

CHAPTER 13: THRIVING ECONOMY

Key findings of the Committee:

- 13.1 In comparison to the government target for the proportion of freight transported by rail to and from ports to increase to 30 per cent by 2010, the Committee noted that the rail share of freight declined to 15 per cent in 2006-07 (5.2 million tonnes of freight transported by rail out of a total of 33.9 million tonnes). The government will need to assess whether this target continues to be relevant or needs to be reduced in future. Climatic conditions and forecasts as well as any trends in growth of the metropolitan freight task and use of road, including the comparison of costs and development of networks, in preference to rail will need to be kept under review as part of such an assessment.
- 13.2 The drought has had a significant impact on the progress made by Victoria in terms of advancing towards its 2010 rail freight target because a large proportion of the freight movements on the train system relates to export grain (around 37 per cent) which has experienced a more reduced harvest than anticipated. For example, between 2005-06 and 2006-07, Victoria experienced a dramatic decline in production relating to the following major winter grains:
- wheat (2,909 kilotonnes to 879 kt);
 - barley (2,003 kt to 605 kt); and
 - canola (272 kt to 42 kt).
- 13.3 Following the completion of a \$133.8 million buyback of Victoria's regional rail freight network from Pacific National, the government commissioned a review of the network in June 2007. The report titled *Switchpoint: The template for rail freight to revive and thrive!*, which was released in December 2007, contained 29 recommendations. These included:
- outlining proposed priorities and levels of investment to upgrade the network totalling \$140.7 million, comprising a capital component (\$83.5 million) and an ongoing maintenance component (\$57.2 million over three years);
 - establishing an ongoing asset management regime to maintain the network at designated speeds post capital rehabilitation; and
 - giving higher priority for freight trains on the Melbourne metropolitan rail network through improved metropolitan rail system planning.
- 13.4 The Committee looks forward to the Department of Transport addressing the recommendations of the review into Victoria's regional rail freight network including:
- announcing a timeline for addressing each recommendation within the report; and
 - providing a schedule of programmed works identified for upgrade and maintenance.

- 13.5 The 2008-09 Budget provides \$239.8 million that is directed at Victoria's freight network. This funding includes \$150 million for the channel deepening of Port Phillip Bay that was announced in 2007-08 as well as \$23.7 million for the gold lines upgrade (refer tables 13.5 and 13.6) that were identified as a priority in the rail freight review.
- 13.6 The government has set a cumulative target for 90 per cent of planned infrastructure asset renewal activities associated with the country rail freight network to be delivered within project timelines as stated in the budget papers relating to the Department of Infrastructure's *Freight, Logistics, Ports and Marine Development* output.
- 13.7 The Committee acknowledges that apart from the impact of the drought, the government's buy-back of the State's regional rail network from Pacific National in May 2007 has affected the ability of the government to attract a larger proportion of freight to be transported to and from ports by rail rather than by road. Since the handover of the network to V/Line, the government has embarked on a staged process involving the conduct of a full operational review and safety assessment of the network, determining which areas require the most attention and then developing a schedule for maintenance and upgrades. According to the Minister for Public Transport, major improvements to Victoria's rail infrastructure will be made over the coming years.
- 13.8 The Committee noted that Melbourne is experiencing strong economic and population growth. The Department of Treasury and Finance predicts that the Victorian economy is expected to grow by 3.25 per cent in 2007-08 compared to real gross state product of 2.7 per cent in 2006-07. Melbourne is currently growing at about 1,200 people per week; faster than any other Australian city and more than previously projected. There has also been a resurgence in employment in the Central Business District, an intensification of economic and residential activity in inner Melbourne and rapid growth in a number of outer metropolitan areas.
- 13.9 According to estimates prepared by the Bureau of Transport and Regional Economics of the Australian Government's Department of Transport and Regional Services, the social costs of congestion for Melbourne will rise from \$3.0 billion in 2005 to \$6.1 billion in 2020.
- 13.10 Under the *Growing Victoria Together* initiative, the government set a goal for public transport use in Melbourne as a proportion of trips taken by motorised means to increase from 11 per cent in 2002 to 20 per cent by 2020. In comparison, public transport's share of motorised personal trips in Melbourne in 2006-07 stood at approximately 8.6 per cent, a decrease of 0.2 percentage points from the previous year.
- 13.11 Public transport patronage had grown by approximately 84,000 trips per day (from 1.06 million trips in 2005-06 to 1.15 million trips in 2006-07. However, there was a proportionately greater increase in non-public transport motorised trips of over one million trips per day (from approximately 11.05 million trips in 2005-06 to 12.22 million trips in 2006-07 or 10.6 per cent).

- 13.12** The \$1.8 billion transport investment package contained in the 2008-09 Budget includes a Roads and Congestion Package of \$769.7 million for building better roads to improve the safety of the road network and reduce congestion, with a view to driving the economy, jobs and liveability in communities across the State. The Package of \$769.7 million includes \$363.0 million for the Monash-City Link-West Gate Upgrade and \$224.0 million to upgrade regional and rural roads.
- 13.13** In late April 2008, the government introduced a new congestion plan to ease peak pressure in the short-term until the outcomes of medium and long-term infrastructure planning and initiatives take effect. *Keeping Melbourne Moving* represents an investment of \$112.7 million over four years in improving the flow of traffic and public transport on arterial roads within 10 kilometres of Melbourne's Central Business District.
- 13.14** Some initiatives have been introduced to encourage greater vehicle occupancies during peak periods such as the use of transit lanes (i.e. high occupancy vehicle lanes). However, given that between 2002 and 2007, there were an additional 260,000 licensed drivers across the state and there has been a significant increase of 10.6 per cent in non-public transport motorised trips between 2005-06 and 2006-07, the Committee was of the view that the Department of Transport should evaluate whether the concept of car pooling has been fully analysed in the development of policy offerings designed to reduce road congestion. The Committee cited a number of sources, both overseas and within Australia, that advocated the use of smarter car use through car pooling to alleviate congestion.

13.1 Introduction

In considering the budget estimates the Committee asked a total of 121 questions pertaining to the Thriving Economy vision of the *Growing Victoria Together* (GVT) initiative. This represented 23.9 per cent of all questions asked in the budget estimates hearings.

The answers provided at the estimates hearings were recorded in Hansard and the transcripts of evidence were contained in Appendix 1 of the *Report on the 2008-09 Budget Estimates – Part One* and in Appendix 1 of the *Report on the 2008-09 Budget Estimates – Part Two*.

This chapter sets out an analysis of several key issues canvassed by the Committee at the budget estimates hearings relating to the Thriving Economy vision of *Growing Victoria Together*.

13.2 Movement of port related freight by rail

13.2.1 Significance of port related freight by rail in Victoria

The government's vision for Victoria to 2010 and beyond, as espoused in its *Growing Victoria Together* policy document, foreshadowed that the efficiency of Victoria's transport system for moving freight by rail between Melbourne and regional Victoria is critical for regional development.¹⁹⁵ The government set a target for the proportion of freight transported to and from ports by rail to increase from 10 per cent to 30 per cent by 2010.¹⁹⁶

The Committee noted that a number of the actions outlined in the government's policy statement for regional Victoria titled *Victoria: Leading the Way*, April 2004, specifically supported rail freight. These actions are set out in table 13.1.

**Table 13.1: Victoria: Leading the Way
Actions supporting rail freight**

Action	No.	Linkage to rail freight
Improving access to the port	2	Efficient intermodal transport of freight is rapidly becoming more critical to meeting the demands of global supply chains. Increasing rail market share at the Port of Melbourne is vital to accommodating future growth, reducing road congestion and improving the overall efficiency of the Victorian freight and logistics sector.
Building better supply chain links	4	Competitive transport, distribution and logistics are crucial to the future growth and success of Victorian businesses and the economy in general. Well planned infrastructure will provide Victorian companies with opportunities for cost savings and allow better and faster access to markets for Victorian goods.
Make it happen in provincial Victoria	7	Vibrant, healthy regional areas are crucial to Victoria's continued economic success. The government will maximise the capacity of local communities to take up economic and investment opportunities.
Exporting for growth	9	One in five jobs in the state is export related and in regional Victoria

Source: Victorian Government, *Victoria: Leading the Way, Economic Statement April 2004*

The Committee notes the following view expressed by the Hon. Tim Fischer, Chair of the Committee that undertook the review into Victoria's Rail Freight Network in 2007:¹⁹⁷

'Rail is needed more than ever before, due to energy efficiency, greenhouse reasons and gridlock congestion on critical roads near ports'.

¹⁹⁵ Victorian Government, *Growing Victoria Together, A vision for Victoria to 2010 and Beyond*, p.6

¹⁹⁶ *ibid.*

¹⁹⁷ Hon. L Kosky MP, Minister for Public Transport, media release, *Rail freight network review released*, 21 December 2007

13.2.2 *The Committee's coverage of port related freight by rail*

In its previous report on the budget estimates for 2007-08 (part three), the Committee was interested in exploring how the government planned to increase the proportion of freight transported to and from ports by rail from 10 per cent to 30 per cent by 2010, given the downward trend in Victoria's performance, and whether the GVT target remained relevant or needed to be revised.¹⁹⁸

In its response to the Committee's recommendations for the need to monitor the adequacy of the investment in the rail freight network and the Department of Infrastructure to develop and publish pricing and timeliness indicators, the government indicated that:¹⁹⁹

- the State bought back the rail lease of Victoria's regional intrastate rail network from Pacific National in mid-2007 and has subsequently allocated \$25 million to the Department of Infrastructure to assist with urgent only maintenance;
- a review of the Rail Freight Network has resulted in the tabling of a comprehensive report into the condition of the Network, including recommendations regarding further investment and prioritisation of maintenance requirements, with the Minister for Public Transport;
- the Department of Infrastructure obtains statistics from the Ports on a bi-annual basis to monitor performance against the government's policy of increasing the proportion of freight on rail to 30 per cent by 2010;
- the rail share for 2006–07 was 16 per cent which was directly related to the severe downturn in transport of bulk grain resulting from the current drought situation;
- the department would continue to receive statistical data from the Ports bi-annually to monitor ongoing performance against targets;
- the Freight, Logistics and Marine Division of the department was consulting with port terminal and rail operators to determine the availability of relevant data to support the development of appropriate indicators for pricing and timeliness for port related rail freight; and
- the department would complete the design and documentation of indicators and incorporate them into appropriate rail freight output reporting.

13.2.3 *Proportion of freight transported to and from ports by rail*

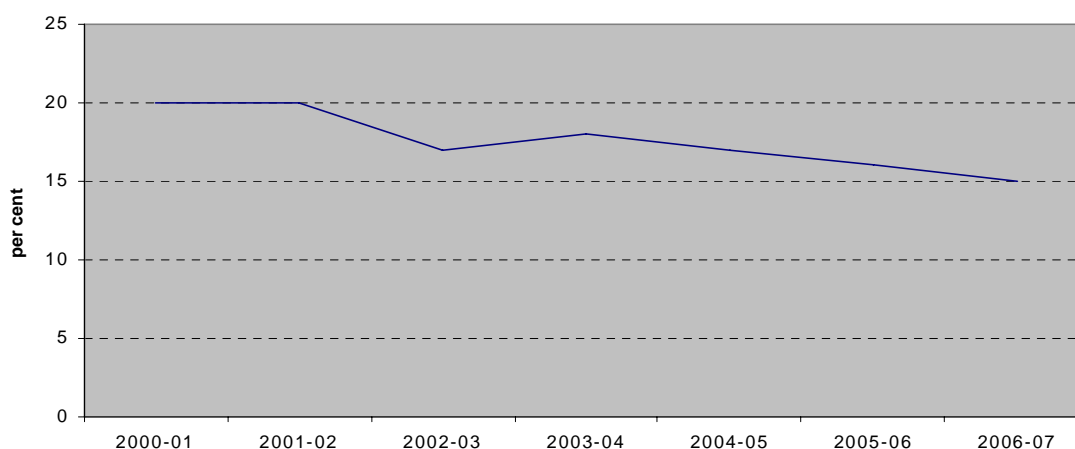
The government disclosed in the budget papers that rail's share of freight transported to and from Victoria's commercial ports declined from 16 per cent to 15 per cent in 2006-07. In quantitative terms, this represents 5.2 million tonnes of freight transported by rail out of a total of 33.9 million tonnes.²⁰⁰ Figure 13.2 shows that from 2003-04 to 2006-07 there has been a steady decline in the proportion of freight transported by rail to and from Victoria's commercial ports situated in Melbourne, Geelong and Portland.

¹⁹⁸ Public Accounts and Estimates Committee, Report on the 2007-08 Budget Estimates Part Three, pp.145-147

¹⁹⁹ Government Responses to the Recommendations of Public Accounts and Estimates Committee's 73rd Report on the 2007-08 Budget Estimates, p.28

²⁰⁰ Budget Paper No.3, 2008-09 Service Delivery, p.377

Figure 13.2: Proportion of freight transported to and from ports by rail 2000-01 to 2006-07



Source: Budget Paper No.3, 2008-09 Service Delivery, p.378

At the budget estimates hearing, the Minister for Public Transport confirmed that the drought has had a very significant impact on the target because a large proportion of the freight movements on the train system relate to grain which has experienced a more reduced harvest than anticipated.²⁰¹

Table 13.3 discloses the composition of Victorian Intrastate Rail Freight according to product volumes. Export grain is the largest commodity within the rail freight task.

Table 13.3: Summary of Victorian Rail Freight Tonnages

Product Businesses	Tonnage	Percentage
Export grain	2,000,000 ^(a)	37
Containers	1,800,000	33
Crushed rock	700,000	13
Domestic grain	300,000	5
Paper	270,000	5
Cement	230,000	4
Logs	160,000	3

Note: (a) Average

Source: Victorian Rail Freight Network Review Switchpoint: The Template for rail freight to revive and thrive!, December 2007, p.28

²⁰¹ Hon. Kosky MP, Minister for Public Transport, 2008-09 Budget Estimates hearing, transcript of evidence, 14 May 2008, p.8

The Committee noted that in terms of the Australian crop production, the gross value of production of the three major winter grains (wheat, barley and canola) was forecast to be around \$3.7 billion in 2006-07, compared with an estimated \$8.1 billion in 2005-06.²⁰² The dramatic decline in the production of the three major winter grains across Australia and Victoria from 2005-06 to 2006-07 is shown in table 13.4.

Table 13.4: Wheat, barley and canola production Australia and Victoria 2005-06 compared to 2006-07

Wheat, Barley & Canola	Australian Production		Victorian Production	
	2005-06 kt	2006-07 kt	2005-06 kt	2006-07 kt
Wheat	25,150	10,822	2,909	879
Barley	9,482	4,257	2,003	605
Canola	1,419	573	272	42

Note: kt = kilotonne

Source: *abare.gov.au ABARE statistical data: commodity production Australia and Australian Crop Report, Victoria – Vic grains and oilseeds accessed 28 August 2008*

The Committee acknowledges that apart from the impact of the drought, the government's buy-back of the State's regional rail network from Pacific National in May 2007 has affected the ability of the government to attract a larger proportion of freight to be transported to and from ports by rail rather than by road. Since the handover of the network to V/Line, the government has embarked on a staged process involving the conduct of a full operational review and safety assessment of the network, determining which areas require the most attention and then developing a schedule for maintenance and upgrades. According to the Minister for Public Transport, major improvements to Victoria's rail infrastructure will be made over the coming years.²⁰³

At the budget estimates hearing, the Minister for Roads and Ports informed the Committee that while in the long-term the rail share of the freight network is expected to increase, an expected significant increase in the metropolitan freight task will impact adversely on the ability of the 30 per cent rail freight target for the transportation of freight to and from ports to be achieved by 2010. The Minister stated at the hearing that:²⁰⁴

“In the long term, rail share of the freight network is expected to increase as truck costs increase as result of higher fuel costs, increased registration charges and driver shortages. The introduction of carbon trading also has the potential to shift some freight to rail. To date, rail has been uncompetitive for metropolitan freight to and from the port of Melbourne. As the metropolitan freight task is predicted to grow significantly, the 30 per cent target will be difficult to achieve, although work is being undertaken to determine the long-term viability of short-haul rail shuttles to Melbourne.”

²⁰² Australian Bureau of Agricultural and Resource Economics, *drought update, Australian crop and livestock report*, 27 October 2006, p.4

²⁰³ Hon. L Kosky MP, Minister for Public Transport, media release, *Rail Buy Back Deal Complete*, 7 May 2007

²⁰⁴ Mr T Pallas MP, Minister for Roads and Ports, 2008-09 Budget Estimates hearing, transcript of evidence, 16 May 2008, p.23

The Committee maintains that the government will need to assess whether its 30 per cent target for the movement of port-related freight by rail by 2010 is still relevant or in need of being revised downwards in future, especially given that the proportion of rail freight in 2006-07 of 15 per cent will need to double over the next three years from 2007-08 to 2009-10 if the current target is to be achieved. As part of assessing the appropriateness of the rail freight target, the Department of Transport will need to keep under review climatic conditions and associated forecasts as well as the occurrence of any major trends in growth in relation to:

- the metropolitan freight task; and
- the use of road in preference to rail for the transportation of freight to and from ports.

Recommendation 22:

The Department of Transport assess whether its target for the proportion of freight transported to and from ports by rail to increase to 30 per cent by 2010 is still relevant or needs to be revised. As part of such an assessment, a review needs to be undertaken of climatic conditions and associated forecasts as well as any significant trends in growth in the metropolitan freight task and modal shifts to road in preference to rail for the transportation of freight.

13.2.4 Maintaining Victoria's Rail Infrastructure Assets – Audit undertaken by the Victorian Auditor-General's Office

In May 2007, the Auditor-General found that since 2004, the combined actions of the Department of Infrastructure and the infrastructure manager, together with the finalisation of new access arrangements for the regional freight network, had improved the maintenance and renewal regime. For example, the new access arrangements better defined service levels on the freight network.²⁰⁵

The Auditor-General reported, however, that there remained a need to further improve the planning and monitoring of maintenance and renewal so that they conform to the government's better practice asset management principles.²⁰⁶ The auditor also recommended, among other things, that the department document a long-term asset management strategy detailing its rationale for the maintenance and renewal of rail assets and ensure that future plans document the infrastructure manager's methodology for prioritising maintenance and renewals.²⁰⁷

²⁰⁵ Victorian Auditor-General, *Maintaining Victoria's Rail Infrastructure Assets*, May 2007, pp.3, 49

²⁰⁶ *ibid.*

²⁰⁷ *ibid.*, p.4

13.2.5 Rail Freight Network review – December 2007

The government commissioned a review of Victoria's regional rail freight network in June 2007, following the completion of a \$133.8 million buyback of the network from Pacific National.²⁰⁸ Released by the Minister for Public Transport in December 2007, the report contained 29 recommendations.²⁰⁹ According to the government, key recommendations included:²¹⁰

- proposed priorities and levels of investment to upgrade Victoria's rail freight network;
- the establishment of a *Grain Logistics Taskforce* to co-ordinate the grain supply chain and facilitate collaboration on grain handling and marketing;
- commissioning a government entity to champion and develop rail freight business and facilitate collaboration between stakeholders and aggregation of smaller freight tasks to create viable freight tasks;
- establishment of a *Rail Freight Development Fund* (RFDF) to facilitate rail freight opportunities via (seed) capital contributions to rail freight facilities;
- establishment of an ongoing asset management regime to maintain the network at designated speeds after capital rehabilitation, including routine and major periodic maintenance on track and bridges; and
- higher priority for freight trains on the Melbourne metropolitan rail network through improved metropolitan rail system planning.

The Committee notes that the review recommends a total investment package totalling \$140.7 million that comprises a capital component amounting to \$83.5 million and three years ongoing maintenance cost of \$57.2 million.²¹¹ A breakdown of this recommended investment by government is set out in table 13.5.

²⁰⁸ Hon. L Kosky MP, Minister for Public Transport, media release, *Rail freight network review released*, 21 December 2007

²⁰⁹ Victorian Rail Freight Network Review *Switchpoint: The template for rail freight to revive and thrive!*, December 2007, pp.8-11

²¹⁰ Hon. L Kosky MP, Minister for Public Transport, media release, *Rail freight network review released*, 21 December 2007

²¹¹ Victorian Rail Freight Network Review *Switchpoint: The template for rail freight to revive and thrive!*, December 2007, p.6

**Table 13.5: Review into Victoria’s regional rail freight network
Rail freight network upgrade and maintenance program
Recommended funding requirements**

Category of track	Description	Recommended funding \$ million	Recommended funding \$ million
Capital			
Gold	First priority for rehabilitation and restoring to original track classification (generally Class 4 or 5) outside the Platinum base network. This forms a core grain network which maximises use of the base network and is the minimum network which can support a sustainable above rail freight operation.	36.4 ^(a)	
Silver	High priority lines to be rehabilitated to original track classification (Class 4 or 5), conditional on grain industry collaboration and commitment to improve overall supply chain efficiency to support rail. This should be done by establishment of a sustainable fleet of rolling stock; further centralisation and upgrading of silos and port facilities with longer sidings, fast train loading, fast truck turnaround and extended operating hours.	47.1	
Sub-total			83.5
Maintenance			
Gold and Silver	Ongoing routine maintenance estimated at \$18.4 million per annum (see table 13.6) during the rehabilitation period of three years.	55.2	
Bronze	Minimum maintenance line sections. These rail corridors should be maintained clear of vegetation to maximise the opportunity for restoration, should the case be made to do so in future.	2.0	
Sub-total			57.2
Total			140.7^(b)

- Note:
- (a) The Victorian Rail Freight Network Review recommended rehabilitation works on six Gold Lines in 2008-09 at an estimated cost of \$23.7 million (see table 13.6) and one line (the Gold Line between Maroona and Portland) for rehabilitation in 2010-11 at an estimated cost of \$12.7 million
 - (b) The Committee understands that in relation to the base network (the platinum category), the track will continue to be maintained by virtue of being part of the V/Line passenger network, the Australian Rail Track Corporation's (ARTC) interstate network or the declared AusLink network (which includes the Mildura line). No additional rehabilitation funds are required for these sections of line, and the Mildura line will only require ongoing maintenance and sleeper renewal every five years, given the \$73 million already committed by the Federal and State Governments to its upgrade. Additional works on these lines, such as longer or new passing loops or upgrades to signalling, axle loads or speeds could be considered in future where this is justified by new or increased freight tasks.

Source: Victorian Rail Freight Network Review Switchpoint: The Template for rail freight to revive and thrive!, December 2007, pp.5-6

The Committee notes that the review into the Victorian Rail Freight Network was completed in a short timeframe of around seven months. In considering the proposals contained in the report, which was released by the Minister for Public Transport on 21 December 2007, the Committee looks forward to the Department of Transport addressing the recommendations of the review into Victoria's regional rail freight network. The Committee acknowledges the capital initiatives (relating to the gold lines) and the maintenance initiatives (relating to gold and silver lines) contained in the 2008-09 Budget in response to the report findings.

Recommendation 23:

In addressing the proposals contained in the review of Victoria's Regional Rail Freight Network, which were released in December 2007, the Department of Transport develop a plan that includes:

- (a) a timeline for addressing each of the report's recommendations; and
- (b) a schedule of programmed works identified for upgrade and maintenance.

13.2.6 Victoria's freight network – funding initiatives contained in the 2008-09 Budget

The government revealed in the budget papers that it was undertaking a number of projects in rail freight, including further investment in response to the Rail Freight Network Review, and further work was underway to develop a new strategy for future rail freight.²¹² The Committee looks forward to the release of this strategy.

Budget initiatives targeted towards the provision of better freight connections and improvements to rail freight infrastructure include projects outlined in table 13.6. Funding provided by the government for these projects totals \$239.8 million.

²¹² Budget Paper No.3, 2008-09 Service Delivery, p.377

**Table 13.6: Funding directed at Victoria’s freight network
008–09 budget**

	Km	(\$ million)	(\$ million)
Gold Lines upgrades (a)			
Korong Vale - Quambatook	64	4.6	
Korong Vale - Charlton	36	2.7	
Shepparton - Tocumwal	69	7.8	
Mildura - Yelta	20	1.6	
Swan Hill - Piangil	44	3.4	
Murtoa - Warracknabeal	51	3.6	
Sub-total			23.7
Country Rail Freight Network Renewal and Maintenance (b)			19.0
Country Rail Freight Network Maintenance (c)			13.3
Rail Freight Support (d)			21.4
Geelong Rail Access Improvement Project (e)			12.4
Channel Deepening Project (f)			150.0
Total	284	23.7	239.8

- Notes:
- (a) First stage of the Gold Lines upgrades in priority order as recommended by the Victorian Rail Freight Network Review (announced as part of the Future Farming Strategy). The review considers there is a pressing need to rehabilitate the track on nominated sections of the network to restore sustainable operating speeds. Amounts represent the estimated cost in 2008-09.
 - (b) Funding provided as part of the Future Farming Strategy (Budget Paper No.3, 2008-09 Service Delivery, p.292)
 - (c) Funding announced in 2007-08 (Budget Paper No.3, 2008-09 Service Delivery, p.322).
 - (d) This funding is to support competitiveness of container, and export and domestic grain freight by rail. The Rail Freight Support package is aimed at ensuring the agricultural industry can continue to access rail freight options. Subsidies are made up of the following:
 - a \$1.4 million rebate on access fees for domestic grain on rail (January to December 2008)
 - a \$10 million rebate on access fees for export grain on rail (July 2008 to June 2010)
 - a \$10 million support package for intermodal (container) rail services (April 2008 to April 2010)
 - (e) Standard-gauge rail connection into the northern part of the Port of Geelong
 - (f) Funding of \$150 million towards better freight connections through the channel deepening of Port Phillip Bay was announced in 2007-08

Source: Department of Infrastructure, Victorian Rail Freight Network Review, released 21 December 2007, p.50, Budget Paper No.3, 2007-08 Service Delivery, p.301, Budget Paper No.3, 2008-09 Service Delivery, p.292, 322, 326 and 328-29, Hon. L Kosky, MLA, Minister for Public Transport, response received in relation to the Committee’s request for further information, received 7 July 2008, p.3

The Committee notes the new performance measure outlined in the budget papers in relation to the Department of Infrastructure's *Freight, Logistics, Ports and Marine Development* output titled "Planned infrastructure asset renewal activities are delivered within project timelines: country freight rail network". A timeliness target for 90 per cent (cumulative) delivery has been set for 2008-09.²¹³ The Committee will be interested in monitoring the performance of the government against this measure in future.

13.3 Measures to reduce road traffic congestion

13.3.1 Introduction

The Committee, in its May 2008 Report on the 2006-07 financial and performance outcomes, confirmed that it was aware that urban transport congestion was a significant issue facing the Victorian public. Drawing on the findings and recommendations of the Victorian Competition and Efficiency Commission that emanated from its inquiry into Urban Transport Congestion, the Committee recommended that the then Department of Infrastructure needed to report on a progressive basis the outcomes delivered from the options implemented to address transport congestion in urban areas.²¹⁴

While this aspect of the 2008-09 estimates inquiry was confined to issues dealing specifically with road traffic congestion (cars, buses and trams), the Committee is of the view that matters relating to congestion on Victoria's railway system can have an adverse impact on road congestion if commuters elect to change modes of transport from trains to cars, buses or trams.

On the subject of road congestion, the Committee was interested to hear through the estimates hearing process that:

- about 88 per cent of all public transport services occur on road-based public transport;²¹⁵ and
- Melbourne has one of the largest tram systems in the world, which is a huge asset in terms of addressing road congestion.²¹⁶

The 2008-09 Budget papers reveal that one of the significant challenges facing the Department of Infrastructure in the medium term involves developing improvements to infrastructure and services to manage the impacts of congestion, with a focus on key bottlenecks in public transport and road travel.²¹⁷ Outputs relating to Victoria's road network have been restructured to provide a focus on managing congestion, long-term planning and asset management.²¹⁸

In terms of the *Infrastructure Planning, Delivery and Management* output group, the government indicated through the budget papers that outputs deliver a combination of strategic road and rail infrastructure improvements to manage congestion and improve the movement of people and goods throughout Victoria. They also encompass infrastructure projects that will, among other things, improve strategic arterial road links and establish a major roadway linking the city's south eastern suburbs.²¹⁹

²¹³ Budget Paper No.3, 2008-09 Service Delivery, p.141

²¹⁴ Public Accounts and Estimates Committee, *Report on the 2006-07 Financial and Performance Outcomes*, May 2008, p.503

²¹⁵ Mr T Pallas MP, Minister for Roads and Ports, 2008-09 Budget Estimates hearing, transcript of evidence, 16 May 2008, p.7

²¹⁶ Mr J Betts, Secretary, Department of Infrastructure, 2008-09 Budget Estimates hearing, Minister for Roads and Ports, transcript of evidence, 16 May 2008, p.15

²¹⁷ Budget Paper No.3, 2008-09 Service Delivery, p.119

²¹⁸ *ibid.* p.121

²¹⁹ *ibid.* p.135

The *Road Network Improvements* output, with a 2008-09 target output cost of \$675.5 million, is one of the key outputs designed to deliver cost effective projects to reduce congestion.²²⁰ This output represents a restructuring of two former outputs primarily to focus on the congestion and network improvements programs that contribute to economic and regional development by, in part, improving accessibility.²²¹ A new performance measure for 2008-09 titled *Congestion projects completed* has been included for this output. The target is for 18 projects to be completed in 2008-09.²²²

In exploring factors that impact on road traffic congestion on metropolitan roads, the Committee noted that Melbourne is experiencing strong economic and population growth. The Department of Treasury and Finance predicts that the Victorian economy is expected to grow by 3.25 per cent in 2007-08 (real gross state product, 2.7 per cent in 2006-07).²²³ Melbourne is currently growing at about 1,200 people per week; faster than any other Australian city and more than previously projected.²²⁴ There has also been a resurgence in employment in the Central Business District, an intensification of economic and residential activity in inner Melbourne and rapid growth in a number of outer metropolitan areas.²²⁵

²²⁰ Budget Paper No.3, *2008-09 Service Delivery*, pp.138-139

²²¹ *ibid.*, pp.138-139 and 141

²²² *ibid.*, pp.138

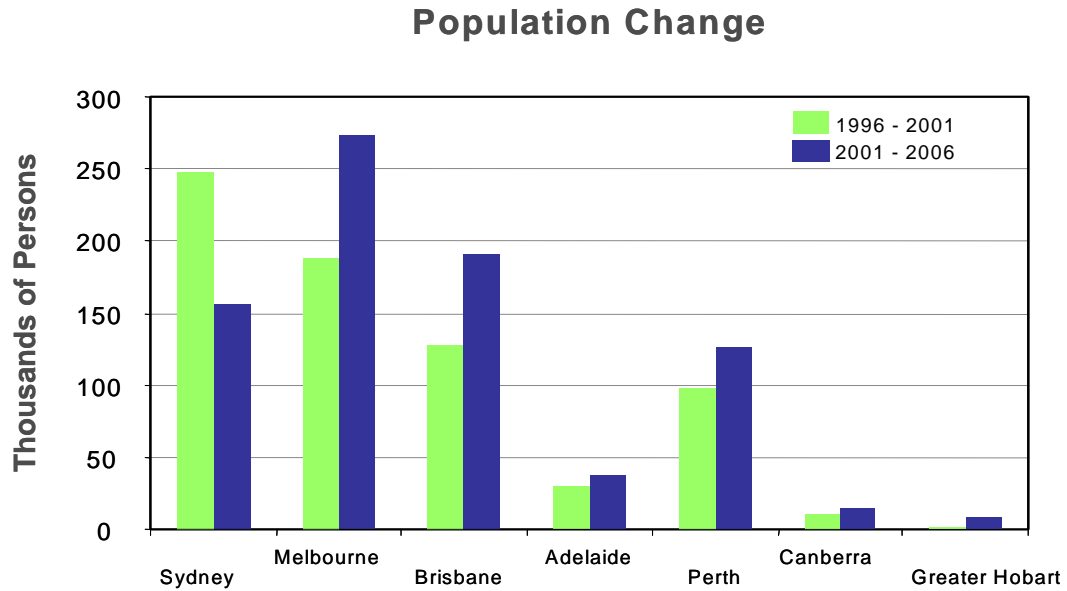
²²³ Budget Paper No.2, *2008-09 Strategy and Outlook*, pp.22-23

²²⁴ VicRoads, *Keeping Melbourne Moving*, Frequently asked questions, p.1

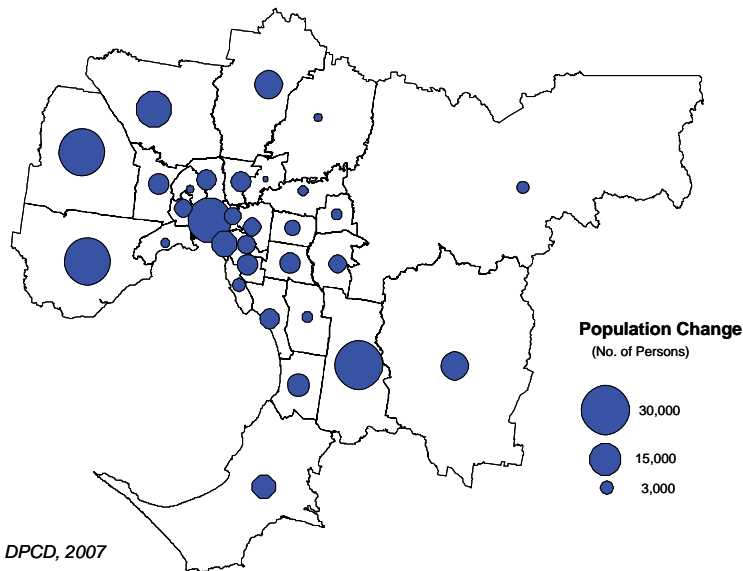
²²⁵ *ibid.*

At the budget estimates hearing, the Minister for Roads and Ports presented several slides to demonstrate the extent to which Melbourne is growing as well as traffic congestion. These slides are reproduced in Figure 13.7 and Figure 13.8.

Figure 13.7: Melbourne’s population growth



**Population growth, Local Government Areas in Melbourne
2001 to 2006**



Source: DPCD, 2007

Source: Mr T. Pallas, Minister for Roads and Ports, MP, 2008-09 Budget Estimates hearing, 16 May 2008, slide presentation no. 1

**Figure 13.8: Traffic growth on Melbourne’s freeways
Monash Freeway**



Source: Mr T. Pallas, Minister for Roads and Ports, MP, 2008-09 Budget Estimates hearing, 16 May 2008, slides presentation nos.7 and 8

Quantification of the impacts of congestion can be found from estimates reported by the Victorian Competition and Efficiency Commission in September 2006. According to Commission estimates, the economic costs of congestion in Melbourne currently range from \$1.3 - \$2.6 billion per year, or 0.6 to 1.2 per cent of Victoria's gross state product. As these results are extremely sensitive to assumptions, the Commission maintained that data supports an estimate of congestion costs towards the lower end of the reported range. These costs, according to the Commission, could double in 15 years if further measures are not taken to address congestion.²²⁶ Costs include wasted time, increased stress and fatigue, excessive fuel and maintenance costs, lower worker productivity, increased transport capital requirements, reduced business competitiveness and loss of an otherwise aesthetically pleasing and healthy environment.²²⁷

In a more recent study, the Bureau of Transport and Regional Economics of the Australian Government's Department of Transport and Regional Services estimated in its April 2007 report that the social costs of congestion for Melbourne will rise from \$3.0 billion in 2005 to \$6.1 billion in 2020. This estimate comprises costs associated with private time, business time and extra vehicle operating and air pollution costs.²²⁸

The Committee was interested to learn from the Minister for Roads and Ports that congestion is a complex issue that cannot be addressed either at a specific location or in isolation from a myriad of other factors. The government's four key strategies to manage congestion involve:²²⁹

- improving the reliability and flow of road-based public transport;
- making existing roads operate better;
- improving service coordination, integration and customer interface; and
- promoting sustainable travel through better demand management.

²²⁶ Victorian Competition and Efficiency Commission, *Making the right choices: Options for managing transport congestion*, Final Report September 2006, pp.xxix, xxxv

²²⁷ *ibid.*, p.59

²²⁸ Australian Government, Department of Transport and Regional Services, Bureau of Transport and Regional Economics, *Estimating urban traffic and congestion cost trends for Australian cities*, Working Paper No.71, April 2007, pp.xv, 13-14, 108-109

²²⁹ Mr T Pallas MP, Minister for Roads and Ports, 2008-09 Budget Estimates hearing, transcript of evidence, 16 May 2008, p.3

13.3.2 Avenues to reduce road traffic congestion in Victoria

(a) Policy context

The government's policy platform for reducing road traffic congestion comprises a range of initiatives that include:

- ongoing development at the Commonwealth level through reform agenda initiatives introduced by the Council of Australian Governments, including formulation of the *2007 Melbourne Urban Corridor Strategy* (in collaboration with the Commonwealth);
- introduction of institutional change – creation of the Department of Transport;
- policy development e.g. the *Growing Victoria Together* initiative, *Linking Melbourne: Metropolitan Transport Plan, Meeting our Transport Challenges* (a 10 year plan) and the *Keeping Melbourne Moving* strategy (designed to deliver short-term benefits); and
- strategy formulation and associated funding connected with:
 - improving and expanding the existing road network;
 - encouraging greater use of alternative modes of public transport in preference to cars (e.g. rail and buses) by implementing a range of measures e.g. development of the *Early Bird* initiative and the creation of new parking places at train stations (698 new parking spots to be established at the Laverton and surrounding stations);²³⁰
 - purchasing new trains and trams as part of medium to long-term infrastructure planning;
 - improving tram and bus speeds;
 - developing *Green Travel Plans* which set targets and actions for a specific worksite to promote sustainable travel such as walking, cycling, public transport, **car pooling** (refer 13.2.2(f) of this section) and tele-working for staff travel to, from and for work;²³¹ and
 - reducing casualty crashes on the road system.

²³⁰ Hon. L Kosky MP, Minister for Transport, 2008-09 Budget Estimates hearing, transcript of evidence, 14 May 2008, p.10

²³¹ Victorian Government response to Victorian Competition and Efficiency Commission's Final Report, Making the Right Choices: Options for Managing Transport Congestion, p.15

(b) Growing Victoria Together initiative – increasing the use of public transport compared to motorised means

The Committee noted that under the Growing Victoria Together initiative, the government set a goal for public transport use in Melbourne as a proportion of trips taken by motorised means to increase from 11 per cent in 2002 to 20 per cent by 2020. In comparison, public transport's share of motorised personal trips in Melbourne in 2006-07 stood at approximately 8.6 per cent, a decrease of 0.2 percentage points from the previous year. The Committee noted that public transport patronage had grown by approximately 84,000 trips per day (from 1.06 million trips in 2005-06 to 1.15 million trips in 2006-07, an increase of 8.5 per cent). The Committee notes the Department of Transport's correction that this increase was 7.9 per cent, not 8.5 per cent over the two-year period, due to rounding error. However, there was a proportionately greater increase in non-public transport motorised trips of over one million trips per day (from approximately 11.05 million trips in 2005-06 to 12.22 million trips in 2006-07, an increase of 10.6 per cent).

The Committee noted that a review by the Department of Transport of the methodology developed by the Bureau of Infrastructure, Transport and Regional Economics (BITRE) of the 2005-06 and 2006-07 estimates of public transport's mode share of all motorised trips has concluded that a low level of confidence can be placed in the figures for mode share. For 2007-08, the mode share figure will be calculated using the Victorian Integrated Survey of Travel and Activity (VISTA) data. It is expected that VISTA will produce a more accurate mode share calculation.

(c) 2008-09 Budget

The 2008-09 Budget provides a \$1.8 billion transport investment package which comprises:²³²

- a roads and congestion package of \$769.7 million (refer to table 13.9) for building better roads to improve the safety of the road network and reduce congestion, with a view to driving the economy, jobs and liveability in communities across the State (this funding is in addition to the \$2.8 billion worth of major road projects that are underway, including the Deer Park Bypass, the Calder Freeway and the Geelong Ring Road);
- \$239.8 million for freight and port access projects (refer to table 13.6 of this chapter for further detail); and
- \$794.1 million into the public transport network and rail freight and port projects.

The roads and congestion package comprised various projects that are set out in table 13.9.

²³² Mr T Pallas MP, Minister for Roads and Ports, media release, 2008-09 State Budget, *\$1.8 billion record transport investment to help meet the needs of a booming population*, 6 May 2008 and *\$769.7 million to improve roads and tackle congestion*, 6 May 2008

**Table 13.9: Roads and Congestion Package
2008-09 State Budget**

Road Projects	2008-09 State Budget funding \$million
Monash-CityLink-West Gate Upgrade (refer table 13.10)	363.0
Upgrade rural and regional roads (a)	224.0
Outer metropolitan road improvements (b)	85.3
Road-based congestion measures (c)	46.6
Additional road maintenance funding	27.3
Improve response times and service performance at VicRoads customer service centres	16.0
Funding for the tender process to build a new licensing and registration system for VicRoads	7.5
Total	769.7

Notes: (a) Including:

- \$110 million towards the duplication of the Princes Highway West from Waurn Ponds to Winchelsea to cater for increased car and truck travel, and improve travel time and reliability
 - \$40 million to build a new duplicated section of the Western Highway from Melton to Bacchus Marsh to improve safety and travel times
 - \$9 million towards the Yarra Glen Truck Bypass – a \$15 million project with a \$5.5 million contribution from the Federal Government and \$500,000 from the Yarra Ranges Shire Council
- (b) \$36.8 million to upgrade the intersection of Pound Rd., South Gippsland Highway and South Gippsland Freeway, Dandenong, to improve safety and cater for population and freight growth
- \$48.5 million to duplicate Kororoit Creek Road from Grieve Parade to Millers Road at Hobson Bay, including a grade separation of the railway crossing and an on-road bicycle lane
- (c) Road-based congestion initiatives that form part of the government's \$112.7 million Keeping Melbourne Moving strategy - refer 13.2.2 (d) for further comment

Source: Mr. T Pallas, MLA, Minister for Roads and Ports, media release, 2008-09 State Budget, \$769.7 million to improve roads and tackle congestion, 6 May 2008

(d) Keeping Melbourne Moving strategy

In late April 2008, the Premier announced a new congestion plan to ease peak pressure in the short-term until the outcomes of medium and long-term infrastructure planning and initiatives take effect. *Keeping Melbourne Moving* represents an investment of \$112.7 million over four years in improving the flow of traffic and public transport on arterial roads within 10 kilometres of Melbourne’s Central Business District.^{233 234}

Keeping Melbourne Moving comprises a combination of initiatives rather than a separate document or plan. The following initiatives are to be delivered under *Keeping Melbourne Moving*:²³⁵

- stronger enforcement of clearways on arterial roads, including standardised and extended clearway times and expanded use of tow-away zones (150 clearways)²³⁶;
- improved tram travel times and reliability on two key tram routes, particularly in peak periods;
- improved priority for tram and bus services;
- improved facilities for cyclists and pedestrians;
- a new rapid incident response service introduced on the arterial road network to clear broken-down vehicles;
- improved management of road works; and
- improved communications with commuters.

The funding of \$112.7 million over the next four years for congestion improvements, included the following components:²³⁷

- \$12.6 million to standardise clearways;
- \$28.2 million for walking and cycling initiatives;
- \$37.8 million for targeted tram and bus priority measures; and
- \$11.7 million to expand VicRoads’ rapid response services.

(e) Road projects to address capacity pressures

The 2007 Melbourne Urban Corridor Strategy indicated that the ability of the metropolitan road network to meet growing demand for cross-town movement of freight, commercial and commuter traffic is critical to Melbourne’s long-term development. The strategy identified various major road links in Melbourne that were most vulnerable to capacity pressures. These are set out in table 13.10.

²³³ Hon. J Brumby MP, Premier, media release, *New congestion plan to ease peak pressure*, 29 April 2008

²³⁴ VicRoads, *Keeping Melbourne Moving: Short-Term Congestion Plan*, Frequently Asked Questions, p.1

²³⁵ *ibid.*, p.2

²³⁶ Mr T Pallas MP, Minister for Roads and Ports, 2008-09 Budget Estimates hearing, 16 May 2008, p.12

²³⁷ *ibid.* p.3

Table 13.10: Major road links - vulnerability to capacity pressures

Major road links	Description
West Gate Bridge	At its busiest section, the bridge carries around 180,000 vehicles per day. Traffic is expected to grow significantly, particularly given the imbalance between population growth and employment opportunities in the city's western suburbs. The bridge is generally in good condition, but will need strengthening to perform well in the future.
Monash – West Gate Corridor, including Dandenong rail	<p>The peak period for east and west bound traffic on the corridor is growing each year. The Monash-West Gate link is rapidly approaching capacity and is vulnerable to short-term interruptions. Each of the peak periods on the Monash-West Gate route typically lasts for up to three and a half hours and for two hours of this period there is a flow breakdown with corresponding reductions in traffic throughput and travel speeds. To address this deficiency, Victoria has commenced a package of improvement works as identified in Meeting Our Transport Challenges.</p> <p>Incidents often cause lengthy delays and have a flow-on effect to the surrounding network. The corridor is currently at or near capacity for a substantial part of each day. An additional 400,000 people are expected to settle at each end of the corridor in the next 25 years which, together with industrial growth at each end, will place significant additional pressure on the link.</p> <p>In relation to the Dandenong rail corridor, the rail services have recently experienced load breaches as a result of population growth and driver discouragement arising from congestion on the Monash-West Gate Freeway and higher fuel prices. The State Government has announced that it will construct a third rail track and make other improvements on the Dandenong rail corridor.</p>
Western Ring Road between Deer Park Bypass and the Hume Freeway	<p>General operational problems have resulted in reduced capacity and an increased crash risk.</p> <p>The Western Ring road serves a major role in facilitating freight movements between western Victoria and western Melbourne to northern Melbourne and beyond and is experiencing traffic pressures. Improvements in alternative network connections between the Metropolitan Ring road and the industrial areas of south-eastern Melbourne will be subject to ongoing monitoring and assessment.</p>
Eastern Corridor	The corridor is used by substantial numbers of car and bus commuters to access the CBD in the morning peak period. There is considerable traffic flowing from east to west (and vice versa). The inner north-south routes also carry substantial traffic that crosses the corridor. Similar pressures arise in the evening peak.
Tullamarine Freeway between Calder Freeway and Bell Street to be relieved by the current Calder/Tullamarine Interchange project	Upgrade is designed to reduce congestion and improve safety at one of Melbourne's worst traffic bottlenecks and accident blackspots.
Various arterial roads that have significant congestion points that impede freight flows	e.g. The Dynon-Port Rail Link involves grade separating Footscray Road as an overpass above re-aligned and duplicated dual gauge rail access tracks into the Port of Melbourne. The link will facilitate increased train movements and alleviate the traffic congestion on Footscray Road.

Source: Australian Government Department of Transport and Regional Services, Victorian Department of Infrastructure and VicRoads, 2007 Melbourne Urban Corridor Strategy, pp.12-13, 16 and 19

At the budget estimates hearing, the Minister for Roads and Ports informed the Committee that the government's investment in roads is targeted at improving and expanding the existing road network. It is also aimed at making the network safer, reducing congestion, improving travel time and reliability, and delivering economic benefits through improvements to freight access.²³⁸

The Minister also advised that keeping pace with demand will be possible only because of the planning and delivery of significant road projects throughout the whole state.²³⁹ The Committee was told that over the next few years, a number of major investments will be completed. These include:²⁴⁰

- EastLink, which will open on 29 June 2008;
- major upgrades to the Goulburn Valley and Midlands highways, due to be completed this year;
- the Calder Freeway in 2009;
- the Geelong ring-road;
- the Donnybrook Road interchange on the Hume Highway at Kalkallo;
- the Deer Park bypass from Sunshine West to the Western Highway at Caroline Springs;
- upgrading key routes in Melbourne's outer suburbs to improve access and traffic flow across metropolitan areas. Projects to be funded include:
 - upgrading the intersection at Pound Road, South Gippsland Highway and South Gippsland Freeway in Dandenong; and
 - duplicating Kororoit Creek Road from Grieve Parade to Millers Road at Hobsons Bay, including a grade separation of the railway crossing and an on-road bicycle lane.
- the M1 project includes major upgrades to CityLink's Southern Link, the Monash and West Gate Freeways; and
- in 2008–09 around \$75 million will be spent on safer roads infrastructure projects across the state, the majority in regional Victoria. The Commonwealth Government has committed to fund 22 transport projects in Victoria under AusLink 2, with 19 of these projects being ones that Victoria had nominated in the state's AusLink 2 policy document, National Transport Links — Growing Victoria's Economy. The projects have a total value of Commonwealth expenditure of \$2.7 billion, which equates to 18.4 per cent of the national transport funding commitments. Victoria has proposed to contribute approximately 25 per cent of the total cost of the AusLink 2 package. This budget locks in spending to start to meet this challenge, including:
 - \$110 million for the Princes Highway west duplication;
 - \$65 million for stage 4B of the Geelong ring-road; and
 - \$40 million for the Western Highway Anthony's Cutting.

²³⁸ Mr T Pallas MP, Minister for Roads and Ports, 2008-09 Budget Estimates hearing, transcript of evidence, 16 May 2008, p.2

²³⁹ *ibid.*

²⁴⁰ *ibid.* pp.2-4

(f) Car pooling

In November 2004, the Victorian Government released *Liking Melbourne: Metropolitan Transport Plan*. Under the plan, demand management initiatives to promote sustainable travel referred to the government's *TravelSmart* program which aims to achieve a sustainable change in personal travel behaviour from single-car occupant to sustainable modes of travel (public transport, walking and cycling), smarter car use (car pooling) and in some cases, travel substitution (teleworking).²⁴¹ The concept of travel demand management (non-price) and the use of ride-sharing/car pooling schemes in the context of congestion management measures/interventions were also discussed in a December 2006 report to the Council of Australian Governments titled *Review of Urban Congestion Trends, Impacts and Solutions*.²⁴²

Given that between 2002 and 2007, there were an additional 260,000 licensed drivers across this state²⁴³, the Committee was interested in the concept of car pooling and whether maximum use was being made to encourage this avenue for alleviating road traffic congestion. Overseas research cited by the Committee on the concept of car pooling revealed that:²⁴⁴

- although distinction is made between regular car pools (recurring, scheduled car pools) and occasional car pools (situational car pools only), the basics of car pooling have remained the same for 60 years – a minimum of two people with common commute patterns share one vehicle for their trip;
- formal rideshare programs may be administered by employers, transit organisations or rideshare agencies;
- commuters may provide information to a rideshare agency that assists in matching riders together, such as work hours, vehicle availability, location of residence and location of employment if in the case of a non-employer rideshare program;
- there are three main reasons commuters switch from driving alone to ridesharing:
 - travel time – high occupancy vehicle lanes have been shown to reduce travel time;
 - convenience – car pooling incentives make car pooling more suitable, such as conveniently located parking spaces reserved for car poolers; and
 - cost savings can be realised through the sharing of costs, although additional financial incentives and subsidies may be offered by governmental and/or employer entities.
- user benefits of car pooling include personal cost savings (e.g. parking fees, tolls and fuel) and perceived quality-of-life enhancements; and
- societal benefits are most typically associated with reduction in vehicle use and a resultant improvement in air quality.

²⁴¹ Victorian Government, *Linking Melbourne: Metropolitan Transport Plan*, p.33

²⁴² Report prepared for the Council of Australian Governments by the Competition and Regulation Working Group, *Review of Urban Congestion Trends, Impacts and Solutions, December 2006*, pp.47, 53

²⁴³ Mr T Pallas MP, Minister for Roads and Ports, 2008-09 Budget Estimates hearing, transcript of evidence, 16 May 2008, p.3

²⁴⁴ David Ungemah, Ginger Goodin, Casey Dusza, Texas Transportation Institute Mark Burris, Texas A & M University, *Journal of Public Transportation*, Vol.10, No.4,2007, *Examining Incentives and Preferential Treatment of Carpools on Managed Lane Facilities*, pp.151-169

The Committee noted that participants to the Victorian Competition and Efficiency Commission's (VCEC) inquiry into transport congestion considered that ride-sharing policies, and in particular car pooling, had the potential to reduce congestion by increasing the vehicle occupancy rate, thereby removing some vehicles from the road.²⁴⁵ The Department of Infrastructure commented that:²⁴⁶

The average vehicle occupancy rate in Australia is low, and increasing the occupancy rate through measures such as car pooling would make a marked contribution to easing congestion in peak times.

The Committee also noted that as part of the VCEC's inquiry, the Port of Melbourne Corporation emphasised that the greatest opportunity to reduce congestion is to reduce light vehicle numbers and that passenger movements rather than freight movements have many more options which can reduce congestion such as car pooling.²⁴⁷

In terms of the optimum occupancy rate of cars for reducing traffic congestion, the Committee noted that according to the Los Angeles Metropolitan Transportation Authority, 1.3 riders per car would eliminate traffic congestion on California's freeways.²⁴⁸ In a recent article in the Victorian media, the Committee observed that VicRoads' analysis of census data shows the average car has 1.1 occupants. If this was increased to 1.2 occupants, there would be 90,000 fewer cars on the road each day, which would bring traffic back to school holiday levels.²⁴⁹

The Committee acknowledges that some initiatives have been introduced to encourage drivers to car pool or ride share such as the use of transit lanes, thereby reducing the number of vehicles using a road during peak times (i.e. high occupancy vehicle lanes on freeways including the Tullamarine Freeway and the Eastern Freeway). However, given that between 2002 and 2007, there were an additional 260,000 licensed drivers across the state and there has been a significant increase of 10.6 per cent in non-public transport motorised trips between 2005-06 and 2006-07, the Department of Transport should evaluate whether the concept of car pooling has been fully analysed in the development of policy offerings designed to reduce road congestion. The Committee believes there could be merit in research being conducted in Melbourne to determine the optimum level of riders per car that would alleviate road congestion and the development of strategies to achieve this target.

²⁴⁵ Victorian Competition and Efficiency Commission, *Making the Right Choices: Options for Managing Transport Congestion*, March 2007, p.190

²⁴⁶ *ibid.*

²⁴⁷ *ibid.*, p.329

²⁴⁸ <http://trafficbulldog.org/History> of Rideshare and Carpooling in California, 12 March 2007

²⁴⁹ Ashley Gardiner and John Ferguson, Herald Sun, *Our most hated roads – Car pooling drive is on*, 16 September 2008, p.11

Recommendation 24:

The Department of Transport, led by VicRoads:

- (a) collect and publicly report statistics on an ongoing basis of the extent of ridesharing among Melbourne’s motorists during peak hour traffic;**
- (b) assess how many riders per car would be necessary to have a significant impact on reducing road traffic congestion;**
- (c) monitor whether car pooling strategies, such as the use of dedicated transit lanes, are effective in reducing the number of cars on Melbourne’s roads during peak periods and improving traffic flow; and**
- (d) determine whether there is a need to extend incentives to encourage a greater level of car pooling, thereby reducing the number of cars and congestion on Victoria’s roads during peak periods.**