Melbourne’s Transport

The Need for a New Framework for Assessing Priorities

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Introduction

Processes for assessing and ranking transport priorities outlined in the Transport Integration Act were an attempt to take the politics out of transport but it clearly is not working. Almost all of the transport projects promoted by the current State government are politically motivated. It is time to examine the situation and look at ways it can be improved or replaced with a new model that can provide better outcomes.

The current situation:
- lacks transparency in terms of process, target outcomes are vague at best,
- lacks an independent audit and review process, and is open to political manipulation and abuse
- has a narrow perspective and ignores interactions and change occurring in the broader transport system and the socio, economic/financial, political and environmental system of which it is part
- tends to be largely infrastructure driven and input focused, ignoring other actions that can be taken to improve outcomes for the system as a whole, many of which can be implemented more quickly and at far less cost.

Transport as a system

Travel demand is a function of the size and shape of the city, its geography and the way it is laid out. It is also a function of land use, the nature and disposition of social and economic activity, income distribution, levels of affluence, and the way transport services and supporting infrastructure have been provided and managed. These factors tend to remain constant in the short/immediate term, but all are subject to change over time.

The transport scene is rapidly changing in many other ways:
- technology has been a major driver of change and this is expected to continue although new pathways may be difficult to pick
- climate change and other environmental challenges are becoming increasingly apparent and will have profound implications for transport
- the global economic/financial environment is also changing. There are concerns that current trends are unsustainable and that a severe down turn is inevitable in the short term.

These changes will have major implications for all social and economic activity including travel demand, with implications for the way transport infrastructure and services are used and valued by the community. The economic situation will also have significant implications for government’s ability to
finance transport services, maintain existing infrastructure and build new. These are critical issues that need to be reflected in a transport evaluation framework, but existing processes make this difficult because of the emphasis on infrastructure building which denies other opportunities for improving transport outcomes. What is needed is a systems-based approach that focuses on the transport system as a whole, and opportunities to improve outcomes in an environment of rapid change.

Concept for a new Framework

A new transport planning framework should:

- recognise the need to reform the current situation – it is generating substandard outcomes and a system is needed to ensure outcomes the community needs as a whole, in the community’s best interest
- be based on internationally accepted principles of best practice
- be supported by a number of measurable performance outcomes that are monitored and publicly available, so they can be used to hold government to account. These should include matters relating to proper process and governance
- be outcome focused in a way that makes it easy to identify appropriate policy, strategies and priorities for a transport plan and the kind of actions/levers that are required to achieve it
- embrace all travel modes
- acknowledge that whilst physical infrastructure is necessary to support/facilitate transport services it is no more than an enabler for the social and economic activity which uses it, and must not be seen as the primary lever for improving transport outcomes; in fact there are many opportunities to improve transport outcomes by using existing infrastructure and services more efficiently and more effectively, especially with emerging new technologies.

There is an obligation by government to manage transport infrastructure and services as efficiently and effectively as possible to generate optimal outcomes for the community (social, economic and environmental) as a whole at least cost before building more.

This can be achieved in three basic ways:

- by managing the need or demand for travel
- by smoothing the peaks or making better use of underutilized capacity by encouraging more travel/transport during off peak or better use of underutilized capacity in other areas
- by ensuring existing transport activity is carried out as efficiently and effectively as possible.

Priority must be given to those modes of transport that use the infrastructure most efficiently and most effectively, such as higher occupancy vehicles, smaller vehicles that take up less road space, or vehicles/modes of travel that make greater use of less heavily trafficked parts of the system where there is spare capacity, such as cycling, walking.

The framework should recognize that providing priority (such as physical priority for movement in the transport system) is not sufficient and requires measures to create an environment in which transport’s full potential can be realised. For example, reforming public transport so it delivers the kind of service
people need to make it a genuine alternative to private car use or removing barriers to cycling to make it more attractive and more competitive.

The framework should engender a process of developing the right environment and mechanisms to make transport development happen. Priorities for investment and other actions can then be established on the basis of system outcomes, and measurable targets. One of these could be total energy consumption (and greenhouse emissions) for the transport system as a whole, which could be supported by policy that promotes more energy efficient modes of transport.

The framework should be applied for future planning with binding targets for the system overall, selecting the most effective levers to achieve them. This can then become the basis for establishing and ranking priorities.

**Zurich – an example to illustrate benefits**

During the first stage of the redevelopment of Zurich’s public transport system train services were integrated by improving connectivity and patronage increased 15%.

When bus services were integrated with trains by matching service frequencies and a time pulse system, train patronage increased a further 10% and bus patronage increased 50%. When community buses were integrated bus patronage rose another 30%. Immediate benefits were measurable in physical and financial terms, but additional social, economic and environmental benefits can also be included for the system as a whole.

In this example the focus on transport integration was a systems-based initiative designed to improve outcomes for the Zurich’s transport system as a whole. The focus was not on individual projects but a range of measures to improve system performance. Similar benefits could be realized in Melbourne.

**Examples of levers that can be applied to improve public transport system outcomes**

**Change the mindset**
- Government required to match or exceed world best practice
- Make it a priority to fix today’s problems today to achieve early benefits
- Eliminate PPP’s, unsolicited bids from private sector unless benefits are clearly proven

**Change system goals**
- Benchmark standards for all areas of operations to meet stated and binding targets
- Change PTV charter to compete with the car for patronage and market share against future targets
- A new basis for assessing and ranking priorities against future targets

**Self-organisation**
- Department recruitment, training, restructuring to develop a culture of excellence and continual improvement and eliminate conflicts and duplication of effort
Rules of the system

- New contracts with franchisees and others linked to targets
- Changes in traffic management to create a safer environment for travellers, change driver and parking behaviour, provide priority for public and active transport
- Pricing changes to manage travel behaviour and patterns

Network and operational changes to improve system efficiency

- Bus and tram network improvements including network connectivity
- Timetable changes to increase service levels and integrate services with each other
- Improved maintenance, infrastructure upgrading and renewal to reduce break-downs and improve service reliability.

Accountability and Governance

The need for proper and professional standards for all elements of the evaluation process remains essential and must be totally transparent. Any document that purports to justify the funding of infrastructure/transport initiatives must be made available for public information and scrutiny. Such documents should as a minimum include:

- Transparent workings of all economic appraisals and cost-benefit calculations
- Sensitivity testing of all assumptions and indications of the range of outcomes rather than a single result/scenario, and must include risk assessment for a range of future scenarios in a rapidly changing world
- Comprehensive details of capital and operating cost estimates and all contingencies, risk adjustments and other components of the costs
- Full details of all appraisals including options and any other work which demonstrates that the chosen initiative is the best of all available options to address the identified issues/problems
- Comprehensive statements to demonstrate that planning work has been done in accordance with all relevant procedural guidance, legislation and international best practice.
- Full reporting of all stakeholder and community consultations, including all submissions, queries or objections received concerning the initiative, and responses by the proponents to satisfy all concerns.

There should be no circumstances where 'commercial-in-confidence' or 'cabinet-in-confidence' is used to avoid publishing or to redact any of the above information.

Financial and institutional details of PPPs (and market-led proposals) must be fully revealed to the community. It must be clearly demonstrated (and independently verified) that any such initiative will demonstrably save the taxpayer compared with doing it as a public project, as well as passing other appraisal tests. Politicians and their advisors should be banned from taking positions as advisors or board members on relevant organisations for at least 20 years after leaving politics.
Summary

Current approaches for assessing and ranking transport priorities are proving ineffective. This is due to the infrastructure driven mindset promoted by government, based on business-as-usual approaches that tend to ignore other ways of improving outcomes for the transport system as a whole. Building more of the same will not improve Melbourne’s transport problems and the mindset that drives it needs to change. Pursuit of short-term political gains has supplanted sensible long-term planning for transport.

A new framework is urgently required to address these concerns. It should simplify policy development by focusing on transport outcomes (rather than inputs) for the system as a whole, in a way that is transparent, and make government more accountable. It must promote consistency in a strategic sense to ensure all initiatives are pulling or pushing in the same direction and alert policy makers to investment risk and the need for system flexibility and resilience to ensure it meets the needs of Melburnians in a rapidly changing world. A systems-based approach can provide a basis for rapid change and achieve this on many fronts system wide. It reduces opportunities for pork barrelling and politicised decision-making.

A new framework should be supported by companion documents of best practice such as the Hi Trans Best practice guide and a new public transport “Charter” similar to that developed by Transport for Melbourne, both of which are on the Transport for Melbourne web site.

About the authors

Roger Taylor is Chair of Transport for Melbourne. He has spent more than thirty years in the transport industry and has run numerous transport forums over the last twenty years. The emphasis for many of these has been to develop a better understanding of Melbourne’s transport issues and opportunities for improvement by applying lessons learnt from international best practice.

William McDougall is a transport planner, engineer and economist with over 40 years’ experience in the UK, Australasia, Asia and the Middle East. William has extensive experience in strategy and policy development/analysis, and transport demand modelling. He conducted the Northern Central City Corridor Study in Melbourne in 2001-3. More recently, he directed the Rowville Rail Study, a review of the future for Melbourne’s tram system and assisted in the national High Speed Rail Study, and also undertook a critical review of the West Gate Tunnel project.