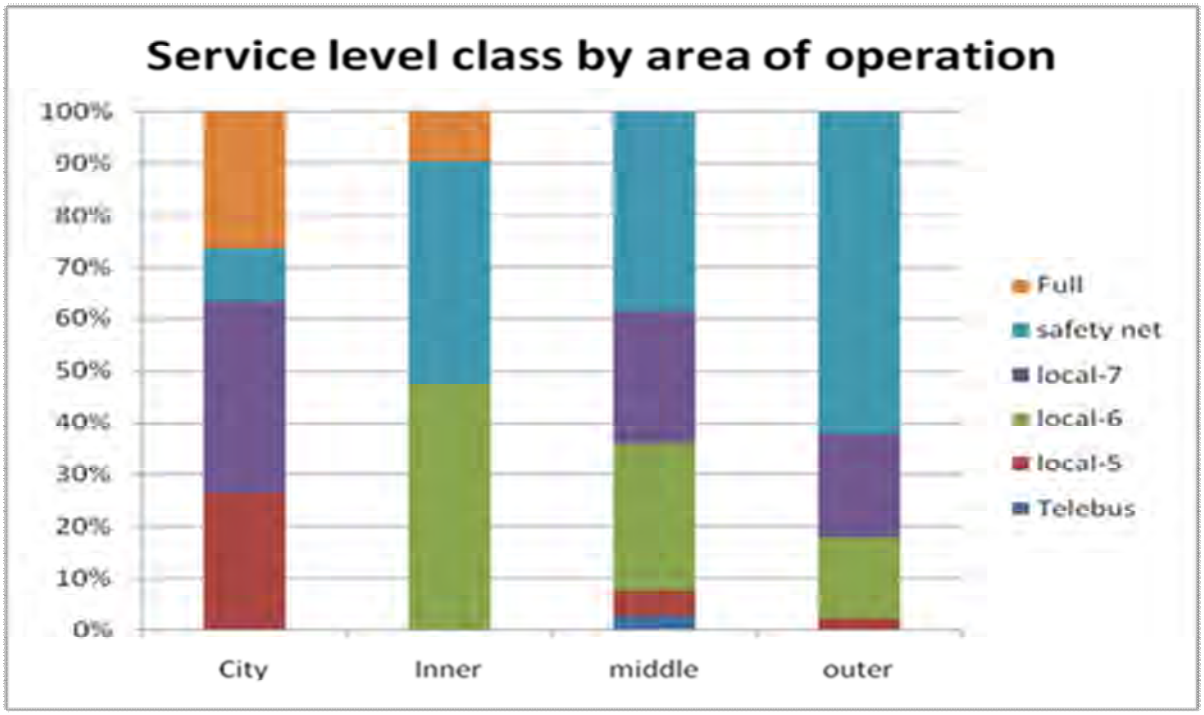
Melbourne's outer metropolitan areas referred to as interface areas include those parts of Melbourne not subject to the Growth Areas Authority (GAA) planning efforts. In addition to six GAA local government areas, interface areas include the Local Government areas of Frankston, Mornington Peninsula, Yarra Ranges, Nillumbik and parts of Greater Geelong, Moorabool, Macedon Ranges, and Baw Baw. These areas have a substantial suburban population with high demand for housing and services because of their relative levels of affordability and proximity to Melbourne.

Bus is the primary form of public transport in interface areas and given that during the period to 2051 more than 50% of Melbourne's future growth will occur in these areas, we submit that the MPS should establish the policy and resourcing conditions which enable sufficient expansion of the network in terms of coverage, span of hours and frequency of services. The early provisions of services and indeed the upgrading of existing services to diminish the current backlog will be fundamental to the ability of the MPS to fulfil the expectations of the community and live up to the principles outlined in the discussion paper. As we have stated many times before, bus is the most demand responsive and cost effective mode of public transport when it is planned and developed in a coordinated fashion.

The graph below shows that a far higher proportion of bus services in outer Melbourne (in May 2009) were either not operating seven days a week or were operating at what is called "local 7" service level, which is less than what has come to be regarded as the 'safety net Minimum Service Level' ("MSL"). It should be noted that safety net MSL is defined as the availability of public transport service within 400 metres of residences, at:

1. Weekday frequency of at least one hour from 6.00am to 9.00pm start of last run (later finish on Friday evening)
2. Saturdays at least hourly from 8.00am to 9.00pm
3. Sundays at least hourly from 9.00am to 9.00pm.

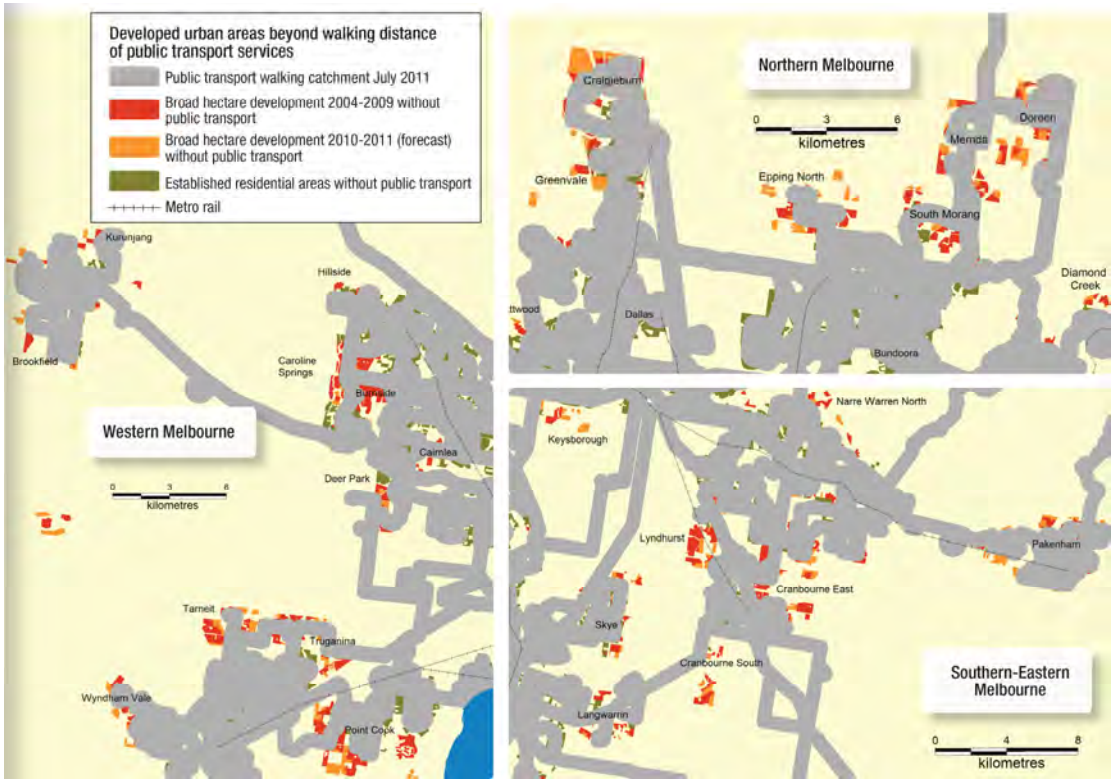
Figure 3: Service level class by area of operation



Source: BusVic analysis of Metlink data.

By way of illustration the diagram below show the areas of Melbourne which have been released since 2004 which do not have walkable access to public transport.

Figure 4: Developed urban areas beyond walking distance of public transport services



Source: Bus Solutions 2011, BusVic.

We estimate that around 34,000 lots developed between 2004 and 2009 are still without public transport within walking distance, and another 21,000 lots are expected to be developed over 2010 and 2011. At an average occupancy of close to 3 per household, this represents over 160,000 new residents waiting for basic local public transport to commence. Suburbs with significant areas beyond the reach of public transport include:

- Botanic Ridge (Cranbourne South),
- Burnside Heights,
- Caroline Springs,
- Cranbourne,
- Cranbourne East,
- Deer Park,
- Doreen,
- Epping North,
- Keysborough,
- Langwarrin,
- Point Cook,
- South Morang,
- Tarneit, and
- Truganina.

Many cities in regional Victoria are also experiencing strong population growth on the outer fringes, and face similar public transport coverage issues to Melbourne. In particular Bacchus Marsh, Warragul, Drouin, Rosebud and Mornington currently require bus network expansions to keep up with urban growth.

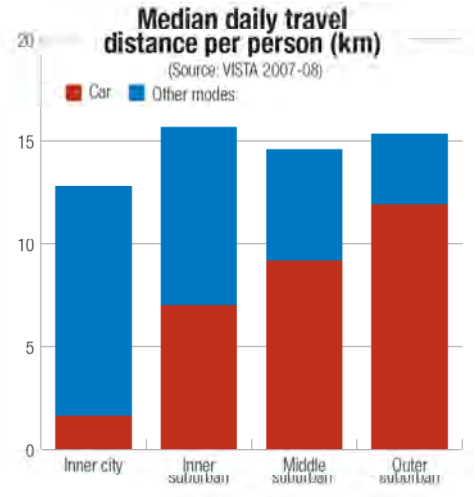
Car Dominance

The impact of low service levels in outer and interface areas can be seen in terms of car use and car ownership by households in these areas. BusVic analysis shows that while housing costs might be lower

on the fringe of Melbourne, our analysis of Victorian Integrated Survey of Transport and Activity (VISTA) data shows residents in the outer suburbs are more reliant on cars to get around, and are often on lower incomes, making them especially vulnerable to rising fuel prices.

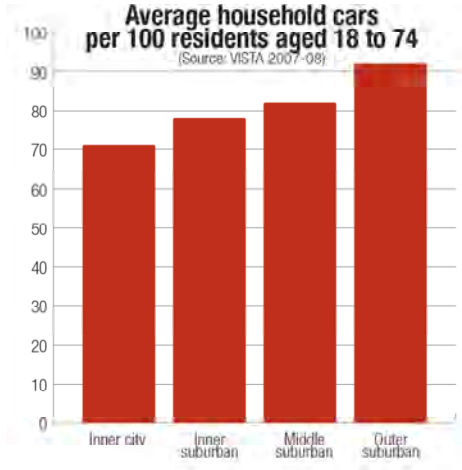
The chart below shows that median distance travelled by car is much higher for residents in the outer suburbs of Melbourne. This is despite there being little difference in the median total distance travelled (by any transport mode) between inner and outer Melbourne.

Figure 5:



Car ownership rates are also highest in the outer suburbs, with 92 cars for every 100 people aged between 18 and 74, as shown in the chart below.

Figure 6:



Although these charts are sourced from VISTA 2007-08, analysis of date from the 2011 ABS census confirms that car ownership in outer urban areas remains high. There is no reason to suspect that trends in distance travelled in cars would have changed significantly since 2008.

Historical Service Upgrades

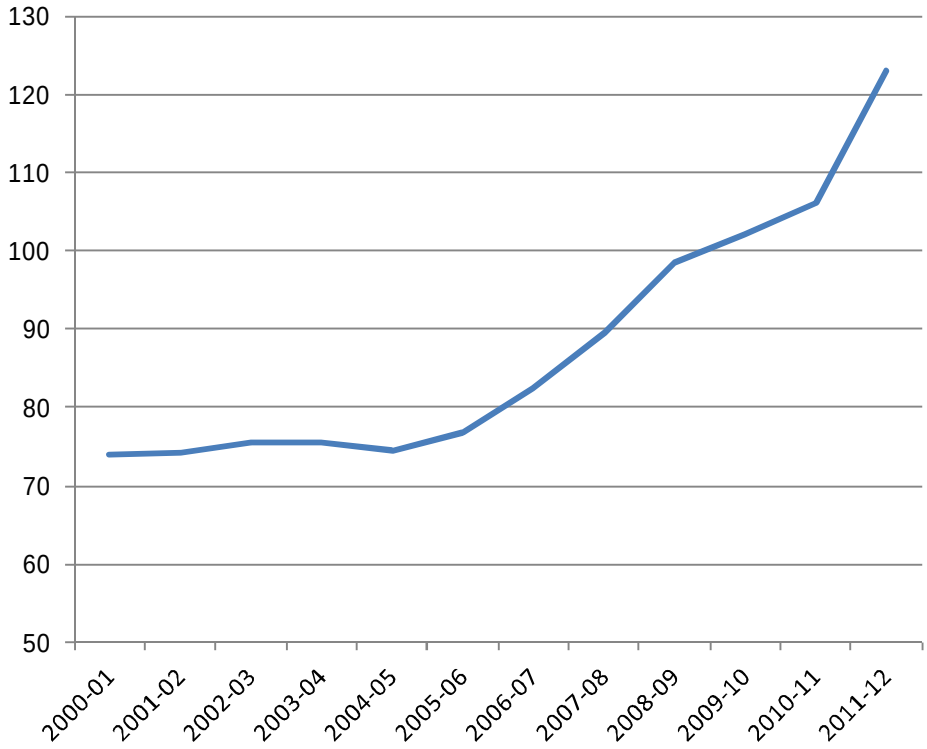
Social transit route bus services improvements have slowed since 2010. The introduction of mass transit (DART and orbital) services are showing very encouraging patronage uptake.

While further improvements are still needed, it is worth noting the results which have flowed from the implementation of the "Meeting our Transport Challenges" ("MOTC") policy and programs. Two particular areas of improvement of relevance for interface areas have been:

1. the rollout of increased SmartBus services, which are mainly orbital trunk services operating at high frequency; and
2. upgrading local bus services to achieve the safety net minimum service level, which is sufficient to ensure that most people have the chance to travel for most purposes at most times.

Patronage growth on Melbourne's route buses has experienced a substantial increase of just over 70% during the period 2005-06 to date. The increase in patronage has occurred over and above the increase in timetabled services kilometres which has remained stationary since 2010-11. This indicates a very strong performance and is more than double the growth that might be expected from experience observed internationally.

Figure 7: Patronage on Melbourne's route buses, 2001-2012 (million boardings p.a.)



Source: Stanley, 2013

Local Bus Service Upgrades

Between 2006 and mid 2008, 102 existing bus routes were upgraded to the safety net Minimum Service Level (MSL) and a further 15 new routes were introduced. It has been suggested that the strong rate of patronage growth on local bus services is possibly due to the hourly service frequency for seven days a week, across 12-15 hour service spans, resulting in service levels passing a critical threshold in service quality (Loader and Stanley 2009). Fuel prices and mortgage interest rates were both high a few

years ago. Bus patronage (on average), however, declined in outer areas on bus services that did not run seven days a week. It grew strongly on those services that met the safety net MSL standard. These divergent results support the idea that the safety net service standard achieves a critical usage threshold. By implication, completing the roll-out of safety net MSL bus service levels across the interface areas can be expected to lead to solid patronage growth.

Since mid-2008, BusVic points out that there have been very few further upgrades of local bus routes to the safety net MSL service standard. Over 140 regular routes did not meet this standard as at July 2010, with 102 (or 35% of all routes) having no Sunday service. Achieving the safety net MSL should be a major policy focus for government and a key initiative of the Metropolitan Planning Strategy.

At the same time, the MPS should facilitate through the prioritisation of transport objectives the implementation of those further bus service upgrades that have been proposed in the recent comprehensive set of Department of Transport Bus Service Reviews.

Trunk Bus Service Upgrades

Trunk (or mass transit) bus service upgrades in Melbourne in recent years have focused on continuing the roll-out of the SmartBus network, together with delivery of the Doncaster Area Rapid Transit (DART) project. A future Bus Rapid Transit service was also announced for the Mernda corridor.

Most SmartBus services are arterial/trunk and orbital bus services that operate at 15 minute peak headways and 30 minutes at other times, from 5.00am until midnight. However, the western suburbs are poorly supplied, having just one SmartBus route, and BusVic (2010a) has identified that there are many other corridors in outer Melbourne in which SmartBus service levels would significantly improve opportunities for public transport travel. In terms of the interface areas, these include:

- an upgraded service connecting Sandringham, Southland, Cheltenham, Dandenong, Fountain Gate and Berwick via Bay Road, Centre Dandenong Rd, Cheltenham Rd, Frawley Rd and Princes Highway, connecting four train lines and several major shopping centres;
- an upgraded service between Frankston and Fountain Gate via Cranbourne and Narre Warren, connecting three train lines and several activity centres;
- a new SmartBus service along the Western Highway and Ballarat Rd, connecting Caroline Springs, Sunshine, Footscray and the Melbourne CBD. This would involve a consolidation of some existing services to provide a simplified high frequency route;
- upgrading route 693 from Ferntree Gully to Oakleigh and Chadstone shopping centre;
- extending route 900 (Caulfield to Rowville via Monash Clayton) to Ferntree Gully.

Referring back to the Growth Corridor Plans, BusVic explicitly supports the further expansion of PPTN routes referred to in Section 3.2.2 and the objective of developing greater land use densities along PPTN routes. BusVic agrees with the idea that PPTN routes will be supported through more intense forms of development. However, Section 3.2.3 goes on to state that:

...in the Growth Corridors, the following activities are expected to be located along the PPTN:

- *Principal and Major Town Centres (including retail, high density residential development and regional health, education and community facilities); and*

- *Higher density employment precincts.*

Prioritising investment in high capacity public transport (especially rail stations) requires that land uses capable of generating significant public transport patronage levels are co-located in order to facilitate combined purpose trips, ideally in PTCs or MTCs or employment precincts. This will ensure that infrastructure is provided and used in the best and most efficient manner. Possible new rail stations are therefore identified where there is a large residential catchment and/or at major destinations, such as a PTC and/or clusters of other high trip generating facilities.

We do not believe that the public transport needs of the city will be met through further investment in rail stations for all of the reasons outlined above and throughout the remainder of this submission that the MPS should look at ways of delivering equivalent or better services by augmenting the SmartBus network of trunk routes.

3. A Response to the Metropolitan Planning Strategy Discussion Paper

Introduction

From the outset we whole heartedly agree with the notion that there can no longer be 'a business as usual' approach to planning and accommodating growth in Melbourne. We believe that the discussion paper's opening comments regarding the challenges facing our city are perhaps the most important aspects of the discussion paper. This is because it sets a very important context for what the plan needs to focus on in terms of land use and transport planning policies. Such policies must be aimed at achieving the outcomes that combine to sustain the type of city we aspire to because while the population is forecast to be around 6.5 million by 2051, there is also a need to consider issues beyond this number and timeframe.

As a developed city, Melbourne must deal with societal change associated with demographic drivers such as an increasing proportion of older people making up the population (many of whom are and will be under superannuated); the location of suitable and affordable housing and the impact this has on household living costs and social connectivity; extensive gaps and backlogs in all forms of infrastructure and service provision and its delivery in the face of increasing costs; and adapting to Australia's evolving position in the global economy as modes of production shift and consolidate throughout Asia.

If the MPS is going to have any long term value it must first of all be honest about the scale of the challenges we face and set its sights on implementation. In other words the strategy must identify the "do-ables" needed to make sure that future generations have what they need in order prosper as previous generations have. In this regard the MPS must be trans-generational and its implementation must have bipartisan support to the extent that it should not be seen as the plan of the State Government of the day, but as Victoria's plan. As such, we would like to see the MPS come with a governance structure which embeds the actions of the plan into a legislative framework such as a reformed and combined Planning and Environment Act and Transport Integration Act.

The notion of developing the strategy as a framework for innovation is an important aspect to embed in the format of the MPS. We agree with the discussion paper in this regard and submit our support where its states that:

> *…the MPS will need to provide clear frameworks for long-term decision-making about Melbourne while also providing enough guidance to achieve those frameworks with short and medium-term projects. These frameworks will need to leave room for innovation and creativity, while limiting change in areas that should be preserved. Planning will need to allow for future opportunities by preserving transport options, reserving land for major new facilities and services, and by acknowledging that places take time to develop (MPS discussion paper p8).*

This reference highlights two major themes that will reoccur throughout this submission relating to the actions that follow from the development of the MPS.

1. The importance of striking a balance between guiding appropriate development by following well founded and agreed principles while allowing room for change and innovation to occur, and
2. Completing the development of the strategy to the extent that the most important aspects of the strategy are able to be delivered through new approaches to stakeholder involvement and partnership, funding and financing.

This second theme raises another equally important point as a response to the discussion paper. That is to say that the long term success of the MPS will require a whole of government approach to the implementation of the strategy. In relation to this, we submit that Treasury and Finance should be ordered to investigate and embrace alternative models needed to fund the delivery of infrastructure as a starting point. We note that the discussion paper also calls for partnership of all levels of government together with industry and the community which we agree with but would add that the State Government must take the initiative and show leadership in the first instance.

This leads us to the idea that there needs to be a range of reforms to the planning system that follow on the finalisation of the MPS. Of particular importance is the alignment of the development contributions frameworks to the delivery of infrastructure that achieves the strategic objectives of the strategy.

For example there are many situations around Melbourne where the development of connector and arterial roads are critical to the provision of frequent and efficient bus services. It is quite often the case in growth areas that the completion of a section of road requires the developer to either fully construct the road or provide the land and construct the first carriageway. In some cases as little as 150 metres is needed to provide direct access to other more established areas or facilities. If the developer or landowner is not in sequence with other parts of the development area a section of road can remain missing for years.

Consequently, the cost of the additional bus kilometres needed to get a service into an area as a result of diverting the service around a missing section of road (potentially adding 5-10km) makes the provision of services cost prohibitive for the State. This generally results in private transport habits becoming entrenched early in the life of the new community's residents causing further congestion and the proliferation of issues associated with car dependency such as social isolation. The lack of connectivity also discourages walking and cycling which contributes to a decline in the overall health and sustainability of our growth areas and further disadvantages new residents. BusVic submits that the restructuring of the Development Contributions provisions represents an opportunity to place greater emphasis on development completing critical arterial and connector road sections where they benefit the provision of public transport by removing barriers to connection and reducing the overall dependence on private vehicles. This could be achieved through mechanisms that either compel developers to complete nominated sections as a priority or better empowers the development agency to raise funds through financing mechanisms to be paid back as development contributions are collected. BusVic supports the provisions which encourage works in kind, but submits that this should have greater powers of compulsion where it has the potential to facilitate public and active transport.

The Growth Area Infrastructure Charge ("GAIC") establishes a base of funding collected from the process of bringing land inside the urban growth boundary for the purpose of urban development. This initiative established by the GAA is a positive move and a critical step towards ensuring that the critical infrastructure has the funds available to achieve a starting point.

It is submitted however, that greater transparency in how funds are allocated to projects either as works in kind or as state run projects because of the finite nature of the funds and the need to maximise value for money. It is argued that given the significantly lower capital expenditure and development timeframes associated BRT systems, GAIC funding should be directed towards projects that can deliver on more cost effective modes of mass transit instead of focusing on heavy rail projects.

What we want to achieve...

Principle 1: A Distinctive City

There are two key aspects to the notion of a distinctive city which need to be further explored as part of understanding the purpose of this principle. The first is the need to ensure that as we grow, we do not compromise the highly valued features of our city that give it its distinctiveness. For instance, the discussion paper refers to "roads as features of the public realm" referring to the city's boulevards and tree lined streets. This part of the discussion argues that:

> *..."a network of boulevards throughout metropolitan Melbourne could play a vital role in greening the city. Reconfiguration of existing roads could also be achieved at a local level by extending kerbs and improving the public realm as well as making roads safer and more attractive for cyclists and pedestrians".*

While we do not disagree that the treatment of arterial roads is important in terms of setting the scene for the feel and aesthetics of a location; we submit that the nature of road use presents a number of significant barriers to achieving the same affect associated with our better known boulevards. For example:

- Road safety design standards restrict the size of median and road side tree planting, which impacts on the ability to achieve the leafy green canopy look,
- The posted speed limit of most arterial roads is between 70 and 80km/h which from a road user safety perspective dictates nature of urban design in the area surrounding the road reserve (e.g. slip lanes, building setbacks, safety barriers, intersection design, the location car parking and the nature of property access via service roads etc),
- Consistently high traffic volumes of between 30,000 and 60,000 + cars and heavy commercial vehicles per day generates significant noise and pollution issues which detract from the amenity of the area, and
- The fact that for the foreseeable future traffic volumes are projected to continue to increase which drives the need for the design of the road to favour traffic movement over urban aesthetics.

While we support the idea of developing roads as a feature of the public realm, a failure to deal with causes of chronic traffic congestion will ensure that arterial road design and the nature of their use will continue to detract from the liveability of the many parts of the city. Instead of just increasing the capacity of roads, the MPS should shift the policy focus towards increasing the share of trips made on public transport and addressing the disconnect between the location of jobs and housing.

In this regard the strategy must have a strong focus on linking the development of major decentralised employment centres with transport plans that will deliver greater access and amenity to the employment areas. This approach will enhance the value of development and actively contribute to the State's vision of having more homes closer to where people work and a public transport network which allows for fast and efficient 'cross town' movement. In other words, the strategy should develop mass transit and social transit strategies which accompany plans for the employment clusters referred to primarily in Principle 6.

The second aspect is the need to ensure that as the city grows we continue the tradition of planning good urban structure. Many of the characteristics described as being distinctive features of Melbourne are (a) physical infrastructure and buildings such as train and tram rail networks, sporting stadiums and galleries and (b) the results of urban development patterns and a transport network which were established over 100 years ago and designed to accommodate people with lower levels of personal mobility (i.e. the absence of cars).

Our famed retail strips such as Brunswick Street, Sydney Road, Bridge Road, Chapel Street and High Street (to name a few) developed in a way that met the needs of the local community and as such served as mixed use areas comprising industry, retail and residential land uses. Looking back at the development of our city it would appear that many of the features of our "old city" such as land use density and intensity, walkability and human scale have been developed out of planning and regulatory frameworks in favour of the requirements of greater volumes of cars. Segregated land uses, hectares of car parking, grade separated intersections, large building setbacks, and big box retailing are now the dominate features of vast areas of Melbourne. While state and local planning policies often express a desire for development to consider good urban design, the results are more or less superficial treatments which do little more than aesthetically dress the accommodation of cars in the landscape.

It is submitted that the aspirations of good urban design is in direct conflict with the needs of the outer metropolitan residents and their limited transport choices. This discussion highlights the urgent need to reduce the dominance of cars on our urban landscape in order to achieve the sorts of fine grain development which we as a city value as our distinctive features. Obviously this is not something that can occur in the short to medium term, but the sustained application of integrated land use and transport planning policies that over time deliver viable alternatives to the default use of cars, the policy aspirations expressed in the discussion paper can be achieved.

BusVic submits that the catalyst for change exists in the combination of:

- rising fuel prices,
- exasperated living costs associated with greater travel distances,

- housing affordability, environmental awareness, and
- the emerging era of energy pricing.

These are all themes touched on in the discussion paper and we put it to the Government that the MPS should be about policies that tackle these issues with direct and substantial increases in public transport coverage and that it is obligated to consider all options in terms of funding and capacity building.

Given the geographical size of Melbourne within its current boundaries, it is submitted that one way of continuing to ensure that Melbourne maintains its tradition of developing with distinction is to develop sub-regional plans which focuses on detailed planning and delivery of critical social and community infrastructure. This would also ensure greater collaboration between state and local government because the focus on delivery could be managed at the local or subregional level. This combined with an acceptance of innovative funding models referred to later in this submission would go a long way to supporting the adherence to this principle.

Principle 2: A Globally Connected and Competitive City

BusVic agrees with the discussion paper's statement that Melbourne needs to improve its productivity.

Because of our high wages standards of living, our ability to compete globally relies on our ability to increase productivity in the goods and services we produce. Research carried out by the Bureau of Infrastructure Transport and Regional Economics ("BITRE") (2007) has quantified the economic cost of road congestion on our productivity. The 2007 report estimates that the total annual cost of delay in Australian capital cities at $11.1 billion of which $3.6 billion can be attributed to Melbourne. The report goes on to estimate that the cost of cost of congestion will increase to $20.4 billion by the year 2020 of which $6.1 billion can be attributed to Melbourne second only to Sydney at $7.8 billion up from $3.5 billion in 2005.

The figures quoted above represent a cost to the State's economy and can be interpreted as the cost of unnecessary delay on the road network resulting from additional vehicle trips associated with an incomplete public transport network. In other words, while congestion cannot be entirely eliminated from our roads, greater provision of viable alternatives in terms of span of hours, frequency of service and coverage would stimulate modal shift sufficient to reduce the cost of delay to the state's economy.

From our perspective it would be irresponsible to plan for the continued growth of the city without sustained funding commitment to a fully developed mass transit system of trains trams and buses in all parts of the city. There is a growing body of evidence from the experience of cities in North and South America, Europe and Asia which supports the development of integrated mass transit systems that allow cities of greater than 5 million people to function in a way that reduces car dependence. In this regard Victoria has an opportunity to be national leaders in the move away from car dependent cities.

In terms of our competitive advantage greater efficiency and reduced cost to business would have many positive multiplier impacts for business and employment growth. We therefore submit that the MPS represents an opportunity to think of an integrated transport strategy in an entirely new light. As such the MPS should plan for the growth of the public transport network with the objective of enhancing its ability to increase the productivity and competitiveness of the State.

In terms of stimulating job creation (MPS p21) it is submitted that one of the key objectives of the strategy should be to comprehensively overhaul the transport connectivity to our established and identified employment and activity clusters. It is important when considering mechanism which could stimulate job creation to consider where those jobs will be located in the context of where people live and how they get to their job. For example, the larger clusters such as Melbourne Airport, Broadmeadows, Monash Technology Precinct and Dandenong currently service their surrounding regions, but are sparsely accessible by public transport (generally). However, if these centres were to develop a radial network of mass transit routes spreading out from a central node and connecting to the larger network it would then form part of an integrated web of transit routes. With a high of span and frequency of service the network would begin to replicate one of the competitive advantages of the Melbourne CBD and inner suburbs being ease of access.

Having regard to the question on page 23 of the Discussion paper (i.e. *How can the planning system be more responsive to innovative projects from the private sector?*), BusVic submits that there is an opportunity to review where the existing system poses barriers to consideration of new ideas and where unnecessary delays impose additional costs on development. For example the recent proposal to redevelop parts of Camberwell Station was the opportunity to undertake an innovative approach to value capture from existing infrastructure. However, because the planning system allowed it, the development was stopped by the actions of a minority interest group with a narrow field of vision when it comes to what should and should not be allowed to develop.

With respect to the development of a new airport in Melbourne's South East it is submitted that this would have major environmental and amenity impacts in the region. It is submitted that rather than developing a new airport, a more sustainable and affordable approach to addressing access inequity would be to improve the transit access to the existing airports at Tullamarine and Avalon. This could be achieved by expanding the orbital bus and SkyBus connections beyond connecting via the Melbourne CBD. It is argued that if done properly with a coordinated approach to coverage, span of hours and frequency of service, would result in great capacity on the roads for freight and logistics.

Principle 3: Social and Economic Participation

It is strongly submitted that one of the major tasks of the MPS must be to begin to reverse the transport inequity that exists between inner and outer Melbourne. Since 2007 much of Melbourne's growth has been overseen by the Growth Areas Authority ("GAA") with responsibilities in the areas of precinct planning, infrastructure coordination, land and environmental resource management (among other things). While this work has been to a very high standard it is submitted that a major short coming of this effort has been the lack of transport implementation and effective expansion of the public transport network. **We acknowledge that transport implementation is not an explicit responsibility of the GAA and that as far as possible Precinct Structure Plans and Corridor Plans have allowed for the future provision of transport options. However, years on from the release of land and the development of homes, vast areas of our newest suburbs suffer from inadequate access to public transport**. Car

dependency and ownership in outer metropolitan areas is among the highest in the country and the economic costs associated with social exclusion are mounting. Later in this submission we present information in relation to the most critically under provided areas of Melbourne and submit that given the existence of this principle in the discussion paper and the open acknowledgement of the issues; addressing transport inequity should be among the highest priorities of the MPS.

In terms of benefit costs to the Victorian economy, recent research commissioned by BusVic showed that the existing bus services (2009/10) had a benefit cost ratio of 3.5:1. The research examined the impact on Melbourne if, hypothetically, the bus network was removed overnight. The impact of increased traffic congestion, air pollution, greenhouse gas emissions, road accidents, and reduction in social exclusion were all quantified using evidence from professional and academic research. This established a total community value of $1.7 billion, the components of which are shown in the table below.

Table 1: Estimated community value of Melbourne's bus services, 2009-10

Component	Value
Congestion – time delay	$518m
Congestion – additional fuel	$70m
Net greenhouse gas emission ($50/Tonne)	$7.5m
Local pollution	$12.2m
Energy security (macro-economic disruption costs at 2c/L)	$1.6m
Road accident costs (outside private insurance)	$15m
Social exclusion (value of 33% of trips that would not otherwise be made)	$767m
Social exclusion (user costs of replacing 67% of bus trips with other modes)	$335m
Total	$1.726b

Source: Bus Solutions 2011 (Stanley et al, 2010)

The analysis made some conservative assumptions, and considered both the impacts of increased car travel, and removal of buses from the roads. It did not include benefits from reduced noise and water pollution, impact on the natural landscape and health benefits from public transport users engaging in more physical activity. More research is required to value these benefits. This work builds on earlier research by Monash University, which estimated the congestion impacts of removing the bus network, including an estimated 31.6 million hours of annual vehicle delay caused by increased traffic congestion. In 2009-10, the state government spent $486 million procuring route bus services in Melbourne. The benefits of $1.726b outweigh this cost by 3.5 to 1.

It is therefore submitted that with such an extensive area of Melbourne requiring public transport services to be elevated to a level equal to the standard available in inner Melbourne (in terms of coverage, span of hours and frequency of services), the capital recurrent cost will be significant. However, as our research suggests the cost of not raising service levels will be far greater and will ultimately hinder the future prospects for the state in terms of economic and liveability standards.

The OSISDC referred to on page 16 of this submission found that it received a significant amount of evidence on the need for public transport in Melbourne's outer suburbs (OSISDC p280). With respect to public transport, the committee heard from a long list of stakeholders (mostly local government representatives) stating that the lag in the provision regular and reliable public transport services is one of the biggest issues affecting the liveability of outer Melbourne. The committee highlighted this by quoting the following from Cr. Rex Griffin of the City of Whittlesea and The Interface Councils.

> *"Councillor Rex Griffin, Mayor of the City of Whittlesea stated at a public hearing that when transport planning is poorly integrated with residential development, the results are severe road congestion as the population grows. Mayor Griffin stated":*
>
> > *… we have the new station with South Morang, but that is not really in South Morang; that is Mill Park. It is so important that that goes into South Morang and into Mernda. Our area here*

at the moment is gridlocked every day. With schools open, trying to get through it is so difficult of a morning and a night-time. You have a lot of people who come from north of the City of Whittlesea who come through, and of a daytime they cannot get through this area, so they are even going across Donnybrook Road and out to the Hume Highway that way. The growth is fantastic in parts, and there is infrastructure that needs to go with it. Our residents love the city of Whittlesea. They love what is being built out here in the various developments, but we are starting to be clogged in moving around the City of Whittlesea.

"The Interface Councils, in their submission to the Inquiry, stated that all ten of the Interface Councils are ranked within the bottom third of Melbourne councils for per capita access to transport services and noted that all 189 Census Collection Districts in the Melbourne Statistical Division that without public transport are located in interface areas" (OSISDC p282).

The application of planning principles to the implementation of the MPS that facilitate greater levels of social and economic participation must come in the form of funding for projects that improve access to public transport for all areas of Melbourne (i.e. transport equity). We submit that this must be high on the agenda and we urge the government to find new and innovative ways to do what needs to be done.

Principle 4: Strong Communities

BusVic agrees with the discussion paper that housing affordability is a major problem for Melbourne. Our primary concern relates to the causal affect high house prices in inner and middle and some older outer suburbs have on the way we accommodate growth in the city.

For example, the 2011 median house price for the Melbourne Metropolitan area was $490,000 with the highest median price being located in the City of Boroondara ($1,250,000) followed closely by the Cities of Stonnington ($1,213,500) and Bayside ($1,147,250), arguably all areas with high levels of access and amenity. The lowest median house price was found in Mitchell Shire at $293,000. But the most concerning aspect of this analysis is the number of local government areas with a median house price in excess of $400,000. A review of the 2011 Guide to Property Values which is based on data from the Office of the Valuer General and produced by the Department of Sustainability and Environment (DSE) showed that of the 31 LGAs in the Melbourne metropolitan area a total of 24 had a median house price in excess of $400,000. It's no surprise that the 7 LGAs with a median house price less than $400,000 were all located within the interface group of municipalities[1]. This analysis is seeking to demonstrate how the structure of house prices in Melbourne is in part driving the continual expansion of the urban area and dispersing residential areas into lower density, mono land use areas with fewer transport choices for residents.

It is submitted that housing policy associated with the development of the MPS should place a strong emphasis on increasing the supply of new housing in the established parts of Melbourne. It is argued that an increase in housing supply to areas with greater levels of access and amenity will contribute to a lower the price impacts associated with high demand and low supply. With this in mind we support the idea of unlocking the capacity which sits within existing suburbs and agree that the state should aim to get greater utilisation of existing community assets.

Bus services are provided regardless of whether a given bus is carrying 5 passengers or 50 passengers or 0 and we submit that planning policy should give preferential approval to development that in particular places more people within the catchment of existing and well established trunk route services (e.g. SmartBus and DART. This could come in the form of a range of mechanisms such as increased maximum building heights, concessions to the normal car parking requirements, fast tracked approval process or rate based incentives programs.

[1] Cardinia $350k, Melton $352k, Hume $360k, Casey $375k, Frankston $377k, Wyndham $384k and Brimbank $396k

Fix Community Transport: Get Rid of Transport Connections Program and proliferate the social enterprise model.

Transport disadvantage can take many forms and affect all age groups in the community including school aged children, school leavers/apprentices, young families, the unemployed, the elderly and disabled. We submit that the future prosperity of the city is ultimately influenced by the how well planning responds to all of the opportunities and constraints associated with its long term development, which includes delivering transport options to people and improving access and amenity for all residents.

As such, the major theme of our response to the discussion paper regarding the building blocks of a strong community is that the MPS should provide greater strategic direction in relation to the provision of transport alternatives for people in our metropolitan growth and interface areas.

It is submitted that the MPS should explicitly recognise the strategic importance of all forms of public transport and in doing so set clear directions that facilitate sustainable transport options for these regions of Melbourne.

As an example of how things can be done differently BusVic recently commissioned the Monash Sustainability Institute ("MSI") to prepare a report on improving transport options in regional areas. The report authored by Dr Janet Stanley and Professor John Stanley and titled "Improving Personal Mobility Opportunities in Regional Areas" (see attached) studied the impact of transport disadvantage on rural communities and using Warrnambool as a case study, proposed an alternative to state based services known as Social Enterprise. The report proposes a "social enterprise model" which is based on the idea of matching (1) those with mobility needs with (2) potential mobility providers by making better use of underutilised vehicles available in the area (Stanley et al 2012). In Warrnambool the establishment of a Regional Accessibility Committee (RAC) comprising multiple stakeholders has the role of implementing the recommendations of an earlier report by Dr and Professor Stanley (2004).

We submit that while this study applies to a regional area of Victoria, the model could equally be applied to our newest suburbs. Page 9 of the 2012 report referred to above sets out the model:

A social enterprise model in the Warrnambool region should be able to:

- better integrate the range of existing regional mobility opportunities and leverage community development more broadly in the process, to improve social capital and sense of community, reduce social isolation and improve wellbeing;
- make better use of existing community mobility resources (e.g. vehicles, drivers, volunteers), capturing synergies across agencies and increasing specialisation and coordination in service planning and delivery, resulting in more efficient and effective client service; and
- provide more transport options and transport opportunities to a wider range of people, particularly those at risk of social exclusion from mobility origins.
- In a regional setting, the objectives for a mobility oriented social enterprise should include:
- improved transport/mobility opportunities for those whose needs are not presently met by mainstream public transport;

- better understanding of mobility needs and current options leading to more cost/effective transport arrangements; and
- create employment/training opportunities for some people and volunteering opportunities for others (e.g. driving, office, website, etc).

Briefly, in the context of the current study, what we have in mind here is the establishment of a specialised mobility service planning and delivery agency that initially manages and, in time, owns the key fixed assets and sources the labour used in delivering many (or even all) community transport services, providing a service for participating agencies, their clients and other at-risk people, including through better integration with, and use of, existing PT route, school services and supported taxi services.

The Social Enterprise model presents an innovative solution to addressing unmet demand for travel in regional areas and should be considered and supported as a strategic action for implementation of the MPS's vision.

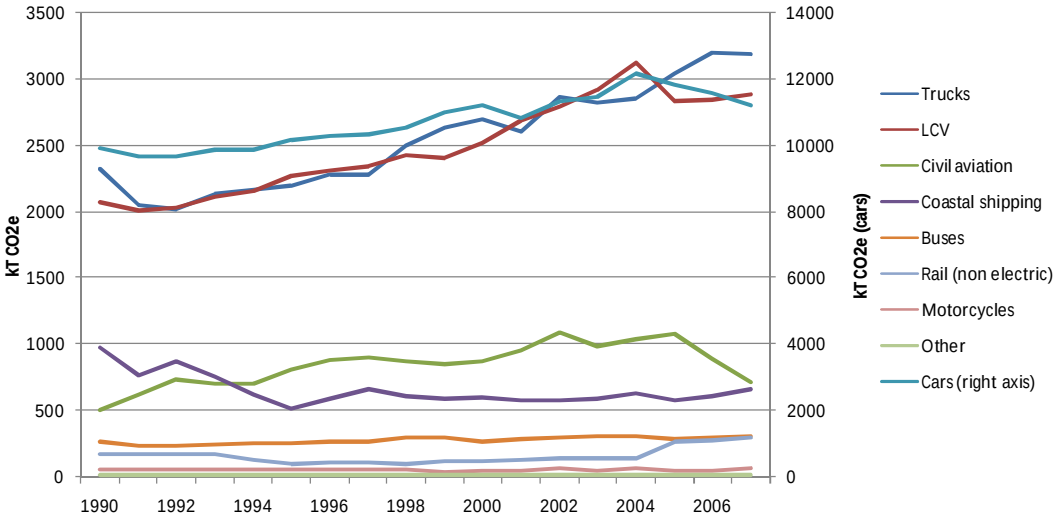
Principle 5: Environmental Resilience

A central theme of this submission has been highlighting the opportunities for the MPS to set in place a range of land use and transport planning policies that reduce our State's reliance upon private transport and the benefits of introducing initiatives that will see commuters shift to public transport.

It goes without saying that measures designed to reduce congestion and excessive vehicle trip generation have a range of co-benefits associated with reduced greenhouse gas emissions and based on BusVic research we can demonstrate the extent to which previous initiatives have had a positive impact on achieving greenhouse gas emission reductions.

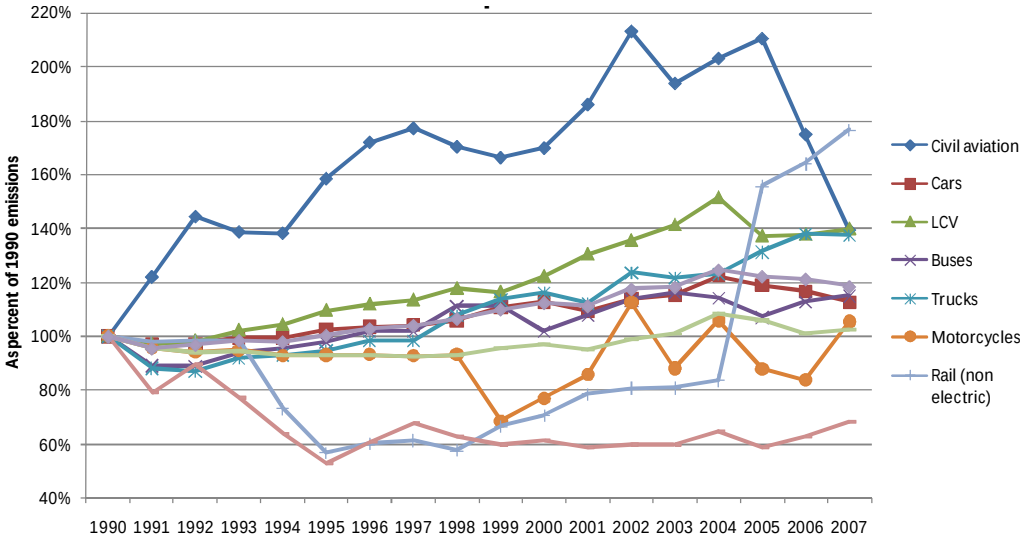
The following charts show Victoria's transport emissions by sub-sector and the trend in emissions for sub-sectors of transport in Victoria relative to 1990 emissions (note car emissions plotted a different scale using the right hand axis).

Figure 8: Victorian Transport Emissions



Source: DCC 2007 Emissions Inventory

Figure 9: Growth in Victorian Transport Emissions since 1990

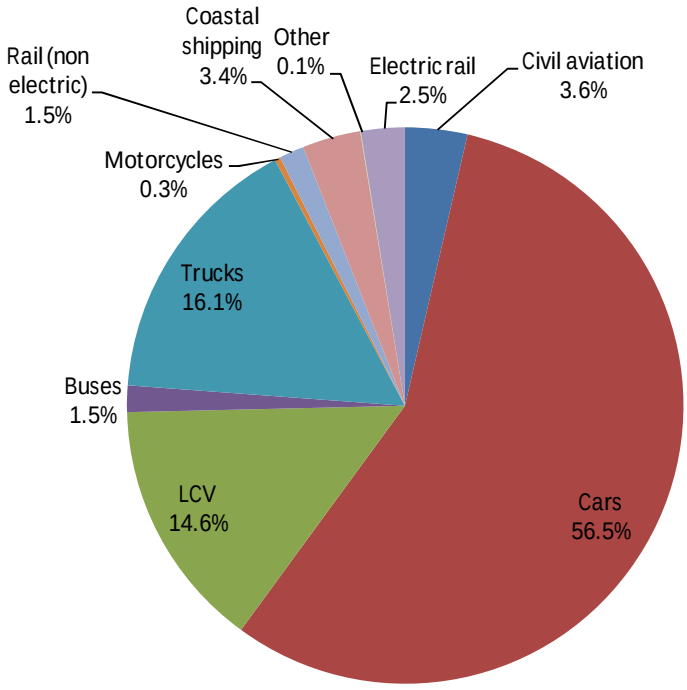


Source: DCC 2007 Emissions Inventory

The 2007 national inventory shows Victoria's transport total emissions have declined over the three years to 2007 by 1000 Gg CO2e per year. Over the same period, emissions from cars declined around 964 Gg CO2e – with increased emissions from trucks of roughly the same magnitude as declining emission from civil aviation.

Passenger cars make up 56.5% of Victoria's transport emissions (as shown below), and Nous (2008) figures suggest passenger cars make up 64% of Melbourne's transport emissions (including electric rail).

Figure 10: Victorian 2007 Transport Emissions



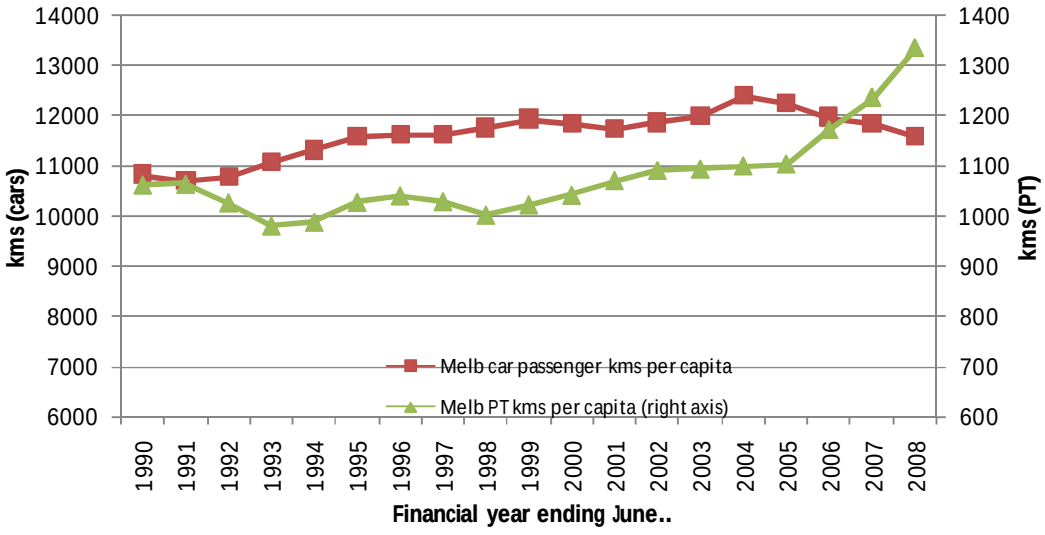
Source: DCC Emissions Inventory, Nous 2008 (VTP)

Success in emissions reduction so far

There are very distinct trends evident in Melbourne and Victorian transport emissions. Since 2005, there has been significant mode shift from passenger cars to public transport.

The following chart shows per capita analysis of BITRE (2009) estimates of kms travelled by car and public transport in Melbourne:

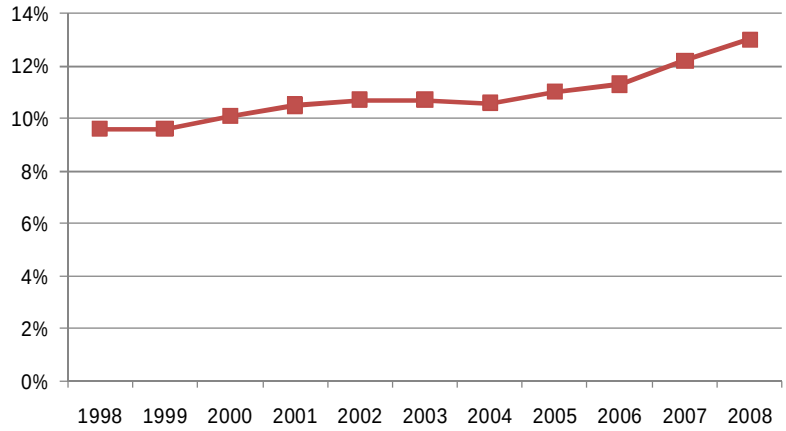
Figure 11: Melbourne car and public transport passenger kms per capita



Source: BITRE Year Book 2009, ABS, (2009)

The DOT estimates weekday public transport mode share of motorised trips to have risen from around 9% to 13% in the last 10 years, as shown in the following chart:

Figure12: Melbourne weekday public transport mode share of motorised trips

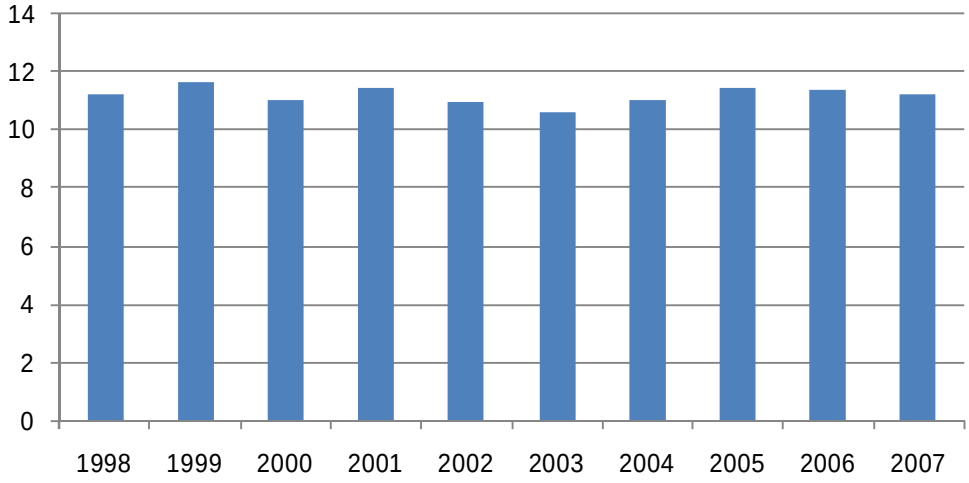


Source: DOT (VATS, VISTA, estimates)

There is clear evidence that significant numbers of people have shifted from cars to public transport in Victoria (beyond all forecasts), and DOT research also shows that emissions reductions of 65% to 95% are gained when trips are shifted from a car (with average occupancy) to public transport. These mode shift figures are directly reflected in the emissions inventory for car emissions.

Over the same period, the ABS Survey of Motor Vehicle Use estimates that fuel consumption in Victorian passenger cars running on petrol has remained essentially unchanged:

Figure 13: Victoria average fuel consumption per 100kms petrol passenger cars



Source: ABS SMVU 1998-2007

Transport compared to other sectors

We suggest that reducing emissions in the transport sector is relatively easy. People buy vehicles that are heavier and larger than necessary. Recent mode shift to public transport has exceeded all expectations, and has come in an environment of well publicised capacity problems with the rail network. There is also strong evidence that providing high frequency bus services in the middle suburbs of Melbourne creates strong public transport patronage growth.

By contrast, stationary energy remains heavily dependent on brown coal in Victoria, and it is not certain that carbon capture and storage will be a viable technology to allow continued use of this fuel. The marginal cost model from another state in the Nous 2008 report shows that stationary energy emissions reductions measures are relatively high cost compared to most transport measures. It also shows transport

emissions reductions measures mostly come at negative cost – that is they are worth doing irrespective of their merit in reducing greenhouse gas emissions.

Transport is likely to put greater pressure on the stationary energy sector through the introduction of electric vehicles, while underlying demand forecasts for electricity show continued growth. It will be very challenging to reduce emission from the stationary energy sector.

While a thorough analysis is required to determine what contribution Victorian transport needs to make to emissions abatement, it seems plausible to suggest that transport might need to cut emissions by a more aggressive target than other sectors, at least in the medium term.

In the context of the above it is submitted that the MPS has an opportunity to stand out from the previous plans and focus its policy development on land use and transport strategies that reduce the dependency on private vehicles. Such policies should focus on the early provision of public transport services in our newest suburbs, significant upgrade to arterial trunk and orbital BRT systems linking residential areas to employment clusters and completing the implementation of the circa 2008 metropolitan bus service reviews.

What needs to Change...

Principle 6: A Polycentric city linked to regional cities

The idea of moving towards a polycentric urban model is not a new concept in the context of Melbourne's planning history with preceding plans elevating the status of centres such as Dandenong, Box Hill, and Ringwood to District Centres or Principal/Major/Specialised Activity Centres. In more recent times the PACs and MACs have been referred to CADs and it would appear that the idea of developing certain locations on the basis that they are employment and economic clusters is a further evolution of this concept.

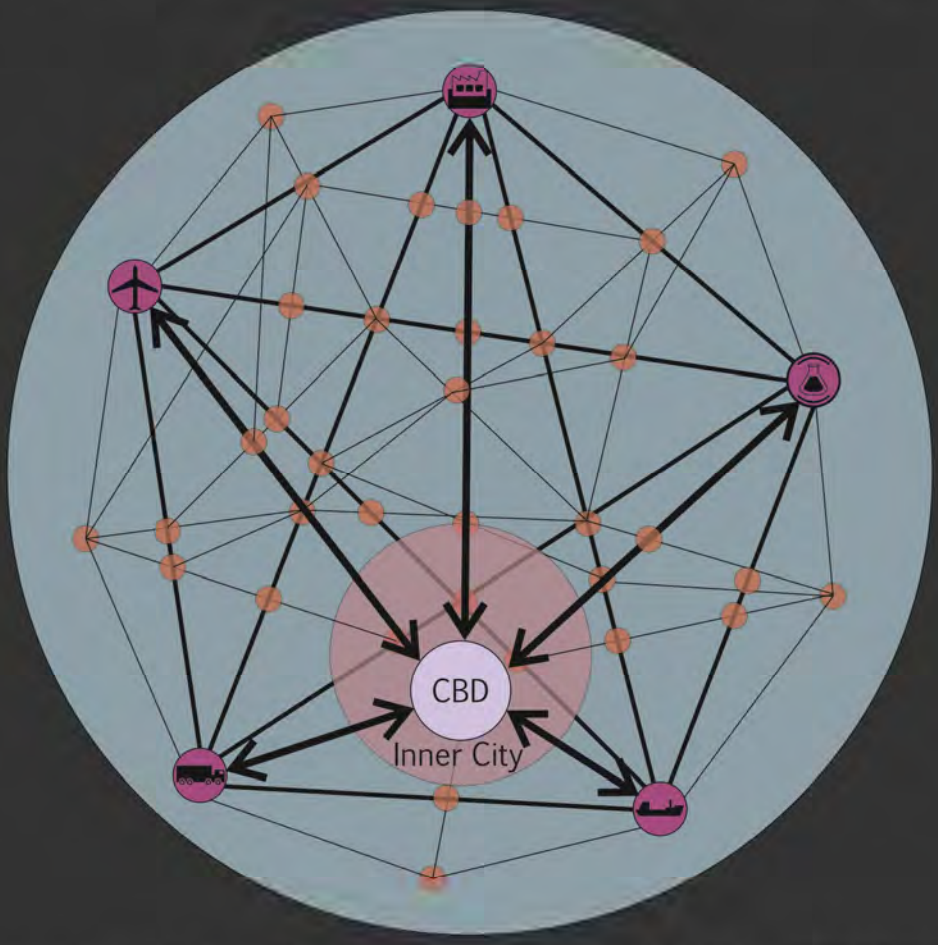
We understand that the discussion paper recognises this and we support the concept as contemplated in the discussion paper because of one key difference being that the concept focuses on bringing people closer to where jobs are located as opposed to trying to get the jobs to move to where people live. However, for the model to be successful, getting transport connections to the centres from where people currently live will be critical because like jobs, one cannot force the relocation of households. In other words, the clusters will themselves need to behave like smaller versions of the CBD with respect to having a radial public transport network that branches out into the surrounding area. With sustained application of policy, residential densification in and around the clusters will occur over time which will ultimately reduce the travel burden for some. It is submitted that the polycentric city model must be supported by transport policies that generate modal shift. Given the scale of the task at hand, the most cost effective and demand responsive method of delivery will be via an expanded bus network.

There is now a substantial body of evidence from Australia and around the world that demonstrates that where transport options are increased in terms of coverage, span of hours and frequency of services, modal shift from car to mass transit is achieved at higher and faster rates. In addition, greater access and amenity associated with a broader range of transport options contributes to greater demand in a given area and supports the growth of jobs and housing diversity because of an ability to accommodate greater demand. The gradual increase in popularity of places like Brunswick, Northcote and Coburg (to name a few) which benefit from good access to all modes of public transport demonstrates the coefficient benefits associated with attracting the components that support higher density living such as jobs, services and entertainment.

We agree with the discussion paper where it describes on page 50 the elements of the polycentric model along with the identification of Monash and Melbourne Airport as nationally significant economic clusters. While these and other centres which have had their role recognised and reinforced under previous strategic plans such as the District Centres Policy and Melbourne 2030 are accessible by public transport, the principal transport focus is oriented on a connection to the CBD. It is submitted that a major change

that needs to occur as part of a strategic policy setting is to reorient the transport focus toward rapid transit connections between centres and economic clusters.

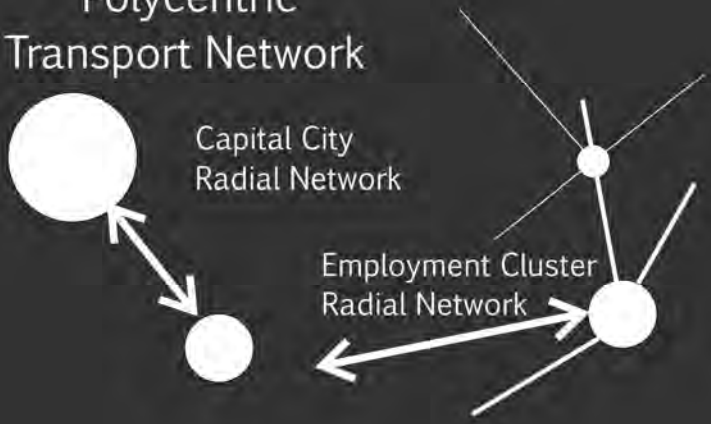
Schematic Model - Polycentric Transport Network



Each of the employment clusters functions in a similar way to the CBD because it has a number of transit lines leading to and from it. The transit lines intersect with one another and create a web of transport connections between activities in much the same way as the rail tram and bus network behaves in the inner city areas. The objective is to achieve high functioning rapid transit in each of the employment clusters in order to maximise access and amenity.

Hierarchy of Centres

Polycentric Transport Network



The ability of bus services in building up the number of linkages is substantial because of its inherent qualities of flexibility and capacity to be demand responsive. The importance of building up the number of connections from the interface areas to the Principle Public Transport Network (PPTN) and the role of buses in doing this were highlighted in the OSISDC report. Page 284 of the report states:

> *"Linking local communities in Melbourne's Growth Areas to the PPTN is a particularly important task and one that falls largely to the regular bus system. (As discussed below, the PPTN is defined as a public transport network connecting Principal and Major Activity Centres.) Critical to the success of linking Growth Areas to the PPTN is creating local bus networks that are straighter, faster and more resource efficient. Improved local bus networks can then provide more frequent services across a wider span of operating hours and timely connections to local activity centres and to other activity centres in metropolitan Melbourne through interchange with bus and train services on the PPTN".*
>
> *"In recent years, a major upgrade of metropolitan bus routes saw minimum service standards applied to regular bus routes and the introduction of higher-frequency SmartBus services. These upgrades led to:*
>
> > *...unprecedented growth of bus services in Melbourne suburbs; seven day, early evening and public holiday running is now widespread. New routes extended coverage of outer growth areas… Minimum standards upgrades and SmartBus were the two strong 'quantity of service' programs responsible for most of this increase. The number of passenger boarding's is now at 40 year highs".* (OSISDC p284)

The OSISDC report continued by acknowledging that despite improvements in growth areas associated with the c2008 metropolitan bus service reviews, service quality (directness of route, service frequency and intermodal connectivity) has lagged behind service provision. The report noted that *"...a number of submissions from Growth Area Councils point to the design of their network and service quality as a barrier to increased use of public transport"* (OSISDC p284).

Causes of congestion

Another observation which needs to be highlighted as part of this submission is the fact that at present the western districts of Melbourne lacks an economic centre of scale found elsewhere in Melbourne. The discussion paper acknowledges this and we would agree with the need to focus efforts on developing and supporting such a centre **with significant investment in infrastructure**. This is a critical point in the context of forecast population expected in the Wyndham and Melton growth corridors during the next 20 to 30 years as a continuation of recent growth trends. In recent years there has been a noticeable increase in traffic volumes on the Princes Freeway with commuters travelling to the CBD during the AM peak from around Point Cook, Truganina, Hoppers Crossing, Tarneit, Werribee and Wyndham Vale. Residents in these areas experience daily traffic congestion despite recent efforts to increase capacity on the Westgate Bridge which is made worse by regular lengthy delays in gaining access to the Princes Freeway from the aforementioned suburbs. It is also noted that while public transport exists via the Werribee Line and a number of bus routes, demand for transport is clearly exceeding the supply of public options. It is submitted that while there are a number of existing locations in the west that fit

some of the criteria of an employment and economic cluster, Werribee is the only place with all of the requisite locational and spatial attributes. This includes:

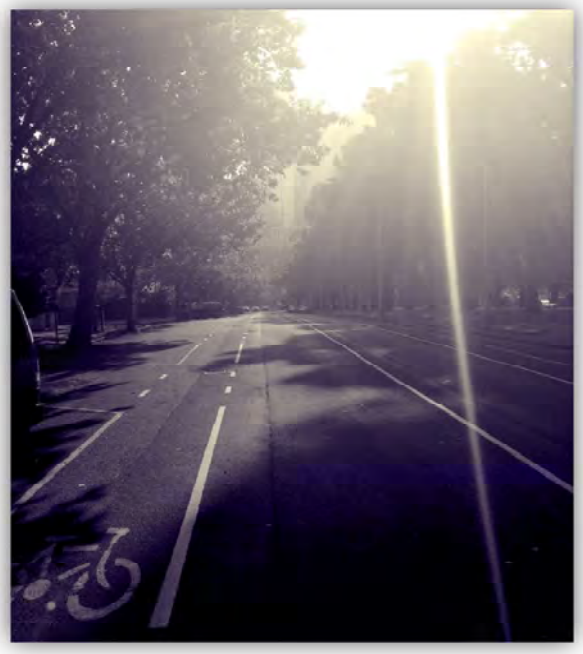
- Access to the PPTN (Werribee Line and Regional Rail Link) which is supported by well patronised local bus routes promoting counter peak travel,
- The recently announced State supported Werribee East Employment Precinct,
- Access to the National Highway Network,
- Strategically located between two major cities (Geelong and Melbourne),
- Is well located between the regional city of Ballarat via Bacchus Marsh,
- Planned development of strategic primary and secondary arterial road connections linking residential areas north and south of the Werribee River including the future Outer Metropolitan Transport Corridor,
- Substantial broad hectare land supply for residential and employment development,
- An existing network of community and development infrastructure, and
- A well established central business district and hierarchy of smaller retail and employment centres.

It is submitted that given the stated importance of efficient freight and logistics to the Victorian economy, the MPS should drive the establishment of policies that actively address the causes of congestion on major freight routes rather than solely focus on attempts to increase the capacity of major roads. We therefore submit that given recent announcements associated with the development of the Werribee East Employment Precinct, that Werribee should receive substantial policy attention so that it can over time develop to become the major economic and employment cluster of western Melbourne.

Principle 7: Living locally – A 20 minute city

BusVic supports the idea of living locally and agrees with the discussion paper where it acknowledges that some areas of Melbourne will need more effort than others in order to achieve this principle. With regard to Melbourne's outer suburbs and in some of the older established suburbs the extent to which this is achieved will come down to how transport planning is integrated with land use planning.

It is submitted that one way of achieving a starting point for services in dispersed urban areas with limited services is to follow the model used by the supermarket retail operators. In this case we refer to the way in which a major retailer will develop a store with adjoining food and convenience offer in an establishing area and trade at a loss for 3 to 4 years as the population catchment is settling the area. The major retailers know that getting in early and establishing a presence is critical to securing market share and loyal customers. The retailers also know that this early investment yields far greater returns in the years to come as the area matures. Another important fact in this consideration is that the development of retail services is often staged over many years with planned expansions in the pipeline to accommodate the needs of a growing population.



It is submitted (particularly in growth areas) that public transport should apply a similar model and start services early in the life of the developing area. If one thinks of transport trips as being a shared market it becomes clear to see that cars have 99.9% of the market share because in many places it is the only choice available. It is entirely possible to stage the development of the

public transport network ahead of full demand in such a way that it stimulates demand. This could come in the form of a smaller capacity buses designed to connect into established services in adjoining areas. In turn this would be affective in increasing the utilisation of existing services which operate well under capacity. If this concept was supported with appropriate advertising and promotion safety net services could be supplied at minimal additional cost to the state. In much the same way as neighbourhood activity centres mature into town centres with a greater mix of uses over 10 or 15 year periods, so too could the start-up public transport services. It is therefore submitted that should the principle of 'a 20 minute city' be developed into a policy, its implementation must be supported with allocated funding which targets greater diversity when it comes to transport choices.

Later in this submission we provide indicative per km costings for the supply of safety net services and offer a range solutions designed to help the state manage the growth in recurrent expenditure.

Making it Happen...

Principle 8: Infrastructure investment that supports city growth

All of the ideas outlined under Principle 8 are the type of positive changes needed to give effect to the MPS. We agree with the discussion paper where it states on page 76 that there is a need to explore a range of alternative funding sources for delivering the range of infrastructure requirements implied through the application of the MPS planning objectives. Without a properly formed strategy that systematically facilitates the development of new approaches to investing in infrastructure the MPS will achieve little.

We are not alone in this opinion. Many of organisations that we have spoken to during the course of consultation and industry discussion have shared this opinion and it is one that has been repeated over and over again.

It is argued that the entire system of funding and allocation project priority needs to be overhauled to have a focus on integrated city building. Moreover, it is now clear that the State needs to work more closely with private sector sources of funding and project delivery.

Rapid transit reservations

The arterial road protocol is a mechanism whereby roads identified through the strategic planning process are delivered via a process which sees the land for the ultimate reserve vested plus the construction of the first carriageway and some intersections provided by the developer. It is noted that under this mechanism the road is typically not vested with VicRoads until it is determined that duplication is required which, depending on the availability of funding could take decades with no timeframe for requiring its full development.

BusVic submits that this is no longer an appropriate approach given the existence of the Victorian Integrated Transport Model (VITM). Using this model VicRoads should be able to plan and fund with greater certainty when it needs to take over the management of a road from the local government authority. BusVic submits that using the combination of the recently gazetted corridor plans and data derived from the VITM, money needed for the completion of critical road infrastructure could be raised via levies imposed on landowners that would directly benefit from the duplication. It is argued that the existence of these plans in part developed in conjunction with VITM demonstrates nexus and provides a catalyst to encourage development that adds greater value to the land.

We note that there are many examples throughout Melbourne where vehicle demand far exceeds the lane capacity of the road. Arguably, this is symptomatic of areas where the provision of adequate public transport linking residential areas to employment centres is lacking which further exasperates the congestion of the roads needing duplication. The flow on impacts associated with the congestion further hinders the ability to get faster public transport alternatives up and running because there is little room for providing effective priority to buses needed to give impetus to modal shift.

BusVic submits that where identified through the strategic planning process, rapid transit corridors could be reserved and developed in a similar way to arterial roads. This could occur as either a reservation separate from a road reserve (i.e. similar to a rail reserve) or as extra width in the road reserve. Under this model, development could pay a per hectare contribution toward the construction of the rapid transit infrastructure which could be developed initially as a busway with a carriageway and major bus stop/stations. With a bold vision the rapid transit infrastructure could be transformative in nature providing positive impacts for 50 or even 100 years plus as it has the ability to move to light rail and beyond as density and intensity of development changes. Bus Rapid Transit systems lay a demand responsive and cost effective foundation for a future light or heavy rail line. This has been done elsewhere and there is no reason why it wouldn't work in Melbourne.

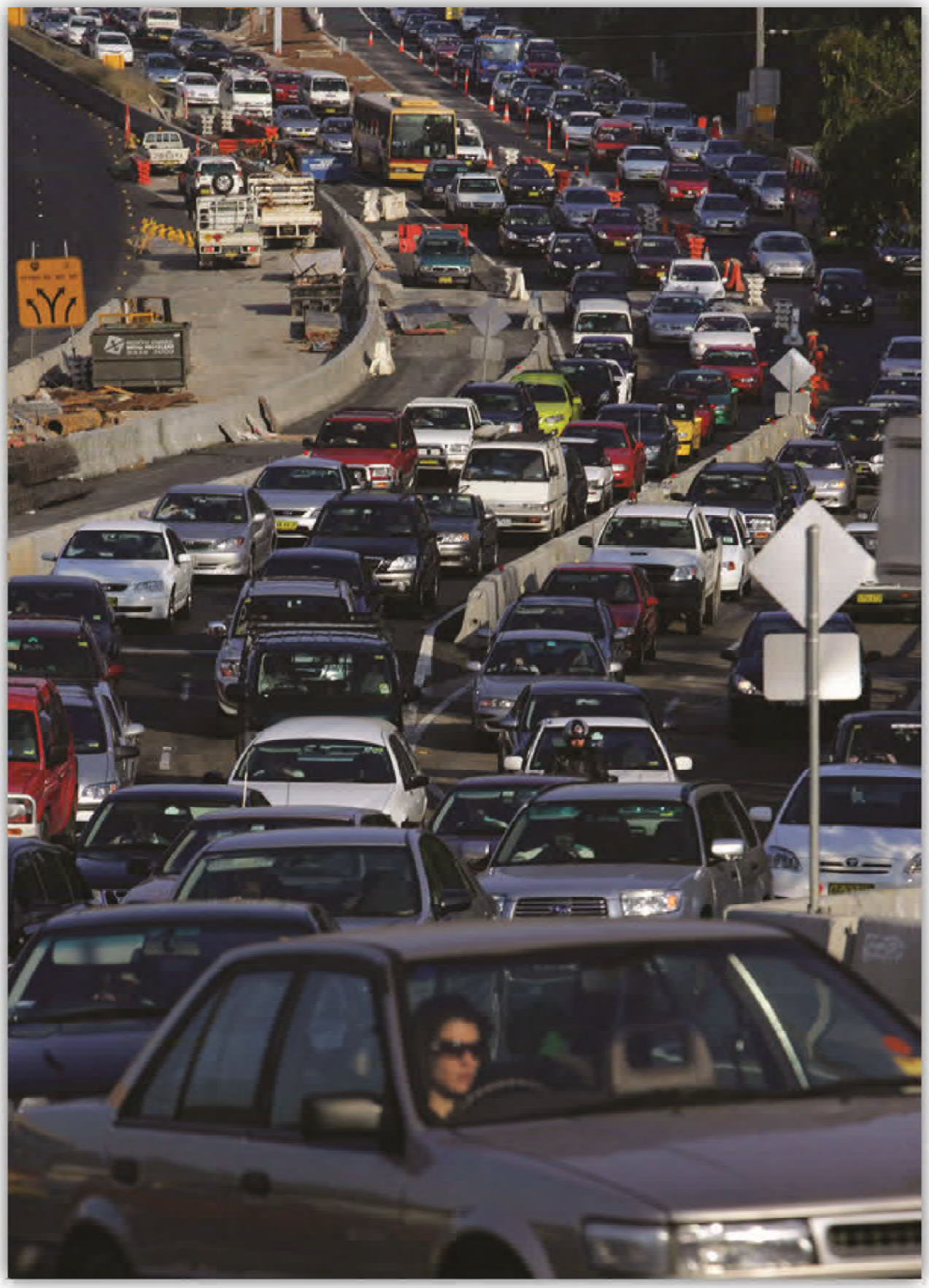
If done in conjunction with the achievement of the strategic planning principles outlined in the discussion paper, this approach would go a long way toward addressing the major the concerns which are readily acknowledged as major challenges for Melbourne as it grows beyond 5 million people.

Principle 9: Leadership and partnership

BusVic supports "Idea 14: Developing partnerships and agreements" and believes that developing models that generate greater collaboration between state and local government as well as private sector interests such as bus operators will see greater efficiencies in the delivery and financing of projects.

If the MPS is to have a stronger focus on specific projects than previous strategies one option that has worked well is the Western Australian model of Regional Development Commissions ("RDC"). The idea is that the RDC's would comprise of a board of State and Local Government and possibly private sector interests and have responsibility for governing the management and delivery of specific projects that relate to a subregion.

For example the LGAs of Mornington Peninsula, Frankston, Casey, Greater Dandenong and Kingston could form a region and oversee the development of a rapid transit system that gives effect to the concept of a polycentric city. If done correctly, the RDC model would ensure that there was local government support for the implementation of the MPS which the GAA model mostly struggled to achieve in part because of the 'top down' approach to its work. It is submitted that this model is consistent with Ideas 14, 15 and 16 and if done in conjunction with funding and finance models designed to share risks and rewards, the RDC could be a more efficient model for getting more done at once.



4. BusVic - 10 Pillar Action Plan

Introduction

As the MPS will be the planning strategy that will guide the development of Melbourne through to 2051 and beyond, the MPS represents an enormous opportunity to create a legacy for future generations.

This legacy should be seen has having an order of magnitude in terms of its transformative capacity equivalent to that of the Hoddle Grid, the 'Melbourne Mile', the tramway network and our wonderful network of parks and gardens. In addition it has the responsibility of ensuring that our green corridors, cultural values and heritage are protected and enhanced. We agree with the discussion paper insofar as it highlights the full range of functions the city must perform and the need to ensure that as we grow our city we do not compromise its ability to remain prosperous and liveable.

The following action plan should form the top transport priorities in the development of land use and transport policy needed to give effect to planning principles outlined in the discussion paper:

Pillar 1 - Agreed and Shared Goals

It is our view that the BIC/UITP/ARA Report entitled Moving People (2011) articulates a set of strategic outcomes perfectly and if the Victorian community was to adopt these as guiding principles for the objectives of land use and transport planning policies, the State would be well placed:

- **Congestion Management**. To manage congestion costs, improving economic competitiveness and quality of life in our cities.
- **Environmental Improvement**. To achieve sustainable cuts in transport related greenhouse gas emissions.
- **Social Inclusion**. To ensure adequate accessibility options are available to all Victorians and visitors.
- **Health and Safety**. To make the transport system safe and encourage healthier transport choices.
- **Energy Security**. To increase our energy security be reducing our reliance on imported fossil fuels.

To achieve the aforementioned strategic outcomes, co-operative initiatives between Industry and State will be necessary.

Pillar 2 - Land Use and Transport Integration Governance Structure

This submission is a result of numerous discussions with the State Government and wider industry stakeholders. It is our intention that the information provided to the Ministerial Advisory Committee is done in such a way that it assists the Committee in formulating appropriate strategies for achieving planning outcomes sought for Melbourne during the next 40-50 years.

This pillar relates to the organising principles needed for the achieving land use and transport integration as envisaged by the discussion paper.

Principle 9, Leadership and Partnership, refers to good governance, strong leadership and collaboration as being fundamental ingredients to achieving a positive future for Melbourne. The discussion outlined under Principle 9 refers to among other things, a new governance structure and hints at the development of a new Metropolitan Planning Authority which could have responsibility for coordinating relevant government agencies tasked with delivering infrastructure and service projects of state-wide and metropolitan significance.

BusVic is supportive of the concept outlined under idea 15 and submits that the following points should form the basis of the purpose of a future Metropolitan Planning Authority.

A number of other governance issues might be addressed to improve implementation including:

- *developing shared or alternative governance structures for key development areas that cross municipal boundaries*
- *better mechanisms for inter-council and inter-agency cooperation*
- *broader powers for State Government development agencies so that they can better deliver transformative projects*
- *better management of land owned by State Government agencies*
- *better sharing and more timely release of data and research by State Government agencies.*

State Government agency investments should support the Strategy, not ignore or undermine it. A review mechanism needs to be established within State Government to ensure this support occurs.

This could involve directing new State Government facilities, such as schools, health facilities or police stations, to identified service centres. The additional cost of this approach needs to be seen in the light of the wider economic and social benefits of locating services where they can be more easily serviced by public transport and can help create a critical mass of activity.

Currently no State Government agency appears to have responsibility for the overall strategic planning of Melbourne's open space network. To create a well-planned network, direction is required on the provision and enhancement of open space as well as on how best to coordinate its management.

BusVic supports the establishment of an agency of this nature and believes that its value as an agency of change will be enhanced if it has an appropriate governance structure starting with a reordering of ministerial responsibilities. In our view, the starting point for this lies in a genuine desire to dissolve the departmental silos that currently stand in the way of achieving better land use and transport integration, despite existence of the Transport Integration Act 2010.

The objectives of the Transport Integration Act as outlined in Part 2 – Vision Statement, Objectives, Principles and Statements of Policy Principles sets out the meaning and purposes of "integration" and explicitly refers to land use planning and infrastructure development. Section 11 of Part 2 of the Act relates specifically to transport and land uses and sets out the following objectives:

(1) The transport system should provide for the effective integration of transport and land use and facilitate access to social and economic opportunities.

(2) Without limiting the generality of subsection (1), transport and land use should be effectively integrated so as to improve accessibility and transport efficiency with a focus on—

a) maximising access to residences, employment, markets, services and recreation;
b) planning and developing the transport system more effectively;
c) reducing the need for private motor vehicle transport and the extent of travel;
d) facilitating better access to, and greater mobility within, local communities.

3. Without limiting the generality of subsection (1), the transport system and land use should be aligned, complementary and supportive and ensure that—

a) transport decisions are made having regard to the current and future impact on land use;
b) land use decisions are made having regard for the current and future development and operation of the transport system;
c) transport infrastructure and services are provided in a timely manner to support changing land use and associated transport demand.

(4) Without limiting the generality of subsection (1), the transport system should improve the amenity of communities and minimise impacts of the transport system on adjacent land uses.

In the context of the MPS and its role in shaping the future of Melbourne as a modern and global city that ranks highly amongst the best and most liveable in the world, BusVic submits that for land use and transport integration to occur at a practical and physical day to day level, it must be integrated at a legislative, regulatory and administrative level. With a strong emphasis placed on integrating land use and transport planning identified throughout the discussion paper, the principle of which is already embedded

in various legislative frameworks, it stands to reason that the practical application of integration should be managed and administered by the same instrument of government.

Therefore we recommend a restructuring of Ministerial responsibilities which sees the entire responsibilities for urban planning and the public transport network be combined, and fall under the ambit of one Minister. In essence, create a 'super' Ministry of Planning and Public Transport'. In this model, the strategic (policy) work undertaken by DPCD and DOT could be merged, the planning and transport system design and delivery (tactical and operational) level work could continue to be undertaken by the organisation that is currently PTV, but rolled in the combined 'super Ministry'.

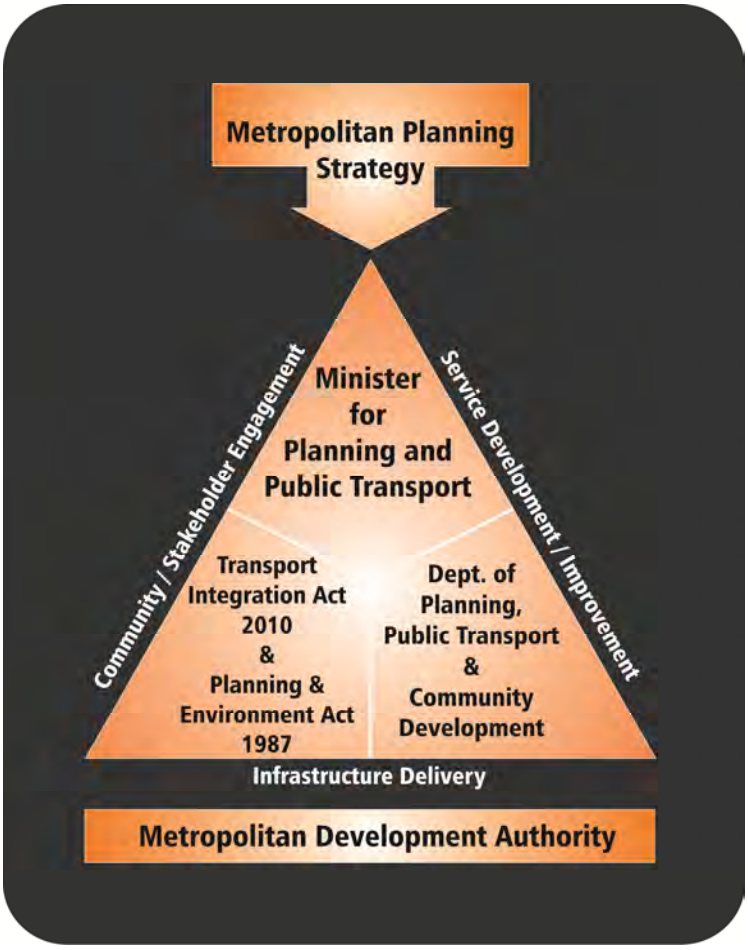
We envisage that other responsibilities for transport such as roads, freight and logistics and ports etc could remain with the Department of Transport and that that Ministerial position be renamed accordingly.

We further submit that a bolstered amount of Parliamentary Secretary's would be needed to support an enlarged Ministry for Planning and Public Transport. These Parliamentary Secretaries could form a small committee to assist Ministers' with communication and coordination of related elements of the delivery of infrastructure and services.

BusVic is firmly of the view that sustaining two silo Ministry's to deliver on what is, or at least should be, an integrated planning and transport plan, would be counter-productive and see the Government less likely to achieve its objectives.

The following diagram outlines the concept of our ideas around governance and Ministerial responsibility.

Diagram 2: Ministerial & Departmental Governance Structure.



Source: BusVic

Pillar 3 - Local Bus Route Minimum Service Levels (Safety Net)

The local bus network can play significant role in ensuring that all sectors of the community have access to transport options which reduce car dependency and reduce the risks and severity of social exclusion.

Pillar 2 calls for a policy of ensuring that Minimum Service Levels are enforced and upgrades to local bus services applied in line with the timing of urban development, rather than lagging behind development.

This will help to reduce problems of 'transport poverty' and promote social inclusion and well-being. The public transport plan should aim to have high frequency services in order to make bus timetables redundant and improve perceptions of reliability of services. The submission identifies relevant 'safety net' service levels. Evidence from Melbourne and around the world shows that upgrading bus route frequency to 20 or 30 minute intervals (rather than on the hour every hour) and upgrading bus span of hours operation to 6am to 9pm (rather than between 9am and 5pm) shows that patronage and revenue increase;

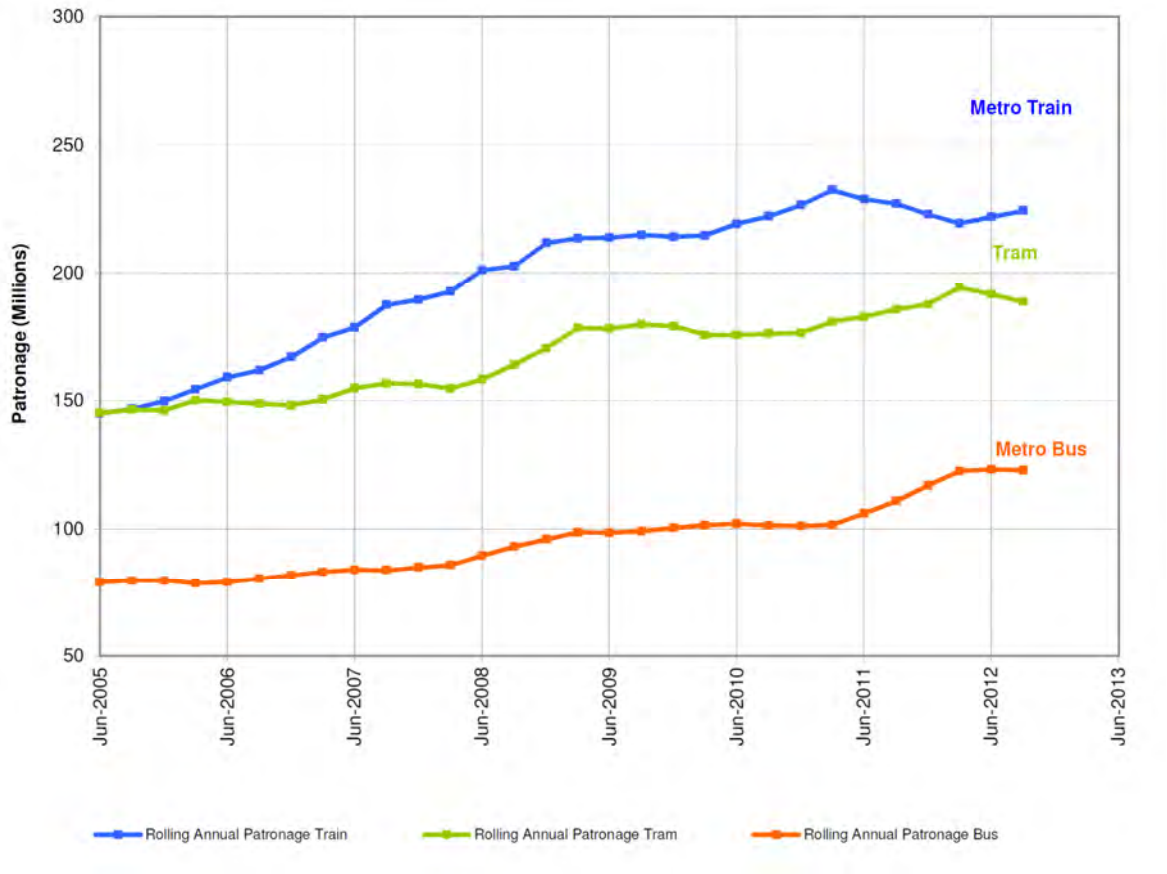
Pillar 4 - Arterial & Circumferential (Orbital) SmartBus Routes

The MPS should support the implementation of targeted SmartBus improvements, particularly in order to improve access to jobs and services. The submission has identified a number of priority corridors for improvement in this regard. The Polycentric Transport Model diagram illustrates the concept of turning the existing radial rail network into a spider's web network of interconnected routes. It is submitted that this can be achieved by developing more SmartBus, high frequency trunk-arterial and orbital routes that link up using our existing and proposed network of arterial roads.

It is submitted that a strategic program of orbital and trunk route development running to and from the identified employment clusters and along the way linking activity centres and other transport connections is fundamental to fulfilling the principles identified by the discussion paper.

The SmartBus, DART Services and other high frequency services introduced since 2008 have demonstrated the capacity of bus to efficiently move people from home to work with significant and consistent increases in patronage.

Figure 14: Quarterly patronage – Annualised estimates



Patronage growth on metropolitan bus routes has remained strong, with 10.9 per cent growth in the year ending September 2012. This has been largely the result of Government investments in SmartBus, Doncaster Area Rapid Transit and other enhanced local bus services.

(Source: PTV 2012)

According to this chart it can be seen that growth in bus patronage has flattened since about the 3rd quarter of 2011 which could be interpreted as coinciding with a cessation of introducing new or improved services. There are additional coefficient benefits associated with increased bus services insofar as the overcrowding of other modes can decrease due to the ability to shift some of the demand particularly during peak periods from trains. It is well known that measures that reduce overcrowding will contribute to improved community attitudes towards public transport which is a significant driver of modal shift.

As such, it is submitted that the development of MPS public transport policies should commence with the implementation of major route changes stemming from the route service reviews carried out by the Department of Transport between 2008 and 2010.

Some of the recommended route changes involved the augmentation of a number of routes to function is a similar way to the 3 orbital SmartBus Routes. This is an important consideration given the fact that the discussion paper acknowledges the gap in SmartBus style services in the west of Melbourne. Given the earlier discussion regarding the causes of congestion, particularly associated with travel demand from the western growth corridor into the city (i.e. over the Westgate Bridge); SmartBus service supported by bus priority lanes leading onto and along the Princes Freeway and over the Westgate Bridge should form a strategic priority for policy attention and implementation.

It should also be considered that new, altered or augmented routes do not necessarily add up to extensive additional outlay for the State Government. This is because it has the ability to remove existing inefficiencies and improve revenue collection associated with higher patronage. BusVic has always

supported the idea of removing inefficiencies in the network in order to better meet the needs of the community.

Pillar 5 - Bus Rapid Transit (BRT) Systems

Mass transit systems come at significant cost and can take many years to deliver. BRT is a relatively low cost alternative that is quick to implement and can provide high quality public transport services many areas of Melbourne in need of high frequency services.

BRT refers to services where buses operate at high frequency for a long span of hours in simple, fast and direct routes, often using segregated road space of bus lanes. Other common features include real time bus arrival information at stops and off bus fare collection. Many corridors of Melbourne are not served by rail and BRT is a real option in these areas. SmartBus already provides an on road 'light' form of BRT, but there are opportunities for segregated bus ways in a number of growth areas. Two Bus Rapid Transit initiatives in Melbourne's north are worthy of close attention. These are an Epping North BRT, from Epping station through Aurora to Craigieburn Rd and from Broadmeadows station to Craigieburn Station, via Aitken Boulevard (in City of Hume).

With an extensive existing backlog of transport infrastructure, combined with all that is needed to accommodate future forecast growth, the scale of the task associated with completing Melbourne's public transport network is significant. **If Melbourne is to develop in accordance with the objectives of the principles outlined in the discussion paper the need to deliver a large number of projects all competing for priority in an environment of subdued revenue will drive the need to get more done with less.** Moreover, because it has also been clearly stated that applying an approach that differs from "business as usual" is required; the development of Busway style BRT systems has clear advantages which warrant further investigation for the following reasons.

There are numerous advantages to the development of BRT systems insofar as they require significantly less capital expenditure to deliver the operating project as compared to the construction of heavy rail extensions. For example it is conservatively estimated that electrified rail extensions can cost between $120m and $160m per kilometre[2] (excluding acquisition of land reserve and rolling stock) and can take 5-8 years (possibly longer) to open depending on the project. Recent examples of BRT systems built in Australia have ranged from $14m - $40m per kilometre with the most expensive example being the Brisbane Busways (Currie G, 2006). It should be noted that the Brisbane BRT has significant value add in terms of bus stop infrastructure, signage and priority lane treatment.

The OSISDC report spent considerable time discussing the benefits of BRT and highlighted examples from around the world were the commitment to BRT has resulted in significant modal shift and significant cost savings to government budgets. Based on evidence presented to it at hearings, the OSISDC found:

> *"Bus rapid transit is a suitable model for servicing the growing population of outer suburban Melbourne in the short-term" (OSISDC finding 4.7 p287).*

And recommended

> *"That the Victorian Government consider proposals to secure corridors for Bus Rapid Transit routes in the outer suburbs of Melbourne" (OSISDC recommendation 4.24 p287)*

The lower capital expenditure requirements for BRT systems have the advantage of being passenger ready in much short timeframes due mainly to the availability of rolling stock and more basic construction requirements insofar as they do not require tracks, overhead cabling, platform construction, large design curves and land acquisition, and major grade separation works. BRT systems also have a greater cost benefit ratio than conventional road construction because of lower land acquisition requirements and faster speeds for high capacity vehicles.

[2] South Morang rail extension had a project cost of $562.3m for an extension of 3.5km. An addition $87.7m was allocated to duplicating single track between Keon Park and Epping to bring the total project cost to $650m (2008 Victorian Transport Plan p72).

The combination of lower capital expenditure and shorter delivery timeframes has an additional advantage in terms of funding and finance options. The shorter timeframes for delivery mean that private and potentially local government investment in the infrastructure could be encouraged as a means of reducing the debt burden on the State. The ability to stage BRT development also means project can be delivered well within a term of government making it easier to achieve strategic objectives. As already mentioned, BRT can lay the foundations for light or heavy rail at a later stage when the growth area is more intensively developed.

To be consistent with the 9 planning principles outlined in the discussion paper, BusVic modelled the expansion of the SmartBus/BRT network of orbital and non-circumferential routes in line with the planned growth of metropolitan Melbourne to 2051. The routes are categorised into short/medium term and long term projects and include extension to the existing 901 and 902 SmartBus services and reintroduces the Blue Orbital SmartBus (initially conceived during the planning of the Red, Green and Yellow SmartBus network) which provides an inner city service between Sandringham and Williamstown via St Kilda, Prahran, Brunswick, and Footscray. As part of the expansion, the concept plan also envisages a number of existing route upgrades to SmartBus frequency.

The concept plan shows possible routes for a number of critical connections required to relieve existing congestion and social exclusion pressures which include:

- BRT between South Morang and Doreen via Mernda,
- SmartBus from Werribee to the City via Point Cook,
- SmartBus from Caroline Springs to the City,
- BRT from the City to Fishermans Bend, and
- SmartBus from the City to Latrobe University.

The proposed BRT and SmartBus routes are based on the concept of reducing road congestion by providing rapid transit connections between population centres and employment centres as illustrated on page 30 of this submission. It is submitted that the options outlined on the concept plan below could be implemented quickly through a combination of dedicated lane, on-road priority and segregated busway in some locations such as Mernda, Aurora and Thompsons Road and as such warrant further investigation.

Figure 15: SmartBus / BRT options

	SmartBus/BRT (Short-Medium term projects)	Kilometre	Region
1	Sth Morang-Doreen BRT	10.1	North
2	Doreen-Craigieburn SmartBus	22.52	North
3	Craigieburn-B'meadows SmartBus	10.19	North
4	Lalor-Craigieburn East Rd (Aurora BRT)	6.75	North
5	Melton-Watergardens SmartBus	20.23	West
6	Caroline Springs-City SmartBus	26.19	West
7	Werribee-City via Pt Cook BRT/SmartBus	39.19	West
8	Fishermans Bend loop BRT	13.83	Inner
9	City-LaTrobe University SmartBus	19.87	Inner
10	Mornington-Dandenong BRT/SmartBus	41.15	South East
11	D'nong-C'bourne Wst via Sth G'land Hwy BRT/SmartBus	12.74	South East
12	Thompsons Rd. Clyde Nth-Dandenong BRT	23.15	South East
13	Ferntree Gull-Chadstone SmartBus	22.53	South East
	Sub Tot.	268.44	
	SmartBus/BRT (Long term projects)	Kilometre	Region
14	Doreen-West Meadows via Donnybrook Rd & Mickleham Rd	40.55	North
15	Craigieburn-Wallan-Aurora via Epping Rd	48.6	North
16	Diggers Rest-St Albans	27.97	West
17	Melton-Werribee via Rockbank & Wyndham Vale	42.44	West
18	Cranbourne West-Hastings via Sth Gippsland Hwy	27.26	West
19	Pakeningham-Clyde North	17.57	South East
20	Pakenham-Cranbourne via Ballarto Rd	25.06	South East
	Sub Tot.	229.45	
	Orbital Extensions (Short term projects)	Kilometre	Region
21	901 Ext. Airport-Digger Rest via Sunbury	23.05	West
22	902 Ext. Airport West-Werribee	47.08	West
23	Blue Orbital (Williamstown-Sandringham)	45.99	Inner
	Sub Tot.	116.12	
	Existing service upgrades to non-orbital Smart Bus	Kilometre	Region
24	630 (Port Melbourne-Monash)	24.26	Inner
25	790/841 (Frankston-Fountain Gate via Cranbourne)	29.53	South East
26	Hampton-Berwick	35.08	South East
	Sub Tot.	88.87	
	Total Gross Road Km	702.88	

Pillar 6 - Infrastructure and On Road Priority Measures

In the development of land use and transport planning policies the MPS should have a focus on the development of infrastructure that raises the priority of public transport in the hierarchy of travel modes. This should have two clear streams of policy action focusing on BRT bus station design and on-road priority for rapid transit, high frequency services.

In terms of bus station design, a program of consistent and distinct design features should be considered which include:

- Uniform design features to promote community recognition and familiarity,
- Urban design that promotes safety, active and passive surveillance, amenity and comfort,
- Off-bus fare payment (i.e. MYKI touch on- touch off and top up services),
- Accessibility and visibility to and from local town centres and community assets,
- Car parking and bicycle storage (size & access),
- Local bus interchange,
- Taxi rank and interchange,
- Manning Levels,
- Opportunities for commercial development on or nearby the bus station, and
- Early development of infrastructure in order to promote early use.

On–road priorities include better coordination of bus services with other modes and improved on-road infrastructure to encourage passenger flow between modes and improved station design.

The action plan calls for:

- Expansion of the bus lane network particularly in the development of new arterial roads and duplication projects occurring in the interface and growth areas,
- Expansion of the "Green 'B' go on red" system at controlled intersections,
- Bus arrival information at on-road bus stops and improved shelters, and
- Development of modal interchange information network to allow seamless integration between bus and train where trains have been delayed (refer bus holding policy).

The above measures are designed to promote maximum patronage and revenue return for investment. There are numerous examples from Australia and around the world where investment in value added systems have returned significant dividends to the state in terms of modal shift, reduced congestion, higher revenue and reduced fare evasion. During the course of its investigation into the liveability of outer suburban Melbourne, the OSISDC report discusses many examples of value added BRT systems that could be applied to the Melbourne situation and highlights the urgent need to consider moves away from the business as usual approach (refer OSISDC report pages 280 – 297).

Pillar 7 - Connectivity

A focus on a public transport system that provides interconnectivity between buses, trains and trams has been a focus of recent timetable improvements. Ensuring buses and trains are timetabled effectively so that patrons have a flow of modal interchange is important to continuing to grow the share of trips made using public transport.

There also needs to be a focus on the physical design of how this interchange will occur, so that there is an easy and effortless interchange between modes. Land use and development policies flowing from the MPS should have a focus **on Transit Oriented Development** which gives road and access priority to bus where it involves a modal interchange. For example the redevelopment of a train station car park which proposed the undergrounding of car parking and the development of airspace for commercial of residential purposes could be required allow for bus movements that achieve higher standards of urban design, passive surveillance and information dissemination.

The key to connectivity is integrating land use and transport planning by ensuring that when land use and development are approved a holistic approach to accessibility has been considered. In other words plans for the development of an area or precinct should be linked to plans for the expansion of the public transport network. Given the stated focus of the MPS on the development of a polycentric city the starting point should be on developing connections - to – from and between the nationally significant economic and employment clusters.

The importance of integrating land use and transport planning was highlighted in the OSISDC on pages 291, 292 and 293. The following findings and recommendation s of the committee are noted below:

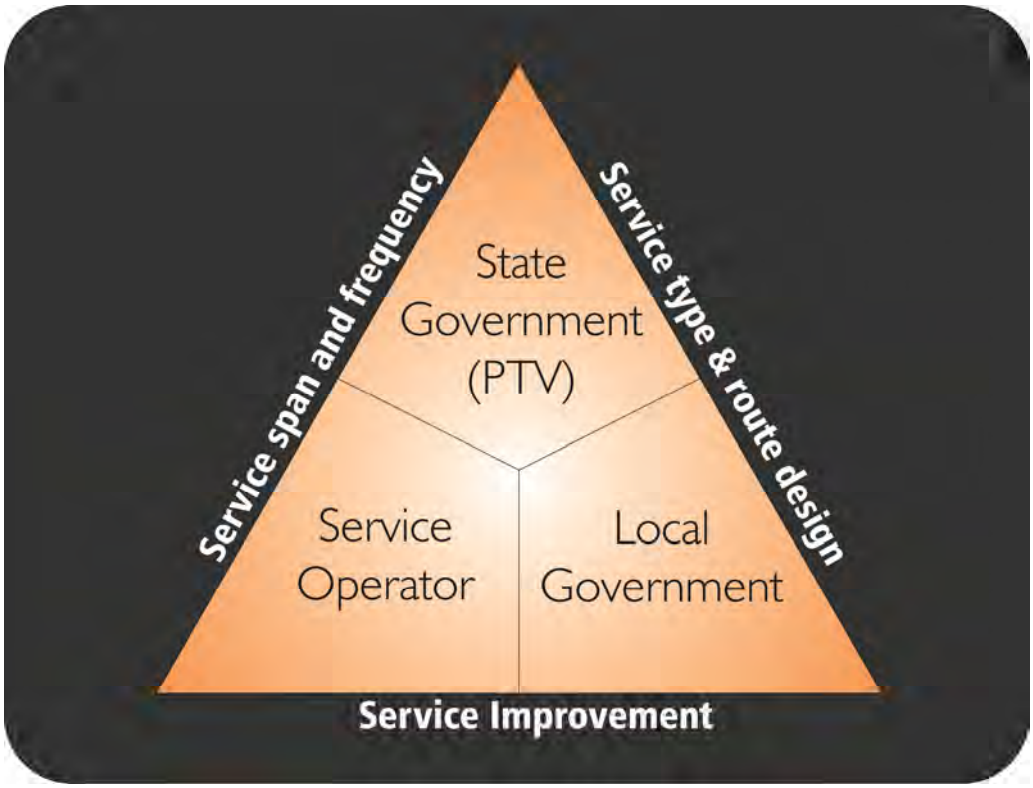
> *"The success of Activities Areas is dependent on integrated transport planning to connect outlying areas to the services and transport nodes found in activity centres."* (OSISDC finding 4.9 p292)
>
> *"There is a need for the provision of new or retrofitted high quality public transport connections to the Principal Public Transport Network in the Interface Councils.* (OSISDC finding 4.10 p293)
>
> *"That the Principal Public Transport Network and the public transport routes that feed into the Principal Public Transport Network be reviewed with a view to optimising connections to and between Activities Areas in the Interface Councils."* (OSISDC recommendation 4.25 p293)
>
> *"That the Victorian Government's Metropolitan Melbourne Plan includes a focus on public transport infrastructure provision as a central tenet of Melbourne's planning policy."* (OSISDC recommendation 4.26 p293)

Pillar 8 - Embrace a Continuously Improving and Evolving Network (Supply)

Public transport policies stemming from the MPS should ensure that concepts like the c2008 Bus Service Review recommendations are implemented. In the very least, the Department of Transport should implement a system whereby services are reviewed regularly and changes made to ensure that bus supply meets demand levels. These recommendations should be targeted for Industry and State to implement co-operatively in order to clear the backlog of suburbs which do not meet minimum service levels. Local government involvement in periodic reviews is also encouraged as part of the decision making process. Hence we recommend a governance improvement occur.

It is submitted that the review and continuous improvement of local routes should involve stakeholders from local government as representatives of the affected community as well as State Government (PTV) and the relevant local bus operator(s). This would require all stakeholders to reach consensus, which in better outcomes for all. Each stakeholder brings a unique skill set and interest to the table: PTV funding and interconnectivity with other modes; operator for local knowledge and operational expertise; local govt for major community activity centre and patron sentiment. The tripartite approach does not envisage the establishment of another agency or new costs, it simply a new structure of existing resources into a forum that occurs periodically (e.g. quarterly) to ensure the routes and services are elastic to satisfy the continuing changing nature of demand.

Diagram 2: Localised public/community transport tripartite governance structure.



Source: BusVic

The submission identifies gaps in this regard and improving the span and frequency of services would reduce the impact of overcrowding and late running of some services. The negative impact this has on the public's perception of public transport services and revenue cannot and should not be under estimated. Closer consultation with community stakeholders will ensure that services better align with community needs and contribute to greater utilisation of existing services.

At present there is a lag between commissioning of a suburb or precinct (the time at which residents move in) and the commencement of the provision of bus services. The establishment of a MSL to newly established suburbs needs to occur as they are occupied.

Pillar 9 - Fix Community Transport

There are many unmet mobility needs in outer metropolitan and regional communities, needs that would improve social inclusion and personal wellbeing if they were met. Current public and community transport ("CT") services are only meeting some of the needs of transport disadvantaged people. School bus services play a vital role in provision of mobility for school children but are hampered in their potential effectiveness by the same problems that beset CT – restrictions on use. Various eligibility criteria serve to impose 'silo thinking' on provision of major forms of regional 'public' mobility services and hinder the effective achievement of personal and community wellbeing in the process. For example, school bus services are almost only used by primary and secondary school students and widening access to others, including TAFE students, is a very difficult process. Eligibility for many CT services is commonly defined narrowly by age, physical abilities, or other criteria.

Perhaps the most extreme example, and certainly the most absurd, of these silos is the requirement in funding guidelines for Transport Connections initiatives that public transport solutions be excluded. This is an incomprehensible exclusion in a jurisdiction where the transport legislation is called the Transport Integration Act! (Stanley and Stanley 2012).

A significant improvement in regional mobility, particularly for transport disadvantaged people, requires breaking through the silo mentality that handicaps delivery and achievement of outcomes. This requires a new business model.

BusVic commissioned a report that analyses the current state of Community Transport in Victoria and recommends a new model called the 'social enterprise'. This report suggests this model has the potential to provide the cut-through that is needed. The idea is to effectively devolve much responsibility for (1) prioritization of mobility needs and (2) providing suitable mobility solutions to the regional community, drawing on all the existing resources that are available and augmenting those resources as possible. In most cases the main problem for improving regional mobility is not so much a lack of resources but poor resource use, largely because of various restrictions on eligibility/access to resources/ services.

BusVic is now funding a trial of this new method of delivering Community Transport in Victoria. We anticipate positive results in respect of increased mobility options and the more efficient use of scarce resources for regional Victorian's as a result the trial and will then encourage the State Government to proliferate the 'social enterprise' model/method State-wide. The evidence so far demonstrates significant that gain can be made and in light of this evidence inaction is condoning the inefficient use of scarce resources and depriving transport disadvantaged Victorians of greater utility.

The OSISDC also considered the merits of community transit, although in the report it was referred to as "Paratransit". The committee concluded by stating:

> *"The Committee considers that this model has potential to address many of the challenges associated with transport infrastructure in Melbourne's outer suburbs. Community buses provided early to new residents have the potential to: influence the early travel behaviour of new residents and prevent car dependence; reduce isolation by linking residents with employment and services early; and improve PPTNs by linking new communities with activity centres."* (OSISDC p290)

In relation to community transit, the committee found that:

> *"The early provision of public transport is important in providing alternatives to car transport in outer suburban residential communities. Paratransit services, such as community buses, are a suitable model for the provision of these services."* (OSISDC finding 4.8 P290)

A social enterprise should be considered as a cost effective and efficient mechanism for the implementation OSISDC findings.

Pillar 10 - Funding

Scale of the task

Recently released research from the Bureau of Infrastructure, Transport and Regional Economics ("BITRE") identifies and quantifies the forecast increase in public transport usage to the year 2031[3]. The report states in its summary that:

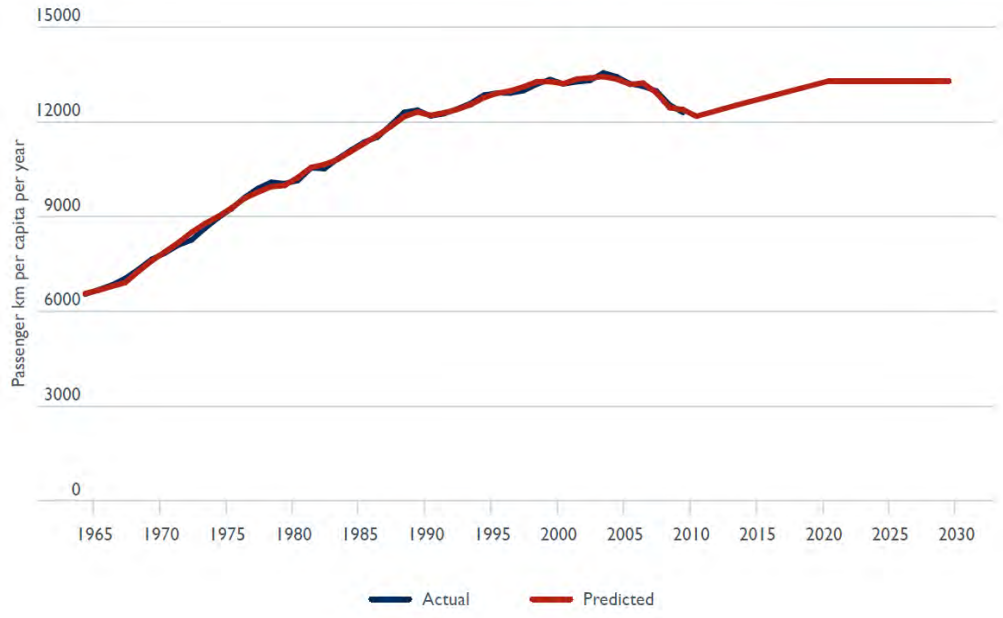
> *"This report UPT ["Urban Public Transport"] in the period from the late 1970s - when the decline in UPT mode share started to bottom out. The aim has been to be able to develop models of UPT that would allow long-term forecasting of UPT demand to be made. These would then be available to inform policy decisions regarding UPT infrastructure planning, urban transport reform, urban form, congestion and road safety.*
>
> *The basic finding of the modelling was that UPT's share of total passenger travel has been basically flat at about 10 per cent from the late 1970s to 2004. But from 2005 to 2010 the UPT share rose, due to lower UPT fares and constraints on household disposable income.*
>
> *Forecasting using the models reveals that the rapid growth in UPT in the late 2000s is likely to slow.* ***Nevertheless, even with lower growth rates, UPT demand should increase by about one third between***

[3] Public transport use in Australia's capital cities: Modelling and forecasting. Research Report 129, 2013

2010 and 2030, with implications for infrastructure provision and other policy issues associated with public transport in our cities" (BITRE, 2013 Rpt 129 p V).

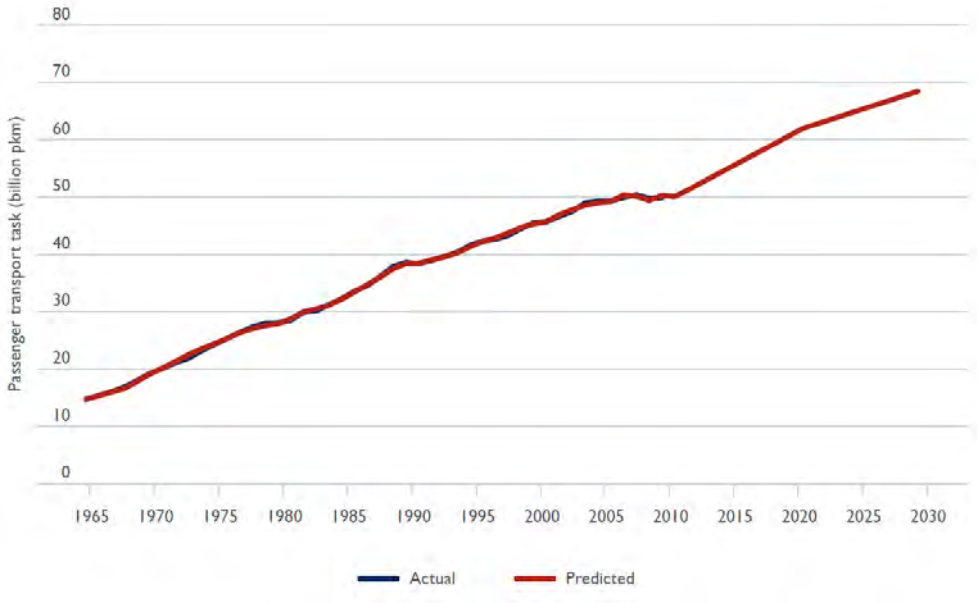
The BITRE report forecasts that Melbourne's passenger transport task will grow by approximately 1.67% per annum to 2030. This is illustrated below:

Figure 16: Actual (1965-2010) and predicted (1965-2030) levels of total passenger transport task per person



Source: BITRE Research Report 129, p83, 2013

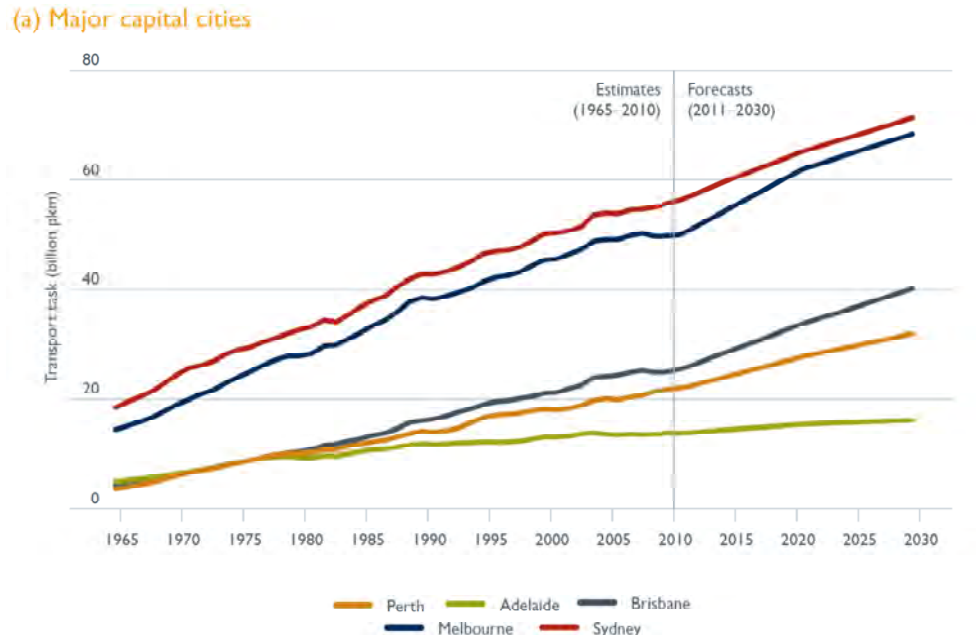
Figure 17: Aggregate total passenger transport task levels, Melbourne 1965-2030



Source: BITRE Research Report 129, p84, 2013

The forecast growth in Passenger Kilometres ("PKM") for Melbourne when compared to other capital cities shows that it is catching up to Sydney and is on track to pass it at some stage post 2040.

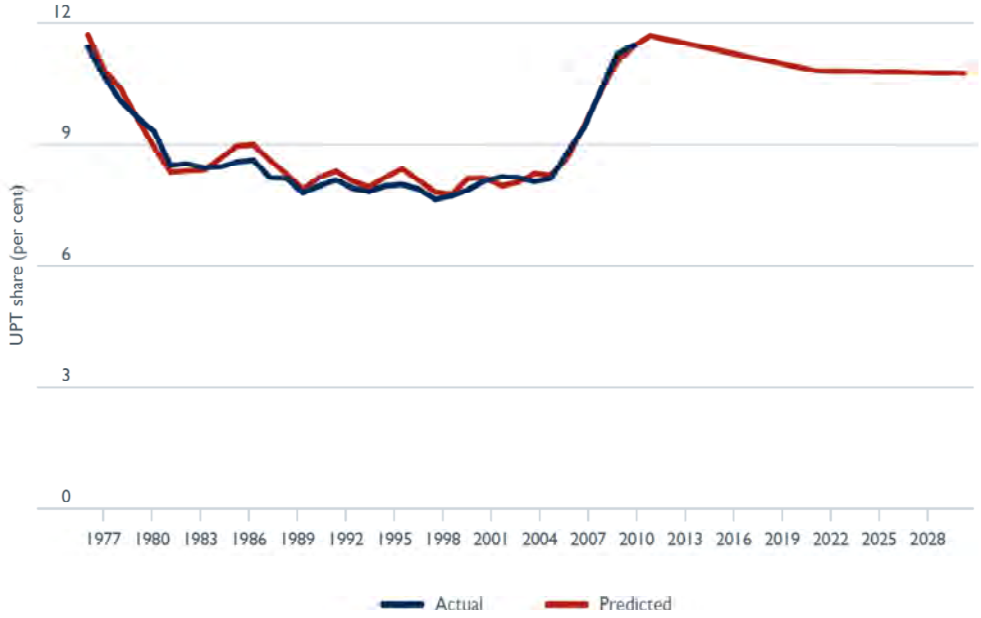
Figure 18: Estimates and forecasts of total urban passenger transport task, capital cities 1977-2030



Source: BITRE Research Report 129, p105, 2013

In contrast to this the same report forecasts that the share of trips made using public transport will decline from 2013 to 2019 then level out towards 2030. The report notes that the share of kilometres travelled using urban public transport is expected to decline because it assumes steady population growth and relatively moderate increases in fuel prices. BusVic submits that it is perhaps what the report does not say that is more telling. For example the report does not allow for an increase in capital or recurrent expenditure on transport infrastructure meaning that that there is no net increase in the capacity of UPT to transport a growing population.

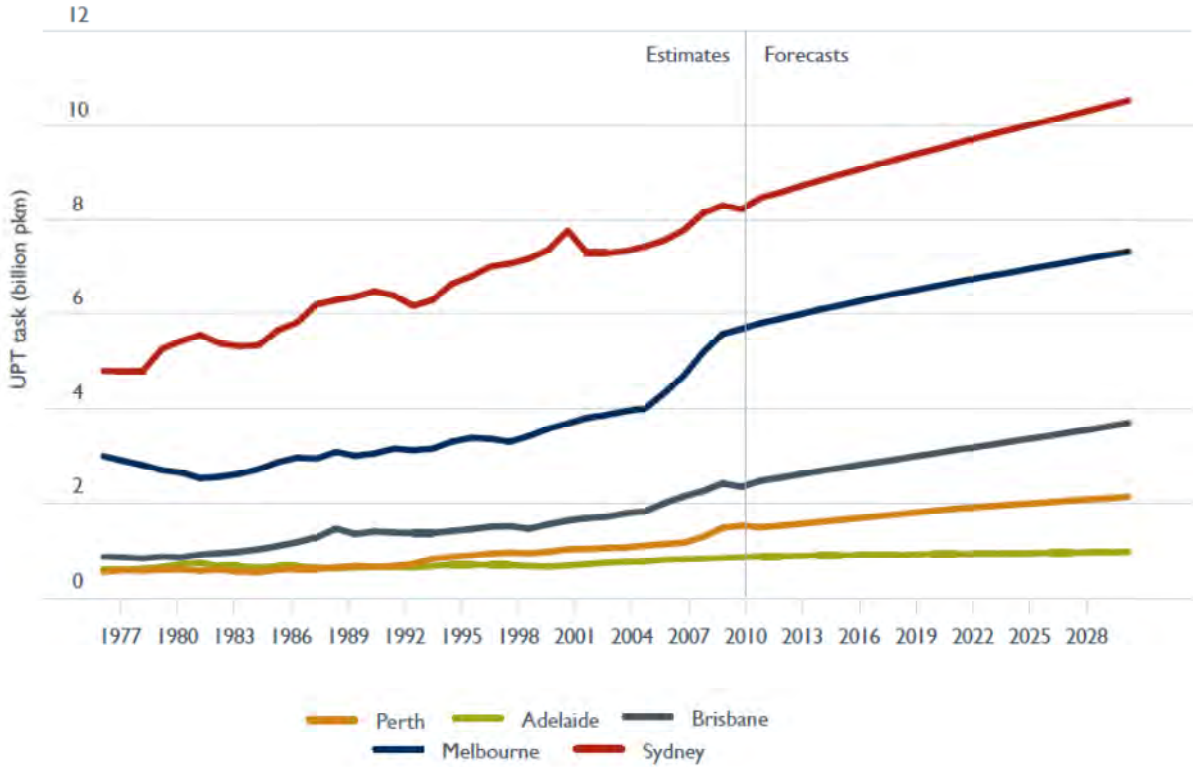
Figure 19: UPT Share (percent)



Source: BITRE Research Report 129, p117, 2013

The report highlights on page 129 that Melbourne's UPT passenger task is expected to grow from 5.83b PKM to 7.35 PKM with an average annual growth rate of 1.23% per annum between 2011 and 2030. This suggests that as the population in capital cities increase so too will demand for urban public transport and that without increased spending to allow public transport networks to meet demand, private vehicle use will continue to dominate mode share.

Figure 20: UPT passenger task, estimates (1977–2010) and forecasts (2011–2030), capital cities



Source: BITRE Research Report 129, p130, 2013

Indicative costs

BusVic have quantified the cost of two streams of service improvement aimed at achieving the vision of the MPS discussion paper. The two streams include (1) upgrading existing services currently not meeting delivering safety net services (i.e. MOTC Minimum Service Levels) and (2) upgrading all services to a minimum of 3 services per hour. This service concept is designed to provide 20 minute services across the entire metropolitan area in line with the principle of Melbourne being a "20 minute city".

The methodology used in this exercise involved all metropolitan operators providing input to determine total recurrent cost (excluding capital expenditure on new rolling stock) for the different service levels. The methodology is summarised as follows:

- Operators provided details of all existing service levels in terms of span and frequency of services and kilometres per one-way trip,
- The number additional one-way trips and service kilometres required to meet the specified service level,
- The additional service levels were then costed at an estimated average of $4.50 per kilometre and calculated over a year based on the number of:
    - week days (251.25),
    - Saturdays and Sundays (52 respectively), and
    - Public holidays (10)

- The total costs for each operator were then aggregated to provide a total cost for metropolitan services.

It should be noted that this model makes a number of assumptions as follows:

1. The model is based on existing service only and no service rationalisation has been factored.
2. No new services have been assumed
3. Only services not meeting the specified service level has been included. For example for series 1 the model excludes any service already operating at better than MSL and for series 2 and service operating at more than 3 services an hour.
4. **MSL Safety net services are defined as follows:**
   - Weekday frequency of at least one hour from 6.00am to 9.00pm start of last run (later finish on Friday evening)
   - Saturdays at least hourly from 8.00am to 9.00pm
   - Sundays at least hourly from 9.00am to 9.00pm.

   Assumptions:

   - Cost per kilometre are based on an industry wide $4.50 per kilometre
   - A one way trip is defined as travelling from point A to B. The trip from B to A should be counted as a separate one way trip.
   - A return trip is defined as point A to B to A.
   - An additional one way trip refers to the number of trips per day required to achieve the defined span and frequency beyond current service levels per route.
   - Service Km per one way trip refers to the number of Km travelled by a bus from point A to B.
5. **The definition for 20 Minute Service is as follows:**
   - Weekday frequency of 3 trips per hour from 6.00am to 9.00pm (start of last run) and running at "MSL B" levels before 6am and after 9pm to 10.30pm
   - Saturdays frequencies of at least 3 trips per hour from 7.00am to 9.00pm
   - Sundays of at least 3 trips per hour from 9.00am to 9.00pm.

   Assumptions are as above.

Table 2: Indicative additional bus service costs

Service Levels	Tot. Existing Service km per day	Tot. Additional one way trips/PA	Tot. Additional Service km/PA	Combined total indicative additional cost
Safety Net MSL (min. average 1 service per hour)	26.5m	386,192	5.6m	$23.8m
20 Minute City (Min. average 3 services per hour)	49.4m	1.9m	29.4m	$132.3m

Source: BusVic

While the above assessment represents an indicative snapshot of the potential costs for metropolitan bus service upgrades, it nonetheless provides a prima facie case for further detailed analysis which could include detailed modelling and a triple bottom cost benefit assessment. As presented earlier, previous research by BusVic indicates that road based public transport represent a cost benefit ratio of about 3.5:1. Using the figures presented above this could equate to a cost benefit of approximately $83.3m (MSL) and $463.28m (20 Minute City).

Funding approaches

How then can we fund not only the bus capital and recurrent projects that are deemed necessary, but the overall transport task at hand?

Given the scale of the task at hand of fulfilling the vision of the MPS it is safe to assume that the level of funding required for various recurrent and capital transport projects will fall short of available funds even when projected out over many years.

Opportunities to increase funding through traditional means are limited because:

- fare increases can only go so far as they are inelastic,
- a reduction or removal of concession fares would be considered inequitable and politically risky, and
- advertising pricing on trams, buses and train stations could be increased, but would raise only marginal additional revenue.

The abovementioned measures are also only incremental in nature and come nowhere near the level of funding required to achieve the vision outlined in the in the discussion paper. The task at hand is truly of a transformational scope meaning that a paradigm shift in the government funds transport is required.

The current economic situation with respect to state budgets and revenue to an extent hampers our ability to fund the amount of transport projects needed and we submit that the MPS needs to be a vehicle for new funding initiatives that are creative, fresh, and 'outside the square' and this is absolutely necessary if the ultimate aim of the MPS is to grow the population and achieve an net increase in the liveability of Melbourne.

Consideration of new revenue sources will undoubtedly require the support of government and may mean changing legislation in order to see projects come to fruition. Outlined below are some alternative funding options that could be considered, most of which have been discussed by the modal CEO's during 2011/2012:

Review and consider a range of levies and betterment charges

- introduce government levies on hotel rooms and serviced apartments, in the metro area with the funds hypothecated into service upgrades,
- Property development levy on all property which has a value benefits associated with existing levels of access and amenity. This could apply to commercial and residential property and charged at a dollar per value ratio.
- Introduce a government levy on "day long" car parking in the CBD and surrounding inner city suburbs with the funds hypothecated into service upgrades.
- Charge for car parking in suburb railway stations or consider the option of selling the car park revenue streams (need historical data to encourage funders)
- Special tax deduction (e.g. Accelerated capital allowance) to encourage capital investment, this would require federal government support,
- State tax on increases in property values, could be restricted to commercial property, but this restricts the tax base and hence means either a higher rate per property or lower tax yield,
- Tax Incremental Finance ("TIF") model – local government uses revenue derived from increases in property values with a prescribed development area (the 'TIF District') and use those 'incremental' tax revenues to fund the infrastructure and renewal projects that led to (or at least significantly contributed to) this property appreciation. For the property owner, there is no new tax, the TIF represents a reallocation of part of the growth in property taxes from Federal/State treasuries to the TIF (local) government
- Development Contribution Plans should focus funding road construction that would allow route extensions into new areas with minimal bus kilometre increases. The sooner regular route services can be provided into new areas the better chance there is to reduce the transport burden on households by reducing the need for a second or third car. Early service provision

would also support the development of growth area employment precincts which further reduce demand on city bound peak flows.

Road pricing

- Introduce congestion charges on vehicles that enter the CBD, and extend to include the surrounding suburbs,
- Introduce tolls on existing freeways and arterial roads during peak periods with revenue channelled towards new infrastructure projects located in or near the economic and employment clusters,
- Review registration fees for heavy vehicles with a view to recovering a greater percentage of cost of road maintenance associated with heavy vehicles,

Value capture

- Issuance of Federal or State Government bonds, the proceeds of which are utilized to fund transport projects, given the credit rating of the government/s this is likely to be the cheapest debt funded option,
- Promote the redevelopment of railway stations and adjacent land including air space above tracks and stations. The sale and development of these assets would deliver additional cash revenue plus the government could introduce an ongoing annual levy from commercial development and residential properties associated with increasing property value.

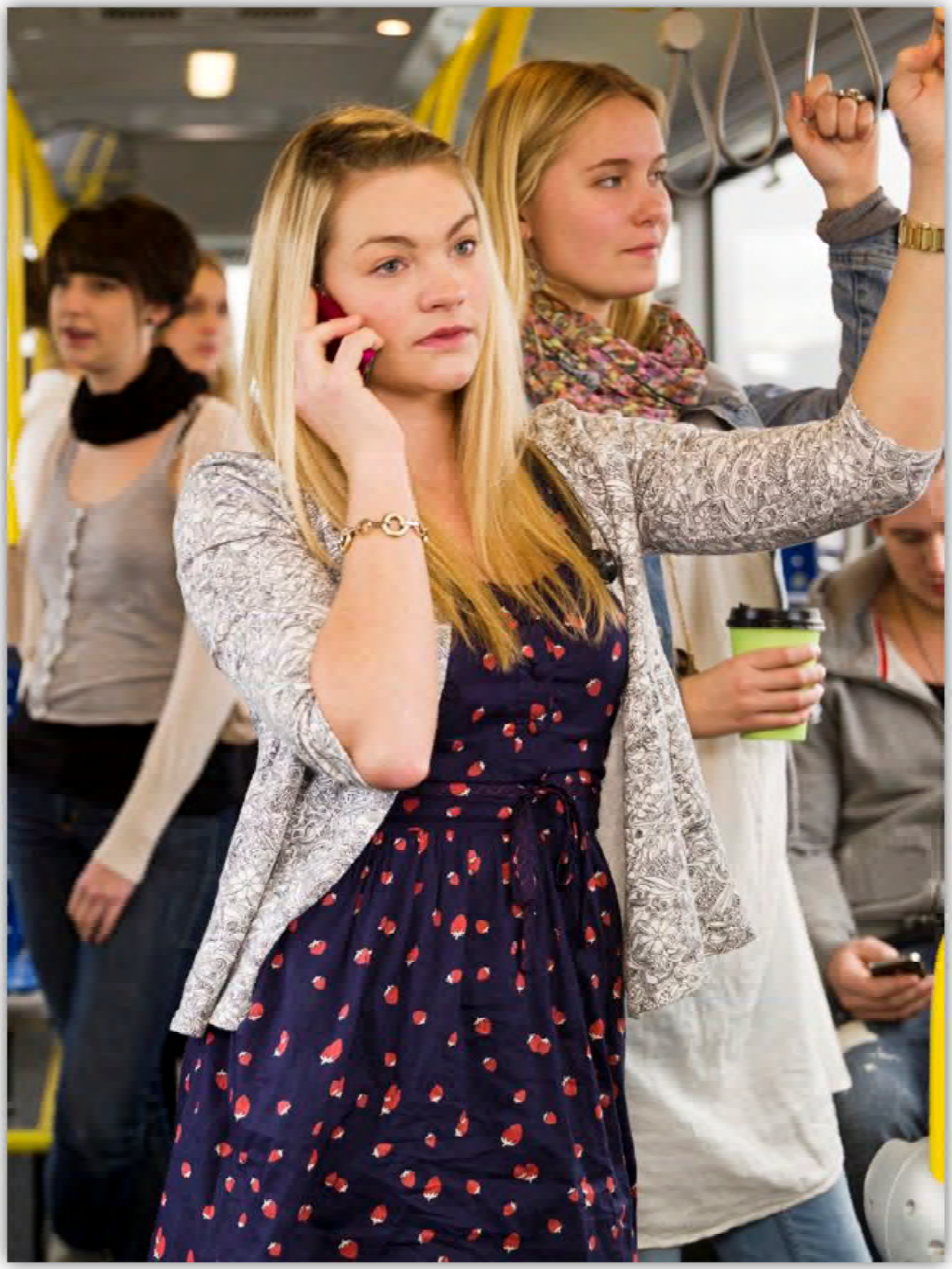
Institutional / industry co-investment

- Allow the superannuation industry to invest in transport infrastructure
- Operator (franchisee) funded with higher franchise payments
- Operator (franchisee) contribution (hybrid JV) – although this could reduce an operator's return, the quid pro quo would be a longer contract term to reduce Government transaction costs and realize an operator return on investment

There are options available to the Government that can be adopted in conjunction with the transport operators. A key issue for Government is that given the current economic times that are upon us, it needs to seriously consider the private sector in co-funding some of these options.

Chapter four of the 2012 Bus Industry Confederation (BIC) document, Moving People Solutions for a Liveable Australia outlines in more detail a full range of funding and finance options available to the government and we encourage policy makers to investigate the range of measures available.

It is extremely important that the State Government start by holding formal consultations with all stakeholders on funding mechanisms. We do not believe it is the State government's exclusive responsibility nor does it have capacity to fund the scope of capital and recurrent transport projects needed to support the role and function of the city. Further, we believe even co-funded models between state and federal governments may be inadequate. The task is too large and too long term for one or two parties to fund. Therefore, we suggest that the State commence considering the range of alternative models that have capacity to share risk and reduce pressure on State Budgets and importantly reduce the State's reliance on federal funding. We need to start the public discussion on equitable and sustainable funding now. For the record, Victoria's bus operators have been operating for generations and intend to continue doing so for generations to come. They understand they are the recipients of government subsidies and are not averse in principle to the concept of contributing capital to the improvement of the public transport network. This could be discussed as part of the next negotiated renewal of service contracts, however, the sooner discussions of this nature commence, the better if the Government so desires.



5. Conclusions and Recommendations

BusVic considers that the directions set for the MPS by the discussion paper warrants further development. Each of the principles are sound and many of the ideas are worthy of development so that they form the basis of a new State Planning Policy Framework for metropolitan Melbourne.

In particular we acknowledge and support the discussion paper where it highlights the importance of shifting the focus of activity centre planning towards a polycentric model based on developing the established economic and employment clusters. We strongly support the idea of increasing the capacity of the clusters to accommodate a greater mix of uses to the extent that it places a greater share of households closer to where the jobs are as distinct from trying to locate jobs where the people are.

The efficiency with which we can move people, goods and services will determine how well the MPS is able to achieve the 9 principles outlined in the discussion paper. Therefore, the MPS must seek to identify and address the causes of chronic road congestion throughout the city, as it is this issue that lies at heart of whether or not as a city with a future population of 6.5 million we can maintain and improve upon our standards of liveability.

BusVic recommends that this should be supported by a coordinated effort to develop a polycentric urban public transit model (as illustrated). It is also submitted that employing such a model through a combination of on-road and segregated busway will go a long way towards dealing with the causes of congestion which if not adequately addressed will choke the city and drive down our city's productivity and liveability standards.

We recommend that the government consider the actions outlined in our 10 pillar action plan with respect to creating a policy, funding and governance structure necessary to ensure that the MPS enjoys bipartisan support and longevity.

A social enterprise model should be considered as a cost effective and efficient mechanism for the implementation OSISDC findings with respect to fixing community transit.

Furthermore, we strongly recommend that the government consider the full range of options outlined in chapter 4 of the 2012 BIC document Moving People Solutions for a Liveable Australia.

We look forward to the next stage of this very important project and our continued involvement in helping to shape the strategy.