

Applying a network pricing solution

Can transport network pricing be
an acceptable alternative to
Victorians and current decision
makers?

Forum Summary

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APPLYING A NETWORK PRICING SOLUTION: FORUM SUMMARY

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BACKGROUND

BehaviourWorks Australia was asked to conduct a 3-hour forum with former political and professional leaders to gain an understanding of the acceptability of Infrastructure Victoria's various Transport Network Pricing (TNP) policy proposals. The forum addressed the following topics:

1. How can Infrastructure Victoria make TNP a feasible and implementable solution to Victoria's congestion problem for decision makers and the community; and
2. Would the proposed policies, as part of the 'TNP suite', be acceptable or attractive to the community and decision makers.

To accommodate for frank and meaningful discussion, forum participants agreed to take part on the basis that their affiliation and identity would remain anonymous. Drawing on the background information and their own experiences and opinions, participants discussed ways to:

1. Make the proposed policies more attractive to the community and current decision makers; and
2. Identify alternative policies or modifications that might make the proposed policies more acceptable.

This report summarises the key themes that emerged from the forum.

KEY THEMES FROM THE FORUM

Several recommendations were given on both the proposed TNP policies and their implementation. Themes that emerged from the forum are listed below.

Feedback on the proposed TNP policy:

1. Remove the complexity

Models used to describe policies need to be presented in layperson's terms so that they are easy to understand. Failure to do so could encourage people to become resistant to change.

2. NOT "revenue neutral"

It is currently unclear if the proposed policies will indeed be revenue neutral, thus it was recommended that this term is not used to describe them. Furthermore, 'revenue neutral' implies that there are winners and losers when it comes to policy implementation, where some will benefit and some will not, creating groups who will actively oppose the policy.

3. Economist's solution

There was some suggestion that TNP can be perceived as an economist-centric solution to a problem when there are likely to be multiple other perspectives to consider. TNP can be strong policy, however it must be proposed as being more than just an economist's solution.

4. Privacy concerns

Using GPS data to track consumer movement for accurate charging was considered a potential challenge for the community based on privacy concerns. Concerns around privacy have been heightened in recent times so these will need to be managed well. This might involve frank discussions around how the government and the private sector are already using personal data and how it is securely managed.

5. Difficult to implement as a stand-alone policy

It was suggested that less popular, or new, policies (e.g. charging) should be bundled with more popular, or easily implementable, policies (e.g. creating opportunities for employers to apply for grant funding to implement end-of-trip facilities like showers and lockers for cyclists) to facilitate acceptance.

6. Exemptions required

Some forum participants suggested that demand-based and location-based pricing will require exceptions to be put in place to ensure equity for those who are vulnerable and must travel during peak hour and/or must travel to places where charges are incurred (e.g. the CBD).

Strategies to promote TNP policies

1. 'Sensitise the market' using messaging that aligns to things people know and care about

Framing the message around TNP is important. It is important to present the full argument, describing the future challenges of the transport network without reform, which can help the community to expect TNP to be introduced soon. Both the community and decision-makers need to believe they will be better off overall for TNP to be a viable solution.

It is important to also focus on the benefits of TNP rather than simply what is taken away. TNP-specific messages around community benefits can include:

- more time with family;
- more productivity at work;
- less congestion;
- better health outcomes;
- better environmental outcomes; and
- deals with some of the issues created by population growth.

While “tax to shop” has some resonance as a negative message, some forum participants felt that there could be positive effects on retail because the customer experience would be better and, therefore, retail groups could be persuaded to support it.

2. Partner TNP with benefits

Decision makers and the community might be more accepting of a new policy if they can see tangible benefits (e.g. more trains will be provided using the revenue collected by implementing TNP). The benefits must be delivered at the same time as the policy is implemented. Ultimately, policies related to infrastructure improvements (for example, Melbourne Metro 2) should be bundled and delivered together with TNP policies to make TNP appear more attractive (i.e. people see they are getting something for their money).

3. Form alliances to promote positive messages

People might be more accepting of TNP if it is promoted in a positive light by people familiar and credible to them (e.g. in newspapers, on radio/TV and by community advocacy groups). Alliances formed between promoters and community groups can be an effective way to increase policy acceptability by decision makers. Decision-makers need to be convinced that TNP is an important and desired policy expected to address problems important to the community.

4. Stage the introduction of TNP

Introduce the more popular policies (e.g. those that come with benefits) first to 'prime' the community for accepting less acceptable policies later on. This also allows people to experience the expected benefits of TNP and slowly adapt to reform.

5. Identify the groups of people who can most easily change their behaviour and work with them first

Some community groups might be more accepting of TNP than others. It is important to identify and approach these groups first as they can create a 'norm', where TNP becomes the standard and acceptable to people in society, facilitating eventual wider support of TNP. People who can most easily change their travel behaviours (e.g. travel outside of peak times instead of during) and those passionate about environmental issues (e.g. passionate about leaving a better planet for future generations) could be approached as a first step.

An example of people changing their behaviour comes from the experience of shutting down the Tullamarine freeway, resulting in 20-40% of commuters 'disappearing'. A possible conclusion from this is that there is a pool of commuters who are able to change their travel behaviours and this group might be more willing to accept TNP.

6. Bravery is needed

There is a chance that implementing any new policy will result in people 'winning' (e.g. those who get a faster trip without needing to pay more than they do now if they already use toll roads or public transport) and 'losing' (e.g. community members who feel they are being disadvantaged because they are being asked to pay for something that was previously free and alternative measures, like taking public transport, are not feasible because infrastructure hasn't kept up in their area). This can be politically damaging, especially during a sensitive time in the election cycle. It must be made clear that losses might be short term, with longer term benefits to be seen (e.g. additional trains, faster travel times). The 'losers' will be targeted by opposition campaigns and, thus, bravery and creative messaging is needed to reduce the potential damage of such campaigns.

These results have been used to inform Infrastructure Victoria's report, Good Move: Fixing Transport Congestion.