

SRN 785 790.



20 June 2008

Dr Kathy Alexander
Chief Executive
City of Melbourne
PO Box 1603
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Dear Dr Alexander

I write in response to your correspondence of 30 May 2008, seeking comment on the Draft Future Melbourne Plan.

The Plan has many admirable aims and goals – however, in many respects it appears to be contradictory and impractical.

For example, while it is encouraging that the Plan recognises the importance of prosperity and the role of private enterprise in delivering it, 'outcomes' in the transport section of the Plan appear to mitigate against doing business in a cost-efficient and effective way.

Furthermore, the transport outcomes appear to be predicated on 'public transport taking up the slack' as a result of reduced motor vehicle use – sadly, this appears increasingly unlikely, with the Connex Chief Executive Bruce Hughes yesterday indicating that the Sydenham rail line will reach capacity this year and eight other lines to the City's north, west and south will reach capacity by 2013.

We would wholeheartedly agree that an increase in public transport investment is well overdue – however, we also think investments in our road system need to be made at the same time.

In the past decade, Melbourne has developed from 'bleak city', a place city workers could hardly wait to get out of on a weeknight, to Australia's most 'happening' city.

The City of Melbourne has played a crucial role in this turnaround, in particular encouraging people to live, shop and work in the City.

However, while spending millions on advertising promoting the City, some elements within Council now seem to want to adopt policies that have the effect of turning people away, making it more and more difficult to get into, around or even away from the City.

It is widely acknowledged that congestion around the City has worsened in recent years and the State Government has attempted to enact short and long term measures to combat this. However, this has to be addressed sensibly and take note of current realities, such as the inadequacy of public transport.

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I would venture to say that individuals will exercise choice in their transport choice according to what meets their needs at the time – a recent AAMI survey showed that 62 percent of Melburnians prefer to drive to work for a range of reasons, largely because of the inadequacy of public transport - and that broader economic factors such as the price of oil will influence consumer behaviour more readily than bureaucratic fiat.

In short, the aim should be to create choice rather than restrict it. Ill-advised attempts to 'create congestion' will only cause increased annoyance and frustration to Melburnians, reduce work-life balance and compromise business efficiency.

I have included an addendum to this letter on transport issues, to which I seek your urgent attention.

Yours sincerely



Wayne Kayler-Thomson
Chief Executive Officer

cc The Hon John Brumby MP, Premier of Victoria
The Hon Tim Pallas MP, Minister for Roads and Ports

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Appendix 1 - Comments on City transport, Future Melbourne document

We are in agreement with the sentiment in the Future Melbourne document that supports greater investment public transport infrastructure, including new modes such as fast ferries.

However, we believe that this can be done in conjunction without reducing the efficiency of roads.

We do not accept the Orwellian notion that creating congestion will actually reduce it.

We note in this respect the prominent use of a quote by Enrique Peñalosa, former Mayor of Bogotá, Colombia - "If there is more space for cars there will be more cars, if there is less space, there will be less cars".

We would be disturbed if this philosophy was driving Council's future thinking or current policy development.

We are particularly concerned that the section covering transport (Connected) appears to posit little or no role at all for the average motorist, not even as a user of City amenities during off-peak times.

In this respect, we note the following recent developments in the City of Melbourne:

Traffic light sequences - we understand that Council has decided to change the sequence of Melbourne's traffic lights, meaning less traffic will be able to pass through intersections with each light sequence. How will this make Melbourne more liveable and less congested? Furthermore, has there been an economic impact study and any public or stakeholder consultation?

Super tram stops - while undoubtedly of some benefit, they have been a bugbear for our freight, transport, CBD retail and other members for a number of years. Reduction of traffic flows to one lane near intersections have caused traffic flow problems when motorists seek to turn, thus holding up traffic queued up behind, contributing to gridlock. They have also had the effect of simply diverting traffic onto other routes. We therefore request more fulsome consideration of the placement of these super stops and the downstream unintended consequences.

Eddington Report - A key Council Committee has also decided that it will not support key recommendations contained in the Eddington Report, despite previous in-principle Council support for a similar infrastructure, and the fact that Eddington's recommendations are designed to drain traffic away from the inner northern suburbs and CBD.

Car free days - Last year, a proposal for a CBD car-free day was adopted by Council without consultation after a presentation by a group of students, but was overturned by the Premier.

The State Government's CBD car parking levy - VECCI would also like to ascertain whether, from Council's perspective, the levy impacts on the retention or attraction of corporate headquarters to Melbourne and, more pertinently, whether there has been any observable positive impact on congestion, particularly when our public transport system has had trouble coping with extra passenger volumes. Furthermore, what sort of impact have related initiatives, such as the free tourism shuttle bus, had on congestion and City tourism?

Off-peak parking - in recent years, Council has extended meter times in many parts of the City from 5.30pm to 6.30pm, and now 7.30pm. This acts as a straight slug on students, shift workers and those coming into the city for dinner or entertainment purposes.

The cost of parking rose to \$3.50 an hour in 2006, making it more expensive in some cases than evening or weekend rates in undercover city car parks – this led to a revenue black hole when Council found people simply did not want to park within City boundaries any more.

Would it not be of benefit to encourage off-peak use of the City by motorists?

Congestion charges – while being a possible future substitute for fuel taxes, heavy-handed implementation of such charges in other cities has led to loss of retail trade. For example, the London Chamber of Commerce and Industry (LCCI) undertook a study to examine what impact the London congestion tax had on businesses operating within the congestion zone. The findings provide a clear indication of the numerous adverse consequences of such a measure:

- 80% of business reported a reduction in turnover with more than 50% citing the congestion charge as the sole cause or main cause for the decline.
- 14% of companies reported a reduction in profits of between 1 to 5%, just over half said profits had fallen by between 5 to 15%, while a quarter of firms said profits had slumped by between 15 to 30%.
- 25% of business laid off staff.
- Over 75% of businesses said that the congestion charge had not improved their productivity.
- 27% of retailers considered relocating outside the zone.
- 78% of restaurants reported that customer numbers had fallen compared with the start date of the congestion charge.

Bicycle lanes – elements in Council also seems to have settled upon bicycle transport as a panacea, without any regard to other consequences.

While there is enormous scope to build Melbourne's bicycle networks, Council is going about it the wrong way. Last year, it was announced that two lanes of traffic on busy St Kilda Road would be replaced with bike lanes until a timely intervention by the State Government halted this proposal.

Now, Council want to remove two of the six car lanes on a section of one of Melbourne's busiest streets, Albert Street in East Melbourne. Albert Street and Lonsdale Street drain traffic away from the CBD quickly and effectively during peak and non-peak times. As such, Council's proposed measure will worsen congestion.

Local businesses and community organisations will also be severely affected by such a measure and have not been consulted in any meaningful way – most local businesses we have canvassed regarding this issue are completely unaware that this proposal has been mooted at all.

However, the Council appears determined to press on, despite there being a better, safer alternative on the sizeable nearby Victoria Parade median strip that could mirror the successful St Georges Road bicycle lane in the City of Darebin.

In this respect, we seek Council's assurance that the Albert Street bike lanes proposal will not proceed any further until adequate community consultation has taken place, as well as your urgent attention to the points raised above.