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Inquiry into expanding Melbourne's Free Tram Zone

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Legislative Council Economy and Infrastructure Committee

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About the committee

Functions

The Legislative Council Economy and Infrastructure Committee's functions are to inquire into and report on any proposal, matter or thing concerned with agriculture, commerce, infrastructure, industry, major projects, public sector finances, transport and education.

As a Standing Committee, it may inquire into, hold public hearings, consider and report on any Bills or draft Bills, annual reports, estimates of expenditure or other documents laid before the Legislative Council in accordance with an Act, provided these are relevant to its functions.

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This report is available on the Committee's website.

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Terms of reference

Inquiry into expanding Melbourne’s Free Tram Zone

On 5 June 2019,* the Legislative Council agreed to the following motion:

That this House requires the Economy and Infrastructure Committee to inquire into, consider and report, within 12 months, on Melbourne’s public transport, in particular—

1. the expansion of the free tram system to include—
 - a. Wellington Parade to Powlett Street, East Melbourne;
 - b. Swanston Street to Elgin Street, Carlton;
 - c. Royal Parade to College Crescent, Carlton;
 - d. Flemington Road to Abbotsford Street, North Melbourne;
 - e. St Kilda Road to Commercial Road, Prahran;
2. providing free fares for all full time students;
3. removing fares for all Seniors Card holders;
4. new technologies that enable intelligent transport systems that improve the performance of the networks; and
5. the effects and benefits of dynamic public transport pricing.

* The reporting date for this inquiry was changed to 1 December 2020.

Chair's foreword

The Free Tram Zone has changed how people travel in Melbourne. Whether it be a Melburnian or a visitor, people in the CBD have become accustomed to jumping on an iconic tram and travelling a few stops, either for work or to enjoy the many sights and attractions our capital city offers.

The Free Tram Zone has also become synonymous with the city. The Committee heard that free tram travel in the CBD helps our tourism and major events industries attract visitors to Melbourne and then onwards to regional Victoria. As we look to recover from the impacts of the global COVID-19 pandemic, every competitive advantage will help draw people from interstate and overseas.

This Inquiry presented an opportunity to consider expanding the Free Tram Zone. The Committee carefully looked at each proposal in the Terms of Reference and was persuaded that small extensions would benefit Melbourne's visitor economy. It believes that extending the Zone to Melbourne's cultural precinct, as well as an additional extension to the Melbourne Convention and Exhibition Centre, will both benefit those institutions and help promote Melbourne as an attractive destination.

The Committee was also instructed to take a wider look at public transport. It was interesting to consider which members of the community governments should support and the best way of doing so. The Committee has recommended a change to the Victorian Patient Transport Assistance Scheme, so that regional Victorians can access all modes of public transport between their accommodation and medical appointments.

Dynamic pricing and modern technologies such as intelligent transport systems are other fascinating areas where the pace of technological advancement affects the public's expectations around what public transport should deliver. The Committee learnt about ways in which the Department of Transport currently applies technology across the network and believes it is imperative for the Department to stay committed to using technology to drive constant improvement.

I would like to thank everyone who participated in this Inquiry. The Committee received 405 submissions and heard from 22 witnesses across three public hearings. The evidence came from a wide range of stakeholders, including tertiary students, transport experts and those running the public transport system in Melbourne. The mix of expertise and personal experience guided the Committee's thinking about the issues in this Inquiry.

Chair's foreword

I also thank my fellow Committee members for contributing their different views in a constructive way that helped the Committee complete its report. As well, thank you to our secretariat staff, Maeve Bannister, Rachel Pineda-Lyon, Anique Owen, Kieran Crowe and Patrick O'Brien. Their diligence and hard work during the highly disruptive COVID-19 pandemic was invaluable.

I commend this report to the Parliament.

Enver Erdogan

Enver Erdogan
Chair

Executive summary

The Free Tram Zone (FTZ) has changed the way people travel in Melbourne's Central Business District (CBD). The initiative has been very popular, with an extra 19.2 million trips on Melbourne's tram network in the year following its introduction. Stakeholders told the Committee the FTZ has made the CBD a more vibrant place to visit, has benefited businesses and encouraged more take-up of public transport.

While the FTZ has benefited many, some negative outcomes were also reported to the Committee. Overcrowding of trams in the CBD has resulted in slower services, uncomfortable passenger experience, safety issues, and boarding difficulty for passengers with mobility needs and those who rely on trams for their commute.

The Terms of Reference for this Inquiry proposed extensions to the FTZ incorporating some of Melbourne's most significant sporting, academic, cultural and medical precincts. The Inquiry also considered a proposal to provide free travel for students and seniors, dynamic pricing for public transport, and how new technologies and intelligent public transport systems can improve the wider public transport system in Melbourne.

It is important to note that the majority of evidence received by the Committee was collated prior to the COVID-19 outbreak. This should be kept in mind at all times when reading this Final Report.

System wide considerations for the extension of the Free Tram Zone

When considering the proposed extension of the FTZ, the Committee looked at the likely impacts on the tram and public transport network as well as the economic costs and benefits of the scheme. The Department of Transport told the Committee that the cost of the proposed extension in lost fare revenue would be \$14.8 million per year.

The Committee was persuaded that parts of the proposed extension would benefit Melbourne's visitor economy. The section of the extension that takes in Melbourne's cultural precinct, as well as an additional extension to the Melbourne Convention and Exhibition Centre, would benefit those institutions as well as help promote Melbourne as an attractive destination.

The Committee does not believe that the proposed extension would encourage a mode shift from cars to public transport, nor that it would contribute to the alleviation of traffic congestion on Melbourne's roads. Research shows that factors such as availability, frequency and speed are as important as price in determining public transport take-up.

The Committee was provided modelling from the Department of Transport that showed that if the FTZ were extended overcrowding would increase in some parts of the FTZ that are already at capacity during peak times. Some stakeholders argued that additional services could be added to meet this demand, which would require additional infrastructure and resourcing.

The issue of Melbourne's ticketing system and who benefits from the FTZ was considered. Those who live in the CBD are most likely to benefit from the FTZ, as passengers living outside the zone have already paid for their journey before reaching the zone. This raises questions around equity and the issue of subsidies for public transport.

The proposed Free Tram Zone extension routes

The proposed extension route to the University of Melbourne and RMIT would assist some students facing cost of living pressures. However, stakeholders pointed out that most university students do not live in the CBD and would not benefit from the proposal.

In relation to the extension to the medical precincts, the Committee heard that parking for patients and carers at hospitals is a significant expense and that the proposed extension would help decrease these costs. However, other witnesses questioned this benefit as most patients travel to hospitals from outside the CBD.

Rural and regional patients who travel to Melbourne for specialist hospital treatment and stay in the CBD may benefit from the proposed extension. However, the Committee does not consider it proportionate to extend the FTZ to hospitals for this group alone. Instead, the Committee recommends changes to the Victorian Patient Transport Assistance Scheme so that regional Victorians can access all modes of public transport between their accommodation and medical appointments.

Melbourne's cultural precinct, including the National Gallery of Victoria, the Arts Centre and Hamer Hall, as well as the Royal Botanic Gardens and the Shrine of Remembrance, would be key beneficiaries of one of the proposed extension routes. A number of stakeholders told the Committee that this extension would benefit for these institutions and Melbourne's visitor economy. The Committee recommends the FTZ should be extended one stop to include these important cultural assets.

Similarly, the Committee recommends an extension of the FTZ for one stop to the Melbourne Convention and Exhibition Centre. This would benefit the business events industry and help make Melbourne a more attractive destination for conferences and events, a critical issue as the Victorian economy recovers from the COVID-19 pandemic.

The Committee also heard about one-off extensions of the FTZ for sporting and cultural events. The Committee recommends that the Victorian Government establish a formal scheme with set criteria to allow event organisers to apply for free tram travel. The scheme should provide for the Government to partly recoup fare losses via ticket price to allow users to contribute to their travel.

Free public transport for students and seniors

Children, school aged students, full-time university students and some seniors card holders are currently eligible for a 50% discount on public transport. The Committee was told that students and their families face cost of living pressures and that free travel would assist those on low incomes. Free travel may also be a tool to encourage seniors to become more physically active and could be a way to entrench public transport use amongst students at an early age. However, the Committee had concerns about the equity of the proposal, noting that well off seniors, students and their families would receive free travel along with those on lower incomes.

The Committee was not convinced that free travel would encourage students and seniors to switch mode of travel to public transport because factors other than price are equally important in determining mode of travel. In areas that are well served by public transport, the Committee also heard concerns that free travel for school students could result in overcrowding on routes at peak times. Given these issues the Committee believes the current concessions for students and seniors card holders are adequate and it does not recommend changes.

The public transport concessions for postgraduate and international students were also considered. For international students this is the iUSE card, while postgraduate students on low incomes can apply for the Commonwealth Low Income Health Care Card. The Committee believes these concessions are adequate and does not recommend further concessions.

Dynamic pricing

The Committee examined different strategies for dynamic pricing, which in this Final Report is defined as a combination of:

- Distance-based pricing: users pay based on how far they travel
- Time-based pricing: users pay based on when they travel.

Some stakeholders argued dynamic pricing could encourage travel outside of peak times to reduce overcrowding. However, the Committee heard that for many people commute times are not flexible. The Committee does not wish to recommend extra charges for those who cannot change the times of their journey. Similarly, in considering distance-based pricing the Committee does not recommend extra charges for those who live in outer Melbourne.

While the Committee agrees that dynamic pricing policies have the potential to shift some demand for public transport outside of peak times, it does not recommend changes that would disproportionately affect some passengers with inflexible working hours or who live in the outer suburbs.

The Committee received evidence from Infrastructure Victoria about a proposal for Transport Network Pricing, which it argued would mean cheaper transport costs for many and a reduction in road congestion. The Committee recommends that the Victorian Government investigate this proposal and publish a report on its assessment of the scheme.

New technologies and intelligent transport systems

Intelligent transport systems use data collected by communications and vehicle-sensing technologies to improve the efficiency and safety of the transport network. One of the largest sources of data for intelligent transport systems is journey data from passengers touching their Myki on and off. However, there are two issues on the tram network that prevent this data from being captured. They are:

- Passengers are not required to touch their Myki on or off in the FTZ
- Passengers are not required to touch off their Myki when alighting from trams.

The Committee supports strategies to make up for these data gaps, including sensors on trams to monitor patronage and contactless ticketing. In addition, the Committee encourages the work underway at the University of Melbourne and the Australian Integrated Multimodal EcoSystem.

Agencies should always collect data in line with the *Privacy and Data Protection Act 2014*. The Committee recommends that relevant agencies continue to work with the Office of the Victorian Information Commissioner to ensure data is collected and used in a responsible manner.

The Committee also heard:

- Passenger information about public transport services can be improved through more provision of real time network information via apps and information at stops and better coordination of network information between bus, train and tram network control centres.
- Prioritisation of public transport at traffic light intersections is another area where intelligent transport systems can improve the speed and reliability of the network.

Recommendations

1 The Inquiry

RECOMMENDATION 1: That the Victorian Government undertake modelling on the impact of COVID-19 on public transport usage in Victoria, including, but not limited to, patronage and demand.

9

RATIONALE : The change in working arrangements due to the COVID-19 outbreak, particularly an increase in working from home, may result in significant changes to demand on Victoria's transport network. Regular monitoring of demand levels will allow the Government to implement greater service flexibility as demand changes and assist with long-term planning.

10

3 The proposed Free Tram Zone extension routes

RECOMMENDATION 2: That the Victorian Government expand public transport reimbursement provisions in the Victorian Patient Transport Assistance Scheme to include public transport travel between medical appointments and patients' and carers' accommodation in Melbourne during the course of a patient's medical treatment. 47

RATIONALE : Expanding the public transport provisions in VPTAS will provide free public transport to regional Victorians who need specialist hospital treatment in Melbourne in a targeted way.

47

RECOMMENDATION 3: That the Victorian Government extend the Free Tram Zone one stop to the 'Arts Precinct St Kilda Road' stop.

49

RATIONALE : Removing a barrier to visiting Melbourne's Arts Precinct would enhance Melbourne's and Victoria's reputation as a top tourist destination. It may assist the tourism industry to attract organised tour groups from across the world to Melbourne and regional Victoria.

50

RECOMMENDATION 4: That the Victorian Government extend the Free Tram Zone one stop to 'Casino / MCEC' stop.

51

RATIONALE : Free tram travel to MCEC adds to Melbourne’s and Victoria’s reputation as a destination for conferences and events. It may assist MCEC attract conference and event organisers from around the world to Melbourne.

51

RECOMMENDATION 5: That the Victorian Government establish an application scheme and criteria for public event organisers to apply for free tram travel along a designated route for the duration of an event.

53

RATIONALE : Free tram travel for events is another way in which Melbourne can promote itself as a vibrant city, while also encouraging the use of public transport.

53

4 Free public transport for full-time students and Seniors Card holders

RECOMMENDATION 6: That the Victorian Government review all existing or emerging programs that provide public transport subsidies to school aged children and report to Parliament about the implementation and performance of those programs, with a view to improving them.

59

RATIONALE : The Committee can see merit in the provision of subsidised public transport to school aged children. This review will ensure that programs are effective in achieving their purpose.

59

5 Dynamic public transport pricing

RECOMMENDATION 7: That the Victorian Government extend the Early Bird travel scheme to include metropolitan tram and bus services.

74

RATIONALE : Including buses and trams may encourage more public transport users to travel before the morning peak. It may also address the outcome of passengers driving to train stations to take advantage of the Early Bird Train Travel.

74

RECOMMENDATION 8: That the Victorian Government undertake an assessment of the merits of transport network pricing and publish its findings, including its impact on rural and regional Victorians.

82

RATIONALE : Transport network pricing was one of Infrastructure Victoria’s top three recommendations in its 30-year Infrastructure Strategy. The Government undertaking an assessment of this policy would help the public to determine whether transport network pricing can help Victoria meet its future transport needs.

82

6 New technologies and intelligent transport systems

RECOMMENDATION 9: That the Department of Transport continue to investigate technology that improves the collection of patronage and journey data on Victoria’s public transport network, particularly on the tram network.

89

RATIONALE : The Free Tram Zone has created a gap in tram user data as there is no requirement for users to touch on or off. Further, there is no requirement for passengers travelling beyond the Free Tram Zone to touch off their Myki. These are significant barriers to measuring patronage data.

89

RECOMMENDATION 10: That the Victorian Government continue to work with the Office of the Victorian Information Commissioner to ensure its policy for the collection, use and disclosure of patronage and journey data on Victoria’s transport network is in line with the Information Privacy Principles in the *Privacy and Data Collection Act 2014*.

90

RATIONALE : The collection of patronage and journey data should improve Victoria’s public transport network without breaching privacy.

90

RECOMMENDATION 11: That the Department of Transport and public transport operators continue to improve the system by which operators report disruptions to the Incident Control Centre, including improved vehicle location technology.

92

RATIONALE : Department of Transport contracts with public transport operators require operators to report disruptions to the Incident Control Centre. This information needs to be provided as quickly and efficiently as possible for network situational updates to be effective.

92

What happens next?

There are several stages to a parliamentary inquiry.

The Committee conducts the Inquiry

This report on the Inquiry into expanding Melbourne's Free Tram Zone is the result of extensive research and consultation by the Legislative Council's Economy and Infrastructure Committee at the Parliament of Victoria.

We received written submissions, spoke with people at public hearings, reviewed research evidence and deliberated over a number of meetings. Experts, government representatives and individuals expressed their views directly to us as Members of Parliament.

A Parliamentary Committee is not part of the Government. Our Committee is a group of members of different political parties (including independent members). Parliament has asked us to look closely at an issue and report back. This process helps Parliament do its work by encouraging public debate and involvement in issues. We also examine government policies and the actions of the public service.

You can learn more about the Committee's work, including all of its current and past inquiries, at: <https://www.parliament.vic.gov.au/eic-lc>.

The report is presented to Parliament

This report was presented to Parliament and can be found at: <https://www.parliament.vic.gov.au/eic-lc/article/4273>.

A response from the Government

The Government has six months to respond in writing to any recommendations we have made. The response is public and put on the inquiry page of Parliament's website when it is received at: <https://www.parliament.vic.gov.au/eic-lc/article/4274>.

In its response, the Government indicates whether it supports the Committee's recommendations. It can also outline actions it may take.

1 The Inquiry

1.1 Introduction

This Chapter introduces the *Inquiry into expanding Melbourne's Free Tram Zone*. It includes the Terms of Reference and evidence gathering process, consisting of submissions and online public hearings carried out by the Committee. The Chapter then provides an overview of the existing Free Tram Zone (FTZ), including its development and the impact of its implementation.

1.2 The Terms of Reference

On 5 June 2019, the Legislative Council agreed to the following motion:

That this House requires the Economy and Infrastructure Committee to inquire into, consider and report, within 12 months, on Melbourne's public transport, in particular—

1. the expansion of the free tram system to include—
 - a. Wellington Parade to Powlett Street, East Melbourne;
 - b. Swanston Street to Elgin Street, Carlton;
 - c. Royal Parade to College Crescent, Carlton;
 - d. Flemington Road to Abbotsford Street, North Melbourne;
 - e. St Kilda Road to Commercial Road, Prahran;
2. providing free fares for all full-time students;
3. removing fares for all Seniors Card holders;
4. new technologies that enable intelligent transport systems that improve the performance of the networks; and
5. the effects and benefits of dynamic public transport pricing.

On 20 February 2020, the Legislative Council agreed to a motion extending the reporting date to 1 September 2020.

As a result of the COVID-19 pandemic, on 23 April 2020 the Legislative Council agreed to a further motion granting the Committee the power to extend the Inquiry's reporting date. The Committee resolved, and notified the House, that the Inquiry's Final Report would be tabled on 1 December 2020.

1

The Committee notes that the Terms of Reference do not provide for this Inquiry to consider the impact COVID-19 pandemic has had on the FTZ or public transport in Victoria. However, given the extent of the pandemic, it is reasonable for its impact to be considered in this Final Report.

1.3 Submissions

The Committee advertised the Inquiry and called for submissions through its News Alert Service, the Parliament of Victoria website, and social media.

The Committee sent out over 20 letters to various stakeholders to invite them to make a submission to the Inquiry. Stakeholders included government departments, public transport user groups, academics and others.

The Committee received 404 submissions. All submissions were posted onto the Committee's website at: <https://www.parliament.vic.gov.au/eic-lc/article/4270>.

1.4 Public hearings

The Committee held public hearings online on the following dates:

- 9 June 2020
- 30 June 2020
- 9 July 2020.

Transcripts for public hearings held during this Inquiry can be found at: <https://www.parliament.vic.gov.au/eic-lc/article/4272>.

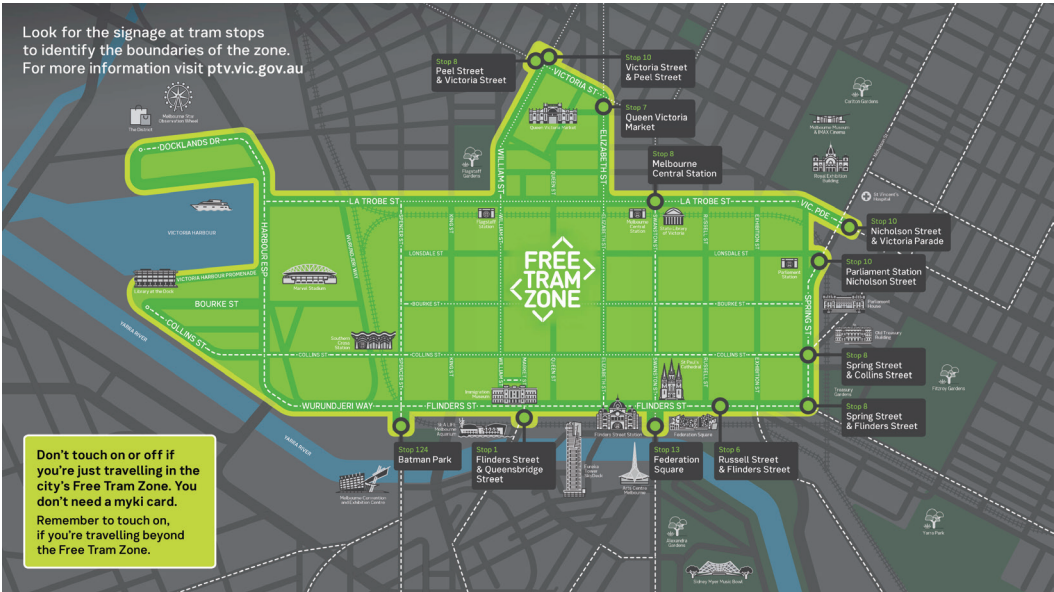
1.5 Melbourne's Free Tram Zone

The FTZ came into operation on 1 January 2015 providing users with free tram travel for journeys that begin and end within the prescribed boundaries of the Melbourne Central Business District (CBD) and Docklands.

The FTZ includes all tram services within the borders of Spring Street, Flinders Street and La Trobe Street, in addition to those services that travel along Victoria Street, William Street, Elizabeth Street and the Docklands precinct as shown in Figure 1.1.

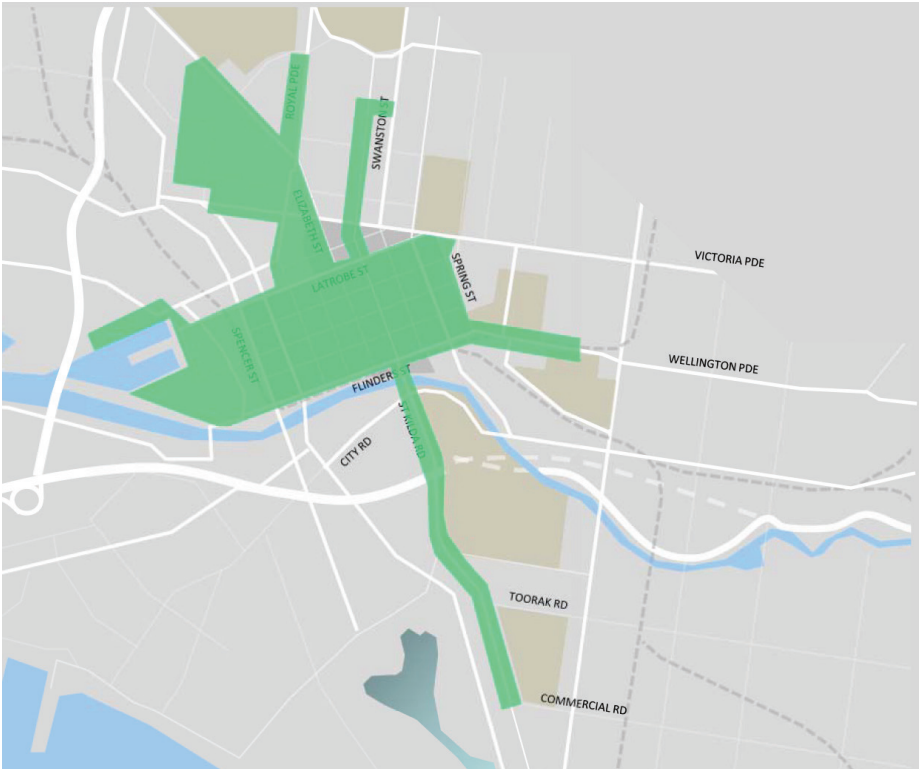
If a passenger's journey begins or ends outside the zone, they must pay for their travel. Users of the FTZ are also charged a fare if they touch on their Myki while travelling exclusively in the zone.

Figure 1.1 Melbourne’s Free Tram Zone



Source: Public Transport Victoria, Melbourne’s Free Tram Zone, <<https://www.ptv.vic.gov.au/assets/default-site/Maps-and-Timetables-PDFs/Maps/Network-maps/5b4a3efe80/PTV-Free-Tram-Zone-Map.pdf>> accessed 22 July 2020.

Figure 1.2 The proposed extension to Melbourne’s Free Tram Zone



Source: Department of Transport, Presentation at public hearing, 9 July 2020.

At a public hearing, the Committee learnt that the current FTZ costs \$10 to \$13 million per year to operate.¹ Mr Jeroen Weimar, former Head of Transport Services at the Department of Transport, explained the funding structure for Melbourne's tram network. He said:

We currently allocate around \$240 million a year of revenue to the tram network. So 30 per cent of the State's fare box is allocated to the tram network, so around \$240 million is the revenue take. That number is shy by \$10 million to \$13 million from the journeys that are taken within the Free Tram Zone: there are 35 million journeys that do not make a contribution.²

Each year, the FTZ is extended to include seven additional stops for the AFL Grand Final. The Victorian Government has also extended the FTZ for other major sporting and tourism events held in the inner city, such as the Australian Open. Free travel for occasional events is subject to certain terms, such as a valid ticket or pass to an event being held. The FTZ is typically only extended on one tram route to service an event.

1.5.1 Development of the Free Tram Zone

The FTZ was developed within the core boundaries of the CBD³ in the lead up to the 2014 Victorian state election. It was announced in March 2014 as part of the Coalition Government's public transport fares reform. The then Labor opposition, and now Government, supported the policy and introduced the FTZ alongside other fare reforms when it was elected in November 2014.⁴

Comments at the time from the then Premier, the Hon Dr Denis Napthine, and Minister for Roads and Public Transport, Hon Terry Mulder, refer to Melbourne's reputation as an 'international city' and wanting to improve travel times for trams (due to passengers not having to scan their Myki cards) as reasons for introducing the FTZ.⁵

The impact of the implementation of the FTZ is discussed in Section 1.6.

Metropolitan fare reforms

In addition to establishing the FTZ, the 2014 public transport fare reforms restructured metropolitan fares to allow commuters who travel between Zone 1 and Zone 2 to only pay the fee associated with a Zone 1 fare. The policy also established a maximum daily rate, or 'daily cap', for commuters of \$9.00.

1 Mr Jeroen Weimar, Head of Transport Services, Department of Transport, public hearing, via videoconference, 9 July 2020, *Transcript of evidence*, p. 3.

2 Ibid.

3 Ibid, p. 8.

4 For an overview of public transport fare structures in Melbourne from 2002 to 2014 see Victorian Transport Action Group, *Submission 403*, pp. 2-4.

5 Victorian Transport Action Group, *Submission 403*, p. 3.; Transport 4 Everyone, *Submission 373*, p. 4.

The Hon Dr Denis Napthine stated the fare reforms would ease cost of living pressures.⁶ This was also stated by the Labor Party when it formed Government in 2014 estimating that the new structure would save commuters up to \$750 per year.⁷

It should be noted that at the time, reducing cost of living pressures was not linked with the introduction of the FTZ. However, evidence received by the Committee as part of this Inquiry suggests that over time the FTZ has been viewed in this light by some members of the public.

A detailed breakdown of ticketing and fares in Victoria is provided in Chapter 5.

1.5.2 Governance

The FTZ and all 24 tram routes across metropolitan Melbourne are operated by Keolis Downer's franchise Yarra Trams under contract from the Victorian Government until 2024. Yarra Trams works collaboratively with Public Transport Victoria, a branch of the Department of Transport, but does not benefit or lose financially from the FTZ.⁸

1.6 Impact of the Free Tram Zone

The FTZ has had an impact on the patronage, service delivery and revenue of Melbourne's tram network.

1.6.1 Patronage

Melbourne has the largest tram network in the world. It runs approximately 200 million journeys a year, the equivalent of 600 000 journeys a day.⁹

Department of Transport data shows a significant increase in patronage between 2014 and 2016 directly related to the implementation of the FTZ. Prior to the FTZ, 18.5 million trips were taken per annum within the FTZ area. That number increased to 35.5 million trips per annum after the implementation of the FTZ.¹⁰

Yarra Trams told the Committee that this patronage growth has harmed the operational efficiency, comfort, passenger satisfaction, and farebox income of tram services.¹¹

⁶ Transport for Everyone, *Submission 373*, p. 5.

⁷ 'Free tram travel in CBD and Docklands a touchy subject for some' *The Age*, <<https://www.theage.com.au/national/victoria/free-tram-travel-in-cbd-and-docklands-a-touchy-subject-for-some-20141231-12q1ys.html>> accessed 22 July 2020.

⁸ Yarra Trams, *Submission 387*, p. 4.

⁹ Mr Jeroen Weimar, *Transcript of evidence*, p. 2.

¹⁰ Ibid.

¹¹ Yarra Trams, *Submission 387*, p. 1.

The Committee received further evidence from some submitters that the FTZ has caused overcrowding on platform stops and onboard services.¹² At a public hearing, Cameron Tampion from the Public Transport Users Association (PTUA) said:

There is crowding on board. Sometimes people cannot even fit on the tram, especially if they are in a wheelchair. So this has been a bit of an issue. And people who want to travel beyond the Free Tram Zone and pay a fare actually cannot get on in some cases. It is also having safety effects, given the crowding on the stops and on the trams contributing to falls and the like, so that is a bit of a problem.¹³

Mr Weimar informed the Committee that at times the tram network, and the FTZ, is beyond capacity. He said:

... the current Free Tram Zone already provides a very congested experience for people, particularly in the afternoon peak—people who are leaving the CBD and are going back to their homes in the suburbs. Frankly, there is a significant displacement of people who are travelling home into the inner suburbs by tram, who are being displaced by people who are taking a free trip within the CBD. We know we are at beyond capacity at particularly a number of times a day.¹⁴

The Committee notes that the way patronage is reported by Public Transport Victoria tends to mask some of the crowding issues reported by public transport users. This is acknowledged in Public Transport Victoria's Metropolitan Trams Load Standards Report. The patronage levels of services are averaged across all tram services within the hour and not specific to an individual service.¹⁵ Further challenges with data collection and reporting limitations are discussed in Chapter 6.

1.6.2 Service delivery

The PTUA told the Committee that Victoria has the slowest tram network in the world with an average tram travel speed of 11km/h.¹⁶ In its submission, the PTUA suggested that the implementation of the FTZ has led to decreased tram speeds and lengthened journey times for passengers.¹⁷

The FTZ covers the most utilised sections of Melbourne's tram routes, which some submitters believe exacerbates crowding and can lead to passengers being forced to wait for subsequent services.¹⁸

¹² Ibid, p. 6.

¹³ Mr Cameron Tampion, Public Transport Users Association, public hearing, via videoconference, 9 June 2020, *Transcript of evidence*, p. 21.

¹⁴ Mr Jeroen Weimar, *Transcript of evidence*, p. 3.

¹⁵ Department of Transport, *Passenger load surveys*, <<https://transport.vic.gov.au/about/data-and-research/passenger-load-surveys>> accessed 22 July 2020.

¹⁶ Public Transport Users Association, *Submission 388*, p. 5.

¹⁷ Ibid, p. 5.

¹⁸ Ibid, p. 5.

Yarra Trams indicated in its submission that its data shows that many tram routes throughout the CBD became slower as a result of the FTZ.¹⁹ However, data provided by the Department of Transport did not show any observable reduction in tram speeds following the implementation of the FTZ. The Committee notes that Yarra Trams' tram speed data differs to that provided by the Department of Transport due to different approaches used to calculate the average speed. Namely, the Department incorporates the time spent at an intersection in its calculation of average tram speeds.

Table 1 provides a snapshot of tram speeds and dwell times within the FTZ from 2014 to 2016 as provided by the Department of Transport.

Table 1.1 Tram speeds and dwell times within the Free Tram Zone.

	July 2014	July 2015	July 2016
Average tram speed within the FTZ (including the time spent at intersections) ^a	10.1km/h	9.9km/h	9.96km/h
Average tram dwell time within the FTZ	37 seconds	38 seconds	38 seconds
Average tram dwell time for Elizabeth Street lines within the FTZ	43 seconds	44 seconds	44 seconds

a. Note these figures were updated in correspondence from the Department of Transport to the Committee dated 13 July 2020.

Source: Department of Transport, correspondence, p. 2.

The implementation of the FTZ sought to improve travel times by removing the time it takes for users to touch on their Myki. However, the City of Melbourne's submission states that since 2015 the time spent loading a tram, even without touching on, increased by 10% during peak periods and 5% during off-peak periods.²⁰ Transport for Everyone argues that this is because the time saved by removing the need for passengers to touch on has been negated by longer boarding and alighting times caused by the increased patronage.²¹

The increased delays at passenger stops is believed to exacerbate existing network problems. The Committee was informed that up to one-third of tram trips are spent stationary at traffic lights.²² The use of technology to improve service delivery and public transport journeys is explored in Chapter 6.

¹⁹ Yarra Trams, *Submission 387*, p. 2.

²⁰ City of Melbourne, *Submission 398*, p. 1.

²¹ Transport for Everyone, *Submission 373*, p. 8.

²² Public Transport Users Association, *Submission 388*, p. 18.

1.6.3 Revenue

The Committee received evidence indicating reduced revenue and increased operational costs following the introduction of the FTZ²³ As noted, around 35 million trips are made within the FTZ per year.²⁴

Yarra Trams reported that the average tram passenger is now contributing 18% less to the farebox (that is, yield per passenger), while month-to-month comparative farebox receipts were down about 10% after the introduction of the FTZ.²⁵

Mr Tampion argued that since the introduction of fare capping and the FTZ the Government has raised public transport prices above inflation to recover revenue lost through these reforms. He said:

What we see is that since the introduction of fare capping and the Free Tram Zone there has been a bit of a clawback of the significant lost revenue there with fares increasing around twice the rate of inflation since 2014 to the point now that a short trip in Melbourne is going to be the most expensive of any short trip on any public transport system in Australia. At the current rate and based on the last five years of fare increases, the Zone 1 fare will be back up to where the old Zone 1 and 2 fare was within the decade. That means that the increment for crossing the Free Tram Zone boundary will be increasing each year, so that is going to make the effect on travel behaviour more and more intense each year as it costs you more to cross that boundary, and that is an inherent feature of that boundary regardless of where it is.²⁶

These issues are discussed in more detail in Chapter 2, specifically in relation to the proposed extension of the FTZ.

1.6.4 Traffic congestion

The Committee also received evidence regarding the impact the FTZ has had on traffic network congestion, much of it conflicting.

The Department of Transport indicated to the Committee that there was no notable change in traffic congestion in the CBD due to the introduction of the FTZ. Further, it contends that increased tram patronage has the potential to reduce vehicle trips into the CBD.²⁷

The Committee notes that the number of tram trips has increased, but according to the PTUA's analysis of VISTA (Victorian Integrated Survey of Travel and Activity) data the increase may not be due to fewer vehicle trips. The PTUA said the increase in tram

²³ Public Transport Users Association, *Submission 388*, pp. 3–4.; Yarra Trams, *Submission 387*, p. 15; Victorian Transport Action Group, *Submission 403*, p. 12.

²⁴ Mr Jeroen Weimar, *Transcript of evidence*, p. 3.

²⁵ Yarra Trams, *Submission 387*, p. 7.

²⁶ Mr Cameron Tampion, *Transcript of evidence*, p. 20.

²⁷ Department of Transport, correspondence, received 21 April 2020, p. 2.

trips 'was largely at the expense of walking and cycling with no clear reduction in the proportion of trip segments in private vehicles'.²⁸

The Committee also heard evidence about an increase in private vehicle travel from Zone 1 to car parks at the edge of the FTZ, with car parks using the zone as a marketing tool to attract drivers.²⁹ Mr Tampion raised this at a public hearing, saying:

We can see that certainly car parks have been taking advantage of that in their marketing, advertising the fact they are in the Free Tram Zone, encouraging people to drive in on busy inner-city roads and park in the vicinity of the free tram zone and take advantage of the free trams.³⁰

The Committee acknowledges the views of some submitters that the increased patronage has, in some instances, led to greater congestion of the tram network. However, the Committee also notes the wider impact of 75% of the tram network operating on shared roads.³¹ Solutions to this challenge are discussed in Chapter 6.

1.7 COVID-19

In March 2020, the Government introduced a number of emergency measures, including restrictions on travel, in response to the COVID-19 pandemic. This had a significant impact on public transport usage. The Committee notes that Melbourne's public transport usage is currently 8% of its pre-pandemic capacity.³² Further, at a public hearing, the Committee was informed that whereas previously typically 600,000 people would use the tram network daily, on 8 July 2020 there were only 130,000 users.³³

The Committee stresses that all data, modelling and costings provided to this Inquiry were based upon pre-COVID figures. This should be kept in mind at all times when reading this Final Report.

The Committee believes that the Victorian Government must undertake modelling about the long-term impact of the pandemic on public transport. This should inform the future direction of public transport in Victoria.

RECOMMENDATION 1: That the Victorian Government undertake modelling on the impact of COVID-19 on public transport usage in Victoria, including, but not limited to, patronage and demand.

²⁸ Public Transport Users Association, *Submission 388*, p. 3.

²⁹ *Ibid*, pp 2–4.

³⁰ Mr Cameron Tampion, *Transcript of evidence*, p. 20.

³¹ Mr Jeroen Weimar, *Transcript of evidence*, p. 1.

³² Ms Jacinta Allan, MP, Minister for the Coordination of Transport: COVID-19, Public Accounts and Estimates Committee public hearing, Melbourne, 13 August 2020, *Transcript of evidence*, p. 8.

³³ Mr Jeroen Weimar, *Transcript of evidence*, p. 1.

RATIONALE : The change in working arrangements due to the COVID-19 outbreak, particularly an increase in working from home, may result in significant changes to demand on Victoria's transport network. Regular monitoring of demand levels will allow the Government to implement greater service flexibility as demand changes and assist with long-term planning.

2.1 Introduction

This Chapter outlines the impacts of the Free Tram Zone (FTZ) as a whole and to consider what effect the proposed extension would have on the transport network and the economy. These considerations include:

- Economic and tourism considerations
- Encouraging the take-up of public transport in Melbourne
- Overcrowding
- The costs of the proposed extension
- Ticketing and those who benefit from the FTZ.

Analysis of these broad considerations will include both the benefits and shortcomings of the proposed extension.

As noted in Chapter 1, much of the evidence received by the Committee was related to the transport network prior to the outbreak of the COVID-19 pandemic. This should be kept in mind while reading this Chapter.

2.2 Economic and tourism considerations

The FTZ has changed the way people navigate the Central Business District (CBD). The Committee heard this has been positive for businesses in the CBD, with residents, workers and tourists more able to access the retail, hospitality, tourism and education businesses in the CBD.

The Lord Mayor of Melbourne, Sally Capp,³⁴ told the Committee:

... the Free Tram Zone has been a resounding success, and a resounding success in supporting all of those sectors, both in terms of workers, local visitors, interstate and international visitors, students and of course people accessing the services in precincts such as our health precinct. Our Free Tram Zone we see as a major part of—actually embedded in—how Melbourne works and a significant part of driving its success.

³⁴ The Lord Mayor Sally Capp gave evidence to the Committee in a personal capacity. The views expressed are her personal views and do not reflect the official positions of the City of Melbourne. For this reason, the remainder of the report will not include Ms Capps mayoral title when referring to her evidence to the inquiry.

We believe that the Free Tram Zone, as it currently is, has stimulated a major increase in connectivity across various aspects of our city economy, driving productivity and economic stimulus.³⁵

The Committee for Melbourne also believed the FTZ has transformed Melbourne's CBD and visitor economy:

... what this Free Tram Zone has done for brand Melbourne has been absolutely huge. You know that visitors really prize it, it has become part of Melbourne's DNA and it has certainly also increased the vibrancy of the CBD.³⁶

The Committee was told that the FTZ is an important asset for Melbourne's tourism sector. Last year, tourism employed 232,700 people in Victoria and was worth \$31 billion annually to the State's economy.³⁷ Ms Capp's submission said:

There is no question that the Free Tram Zone plays a central role in the commercial vibrancy of the city ... The convenience of turn-up-and-go public transport via the tram network in the Free Tram Zone is also a huge benefit to tourists and visitors, enhancing their experience and the likelihood of return visits and recommendations to others.³⁸

2.2.1 The potential economic and tourism-related benefits of the proposed extension

The COVID-19 pandemic has had a devastating impact on the lives and livelihoods of many Victorians. Nowhere is this more apparent than the CBD. The area with Victoria's highest density of commerce and tourism has seen a sharp decline in activity. Ms Capp told the Committee that in April 2020 visitor numbers to the CBD had dropped by 90%.³⁹

Ms Capp believed the FTZ and the extension could be important to the economic recovery of the CBD following the pandemic:

We believe that the Free Tram Zone, as it currently is, has stimulated a major increase in connectivity across various aspects of our city economy, driving productivity and economic stimulus. Of course as we start to come out of COVID-19 and we look at a future where social distancing at the least will be the norm for some time and we see restrictions hopefully continuing to ease but still a lot of uncertainty in our future, ways in which we can drive stimulus become more important than ever. I certainly see the Free Tram Zone as a major part of that.⁴⁰

The University of Melbourne's submission said that the extension of the FTZ to RMIT and the University of Melbourne could facilitate a more welcoming environment for

³⁵ Ms Sally Capp, public hearing, via videoconference, 9 June 2020, *Transcript of Evidence*, p. 36.

³⁶ Ms Martine Letts, CEO, Committee for Melbourne, public hearing, via videoconference, 30 June 2020, *Transcript of Evidence*, p. 8.

³⁷ Committee for Melbourne, *Submission 362*, p. 3.

³⁸ Ms Sally Capp, *Submission 383*, pp. 1–2.

³⁹ Ms Sally Capp, *Transcript of Evidence*, p. 36.

⁴⁰ *Ibid*, p. 37.

international students and encourage international students and visitors to further contribute to the Victorian economy.⁴¹ The proposed extension to RMIT and the University of Melbourne is discussed in Chapter 3.

The current FTZ ends near some of Melbourne’s most significant tourist attractions and cultural institutions. The proposed extension route along St Kilda Road would see the addition of the Arts Centre, the NGV, the Royal Botanic Gardens and the Shrine of Remembrance to the FTZ. The Committee for Melbourne said that these additions would end confusion for tourists and visitors who regularly travel to these attractions but find themselves breaking the law by travelling one or two stops beyond the Zone:

... the FTZ has offered great positive branding for Melbourne—there can be no doubt about that—but it does fail to include some of the more significant locations and has also led to some significant embarrassment for our visitors, our international visitors in particular, particularly when they do not realise that they have to have a Myki card beyond Flinders Street to get to the Arts Centre...⁴²

While the Committee for Melbourne noted the positive branding the FTZ has offered for Melbourne,⁴³ transport consultancy firm MRCagney questioned how much of a factor it is in attracting visitors. It argued that many visitors travel outside the CBD to suburban Melbourne and regional Victoria, and that the FTZ is a ‘bonus’ rather than a reason for visiting Melbourne. It agrees that trams are strongly linked with Melbourne, however points out the success of the free City Circle tourist tram and that events such as the Australian Open already include free travel.⁴⁴

Similarly, the PTUA thought the FTZ put up a price barrier for tourists and could discourage them from visiting other parts of Melbourne and Victoria: ‘It is saying, ‘Don’t stay on the tram to St Kilda or Brunswick Street’, ‘Don’t jump on a regional train to the spa country or Sovereign Hill’, ‘Don’t hop on a suburban train to Williamstown or the sand-belt beaches’.⁴⁵

The Australian Retailers Association expressed doubts about the potential economic benefits of the proposed extension.⁴⁶ It noted the small cohort of beneficiaries and said the expansion was not an appropriate mechanism to encourage the growth of the tourism sector:

Aside from inner-city residents, the only other significant cohort which may benefit from expanding the free tram zone are those tourists whose accommodation is situated within the Zone, and while the ARA is strongly supportive of the Tourism sector and keen to see growth in visitor numbers to Melbourne, we do not believe this is an appropriate mechanism through which to encourage that growth.⁴⁷

41 University of Melbourne, *Submission 353*, p. 5.

42 Ms Martine Letts, *Transcript of Evidence*, p. 8.

43 Ms Martine Letts, *Transcript of Evidence*, p. 8.

44 MRCagney, *Submission 401*, p. 6.

45 Mr Cameron Tampion, Public Transport Users Association, public hearing, via videoconference, 9 June 2020, *Transcript of Evidence*, p. 20.

46 Australian Retailers Association, *Submission 359*, p. 2.

47 Ibid.

Dr Jonathan Spear from Infrastructure Victoria also questioned the tourism and economic benefits of the FTZ. He said it was unclear to him why free travel should be subsidised for the CBD, but not other tourism or retail areas in Melbourne:

We are not aware of rigorous evidence to suggest the Free Tram Zone is a determining factor for tourists, shoppers or convention delegates who choose Melbourne as a destination, and in fact subsidising travel to some retail and tourism centres but not others may amount to favouritism. It is not clear to us why taxpayers should subsidise a Free Tram Zone to some parts of the city but not other parts of the city or to Olympic Park but not to Whitten Oval.⁴⁸

The Committee believes the economic benefits of the FTZ are important to Melbourne and that the ease of using Melbourne's iconic mode of transport acts as a draw card for tourists and visitors. Many visitors to Victoria base themselves in Melbourne firstly before then travelling to other destinations in regional Victoria. It is therefore important to the whole State that Melbourne remain an attractive city to visit.

The fact that some of Melbourne's most important tourist destinations and cultural institutions are one stop outside the FTZ is an impediment to the enjoyment of all Melbourne has to offer for visitors and residents alike. Consideration of the extension along St Kilda Road is included in Chapter 3.

2.3 Encouraging the take-up of public transport in Melbourne

One of the key aims of the proposed extension is to encourage wider use of public transport in inner-Melbourne. This would happen once it is safe to do so, following the COVID-19 pandemic. The Transport Matters Party in its submission expressed a desire for Melbournians to reduce their dependency on cars by making public transport the most simple and affordable option for travel in the city:

There is a desperate need for a mind shift in Australia to break traditional views and habits existing around different modes of travel. It is imperative that we change how public transport is viewed by making it more affordable and by making it the best and most straightforward option considered when travelling around our city.⁴⁹

The Transport Matters Party believed the extension of the FTZ would contribute toward this aim, stating: 'Extending the free tram zone will encourage participation and access for tourists and locals alike and will remove the need for them to consider bringing vehicles into the city.'⁵⁰

⁴⁸ Dr Jonathan Spear, Deputy CEO, Infrastructure Victoria, public hearing, via videoconference, 30 June 2020, *Transcript of Evidence*, p. 17.

⁴⁹ Transport Matters Party, *Submission 384*, p. 2.

⁵⁰ Transport Matters Party, *Submission 384*, p. 5.

2.3.1 Alleviating traffic congestion

As noted in Chapter 1, the introduction of the FTZ in 2015 resulted in a significant increase in patronage on the tram network with passenger activity within the boundaries of the FTZ doubling following its introduction.⁵¹ Some stakeholders hoped that the extension of FTZ could assist in alleviating traffic congestion by encouraging passengers to switch from private motor vehicles to public transport.⁵²

The Committee received conflicting evidence about the ability of the FTZ to reduce traffic congestion in Melbourne. As mentioned, the Public Transport Users Association's (PTUA) submission provided analysis of VISTA data, which it said showed that the increase of patronage as a result of the FTZ came at the expense of active transport trips (walking or cycling) rather than private motor vehicle use:

VISTA data also indicates that the proportion of trip segments wholly within the FTZ that were taken by tram increased but that this was largely at the expense of walking and cycling with no clear reduction in the proportion of trip segments in private vehicles...⁵³

The Department of Transport agreed, saying that some of the increase in patronage was as a result of people switching from walking:

We know from the initial Free Tram Zone there was a significant modal shift, particularly walking trips within the CBD—people taking short tram journeys to avoid the walking trips—so we saw a significant increase in tram mode share within the CBD/Docklands between 2011 and 2016 as we saw more people shifting towards a free tram service, and walking mode falling by an equivalent amount.⁵⁴

In correspondence to the Committee the Department also noted that the proposed extension would move the FTZ adjacent to significant residential areas, which 'may have the effect of changing some current active transport trips to tram trips.'⁵⁵

The Department of Transport indicated to the Committee that there has been no notable change in traffic congestion in the CBD due to the FTZ.⁵⁶ It said that while the Zone had the potential to reduce vehicle trips, passenger movements around the stops in the CBD could increase congestion.⁵⁷

Yarra Trams said in its submission that platforms for some stops may have to be extended to accommodate increased patronage. This may affect lane space on busy streets in the city and exacerbate traffic congestion:

51 Mr Jeroen Weimar, Head of Transport Services, Department of Transport, public hearing, via videoconference, 9 July 2020 *Transcript of Evidence*, p. 2.

52 Transport Matters Party, *Submission 384*, p. 5.

53 Public Transport Users Association, *Submission 388*, p. 3.

54 Mr Jeroen Weimar, *Transcript of Evidence*, p. 3.

55 Department of Transport, correspondence, received 21 April 2020, p. 5.

56 Department of Transport, correspondence, p. 2.

57 Ibid.

Many tram stops along Collins Street and Bourke Street also need to be lengthened to cater for the passenger demands increased by the FTZ (Source: Yarra Trams CBD Tram Stops: Road Safety Audits, 2018). This will have a direct impact on the function of these streets for other road users, including taxi access to specific locations and pedestrian access across the road.⁵⁸

However, Dr Pradeep Taneja, a lecturer at the University of Melbourne said that traffic between the University and RMIT may be reduced:

It would also reduce traffic coming into the city by allowing the staff and students of these universities to jump on a tram for a quick meeting with their colleagues in other institutions instead of driving into the City, as many of us do now.⁵⁹

The Committee believes policies such as the FTZ may reduce traffic congestion. However, such a policy should be just one tool in a network-wide policy that will include the removal of other obstacles to public transport use, such as improved availability and service frequency.

2.3.2 Driving to the edge of the Free Tram Zone

One of the issues related to traffic congestion that has arisen following the introduction of the FTZ is the practice of commuters driving to the edge of the Zone to take a free tram for the remainder of the trip. The Committee was told this could cause added congestion in areas close to the CBD. Mr Craig Rowley from the Rail Futures Network said:

Effectively the Free Tram Zone has made it a more economically rational choice for me to drive and to add to road congestion outside of the CBD if I am driving, park at the boundary or near the boundary of the Free Tram Zone and ride free when inside Melbourne's CBD.⁶⁰

The PTUA provided data from the VISTA survey that illustrated this practice. It said that private vehicle travel from Zone 1 to the FTZ increased from 30% of trips in 2014 to 39% of trips in 2016.⁶¹

The Committee also heard that private car park operators at the edge of the CBD were using the FTZ as a marketing tool to attract customers.⁶² Figure 2.1 was provided to the Committee by the PTUA.

⁵⁸ Yarra Trams, *Submission 387*, p. 11.

⁵⁹ Dr Pradeep Taneja, *Submission 156*, p. 1.

⁶⁰ Mr Craig Rowley, public hearing, via videoconference, 9 June 2020, *Transcript of Evidence*, p. 2.

⁶¹ Public Transport Users Association, *Submission 388*, p. 4.

⁶² *Ibid.*, pp. 2-4.

Figure 2.1 Car parks on the edge of the free tram zone encourage patrons to park and use the free tram



Source: Public Transport Users Association, *Submission 388*, p. 5.

If the FTZ were extended, Yarra Trams argued that this practice would continue and exacerbate congestion and parking problems at key areas, including hospitals:

Expansion of the FTZ would likely encourage more of this marketing behaviour and further exacerbate peak period congestion issues over a wider area of inner Melbourne. It would also impact negatively on parking availability around the hospitals (including The Alfred Hospital, Royal Children's, Royal Melbourne, Royal Women's and the Victorian Comprehensive Cancer Centre) and along St Kilda Road.⁶³

The Committee is concerned about the practice of people driving to the edge of the FTZ and believes it is reasonable to assume it would continue if the Zone were extended as proposed. This could cause traffic congestion and reduce parking availability for residents and businesses in the areas surrounding the extensions. It could also reduce much needed parking at hospitals near the proposed extensions. Parking at hospitals is discussed further in Chapter 3.

2.3.3 Price as a factor in the take-up of public transport

During this Inquiry, the Committee learnt that the price of a public transport is just one factor people consider when planning a journey. Others such as the availability of public transport, service frequency and speed are also important. This was discussed by MRCagney's Kathy Lazanas at a public hearing:

... we all want modal shift, and that is the golden ticket of what we are trying to achieve. But to do that it is not about whether people are paying or not—that is not the precursor—it is actually about having frequent, reliable, accessible services for public

⁶³ Yarra Trams, *Submission 387*, p. 12.

transport. So investing money in providing additional public transport services, in this case tram services, would ease congestion because ideally people would get out of their cars and into public transport.⁶⁴

MRCagney's submission quotes a study that found only 9% of drivers would take up public transport if it were free, however if other obstacles were removed, 22% would take up public transport and 49% would consider it.⁶⁵ The obstacles were:

- Connectivity
- Speed
- Availability
- Timetable
- Frequency.

The submission states that these obstacles are similar in Australia and overseas jurisdictions.

The Victorian Transport Action Group argues that it is better to spend money on improving the wider public transport network, thereby addressing some of the barriers to using public transport. It writes:

International experience points to a more effective strategy for shifting travel habits from cars to public transport than just axing fares. It involves such measures as high service frequencies, central coordination of timetables, traffic priority for trams and buses, and a conspicuous staff presence. Provided fares are set at a level competitive with car travel, these measures have been proved more effective in boosting public transport use than making public transport free – and at a much lower cost to the public purse.⁶⁶

International examples

MRCagney provided a table of international examples of cities that have made public transport free. It shows that free public transport can be successful in achieving short-term aims such as revitalising a network or a particular area (such as a shopping precinct). However, these examples are usually in small towns as large cities do not need to incentivise public transport. In fact, the cost of free transport in large cities generally sees such schemes eventually stopped.⁶⁷

⁶⁴ Ms Kathy Lazanas, General Manager, Victoria and Tasmania, MRCagney, public hearing, via videoconference, 30 June 2020, *Transcript of Evidence*, p. 26.

⁶⁵ MRCagney, *Submission 401*, p. 3.

⁶⁶ Victorian Transport Action Group, *Submission 403*, p. 13.

⁶⁷ MRCagney, *Submission 401*, p. 6.

Table 2.1 Examples of free public transport in international jurisdictions

Area	Population ^a	Conditions	Reason free	Status
Rome, Italy (early 1970s)	3,200,000	Free public buses	Traffic congestion	Discontinued— Costly and didn't result in mode shift.
Denver, CO, USA (late 1970s)	1,300,000	Off-peak services	Reducing air pollution and vehicle use	Discontinued after one year.
Trenton, NJ, USA (late 1970s)		Off-peak services	Social and economic redevelopment	Discontinued after one year.
Austin, TX, USA (1989–1990)	500,000	City-wide	Encourage transit usage	Discontinued— overcrowding, increased operational and maintenance costs, and transit operators unhappy with the 'types' of people using transit.
Chateauroux, France 2002–	43,000	Buses	Attempt to increase patronage	Operational— increased patronage has resulted in expansion of network.
Seattle, USA (1973–2012)	635,000	Free ride area (downtown only)	Encourage transit usage, improve accessibility and encourage shopping downtown	Discontinued in 2012 due to high operational costs, and fare evasion.
Portland, USA (1975–2012)	600,000	Fareless square (downtown only)	To combat limited parking and air pollution	Discontinued in 2012 due to budget cuts.
Salt Lake City, USA 1985–	200,000	Free Fare Zone (downtown only)	Redevelopment of downtown area	Operational— considering expansion. Discontinuation was considered in 2012, instead adjustments made to fare collection.
Tallinn, Estonia 2013–	426,000	City-wide	Reducing cost of living for residents	Operational and expanding to other areas of Estonia.
Luxembourg 2020–	600,000	Country-wide	Aims to reduce traffic congestion problems, and support environmental policy	Commences 1 March 2020.

a. At time of operation.

Source: MRCagney, *Submission 403*, pp. 5–6.

The Committee agrees that it is important to encourage wider take-up of public transport, however, making the service free is not the only option. A more holistic approach should also deliver frequency, safety, speed and access without overcrowding.

2.4 Overcrowding

It is clear that the FTZ has been popular with Melbournians and visitors alike. However, one of the key themes presented to the Committee is that this popularity has led to severe overcrowding on some routes. This has had an impact on people who rely on the tram to commute, on service speeds and punctuality, and on people with accessibility needs.

Modelling from the Department of Transport on the proposed extension routes shows a modest increase in patronage at peak times if the extension were to be implemented. Some stakeholders considered that overcrowding is an operational issue that could be remedied with more services. Others expressed concern that the proposed extension could make Melbourne's trams more crowded than ever.

2.4.1 How bad is overcrowding in the current Free Tram Zone?

Yarra Trams' submission to this Inquiry, which is based on data prior to the COVID-19 pandemic, stated that the introduction of the FTZ in already busy sections of the network caused severe overcrowding in some areas, including on safety zone stops on Latrobe and William Streets. It added that overcrowding was so severe in some areas that it had concerns about passenger safety, and that the FTZ accounted for a large proportion of passenger safety incidents:

Passenger safety in the FTZ is of great concern to Keolis Downer and our stakeholders. Considering it is the most intensively used section of the tram network, prevention of safety incidents should be prioritised in the FTZ area given the high exposure to potential incidents.

The high number of passenger falls are a particular concern, given that in the FTZ many passengers don't need to use the ticketing system and trams are crowded...

As it is, 27% of the tram network operates in the FTZ but 47% of passenger falls occur in this area.⁶⁸

Yarra Trams also provided evidence of overcrowding gathered from data from customer satisfaction surveys. The surveys showed that satisfaction levels relating to crowding on trams, ability to catch the first tram, and crowding at stops had been improving before the introduction of the FTZ. Since its introduction though, there has been no improvement in satisfaction, 'despite more than 60 new large trams and a small number of additional platform stops'.⁶⁹ This data is outlined in Figure 2.2.

⁶⁸ Yarra Trams, *Submission 387*, p. 6.

⁶⁹ Ibid.

Figure 2.2 Customer satisfaction trends relating to the introduction of the free tram zone



Source: Yarra Trams, *Submission 387*, p. 6.

Displacement of regular commuters

The Department of Transport expressed concern that overcrowding in the FTZ has displaced commuters who use the tram network to travel across greater Melbourne. These commuters may be being displaced by travellers who are using the tram to travel around the CBD rather than walk. As mentioned in Chapter 1, Mr Jeroen Weimar told the Committee:

... the current Free Tram Zone already provides a very congested experience for people, particularly in the afternoon peak—people who are leaving the CBD and are going back to their homes in the suburbs. Frankly, there is a significant displacement of people who are travelling home into the inner suburbs by tram, who are being displaced by people who are taking a free trip within the CBD. We know we are at beyond capacity at particularly a number of times a day.⁷⁰

This issue was reiterated in a submission by a commuter who at times has been unable to board their regular tram due to other passengers using the route for only a few stops:

I use the 57 tram to / from the city from North Melbourne when visiting family. It is often so crowded that you cannot even get on at Melbourne Central. By the time the freeloaders get off at Vic Market (quite often having travelled only one or 2 stops) the tram is practically empty. Why should fare paying passengers have to put up with crush load conditions or even missing their service entirely so that a bunch of people can freeload off the system?⁷¹

⁷⁰ Mr Jeroen Weimar, *Transcript of Evidence*, p. 3.

⁷¹ Mr Brenton Golding, *Submission 59*, p. 1.

2.4.2 Punctuality and speed

As noted in Chapter 1, one of the aims of the FTZ was to increase service speed by decreasing dwell times at stops because people no longer had to touch on. However, Ms Jackie Fristacky, President of Transport for Everyone, told the Committee at a public hearing that in her opinion tram congestion in the FTZ has reduced both punctuality and tram speed. She said:

The other key point about congestion is it has contributed to reduced tram punctuality, with tram speeds reduced. In our submission we indicated the data that speeds had reduced from 15 kilometres per hour to 11. You heard that from PTUA, and that is data from Yarra Trams in a presentation that was presented to one of our groups. That is despite tram priority enhancements. So the Free Tram Zone has increased journey times, particularly for longer trip passengers. It has increased the unreliability of tram trips, and this is exemplified by the fact that there are more tram delays and penalties on operators ...⁷²

A 2015 review from Yarra Trams found the following increases in dwell times:

- On Bourke Street routes an increase of 7–21% during peak hours and 5–9% during the day
- On Collins Street routes an increase of 7–14% during peak hours and little change during the day
- On Elizabeth Street routes an increase of 8–38% during peak hours and 12–17% during the day
- On William Street routes an increase of 16–21% during peak hours and 9% during the day.⁷³

As noted in Chapter 1, the Department of Transport disputes that the FTZ has slowed the average speed of trams. The Department uses a different approach to calculate average speed than Yarra Trams.

2.4.3 Accessibility

Overcrowding in the current FTZ makes travel difficult for people who may find walking long distances difficult and need to use public transport for travel. The Committee was told by Dr Johnathan Spear from Infrastructure Victoria that people with mobility needs, people who are pregnant, older people or people with prams or loads to carry may be squeezed out of trams by people who are able to walk but have taken the tram because it is free.⁷⁴

⁷² Ms Jackie Fristacky, President, Transport for Everyone, public hearing, via videoconference, 9 June 2020, *Transcript of Evidence*, p. 29.

⁷³ Yarra Trams, *Submission 387*, p. 7.

⁷⁴ Dr Jonathan Spear, *Transcript of Evidence*, p. 11.

Travellers Aid, an organisation that promotes the needs of those with mobility issues, said that travel in the FTZ for these passengers was already difficult and ‘expansion on this is likely to make it even more difficult for people with mobility issues to use public transport.’⁷⁵

Yarra Trams said in its submission that a number of stops in the proposed extension are not accessible to people with mobility needs, such as Fitzroy Gardens and Royal Parade. It said:

These would be added to a list of tram stops in the existing FTZ that are not compliant in terms of access for people with a disability. The equity implications of further expanding a non-inclusive fare policy require careful consideration given the large backlog of other accessibility improvements required by Commonwealth legislation.⁷⁶

Dr Spear also said that overcrowding on the proposed extension to the hospitals could undermine its purpose of assisting patients and carers:

... accessibility for people who need it most is likely to actually be improved by not extending the Free Tram Zone to those locations so that the people who do need to get to hospital, who are actually probably likely to be most immobile, are not having to squeeze on a tram when there are people who could choose to walk.⁷⁷

An analysis of the proposed extension to the hospitals is included in Chapter 3.

2.4.4 Would the proposed extension lead to more overcrowding?

Some submitters believed that trends in the current FTZ could provide an indication of the overcrowding that may accompany the proposed extension. The Committee was provided with modelling from the Department of Transport about the projected patronage changes on key corridors in the CBD should the proposed extension be implemented. The Department predicted an overall increase in daily tram boardings of 13,700 (2%).⁷⁸

The following modelling forecasts were provided for the Swanston Street and Elizabeth Street corridors along which all but one⁷⁹ of the proposed extension routes would operate.

The Swanston street corridor (tram routes 1, 3, 5, 6, 16, 64, 67, 72)

During the AM peak from 8am to 9am, a 4% increase in patronage in services heading south along Swanston Street towards Flinders Street Station/Commercial Road is projected. There would be a 4% increase in services heading north along Swanston Street towards Melbourne University.⁸⁰

⁷⁵ Travellers Aid, *Submission 380*, p. 1.

⁷⁶ Yarra Trams, *Submission 387*, p. 10.

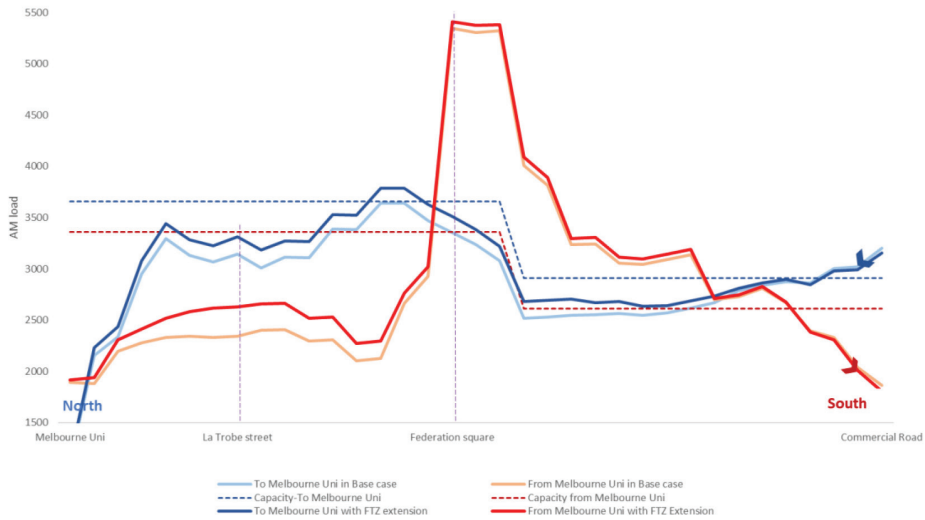
⁷⁷ Dr Jonathan Spear, *Transcript of Evidence*, p. 13.

⁷⁸ Department of Transport, correspondence, p. 2.

⁷⁹ The proposed extension to the MCG, tram routes 48 and 75, does not use the Swanston Street or Elizabeth Street corridors.

⁸⁰ Department of Transport, correspondence, p. 2.

Figure 2.3 Forecast change in patronage along Swanston Street corridor during AM peak

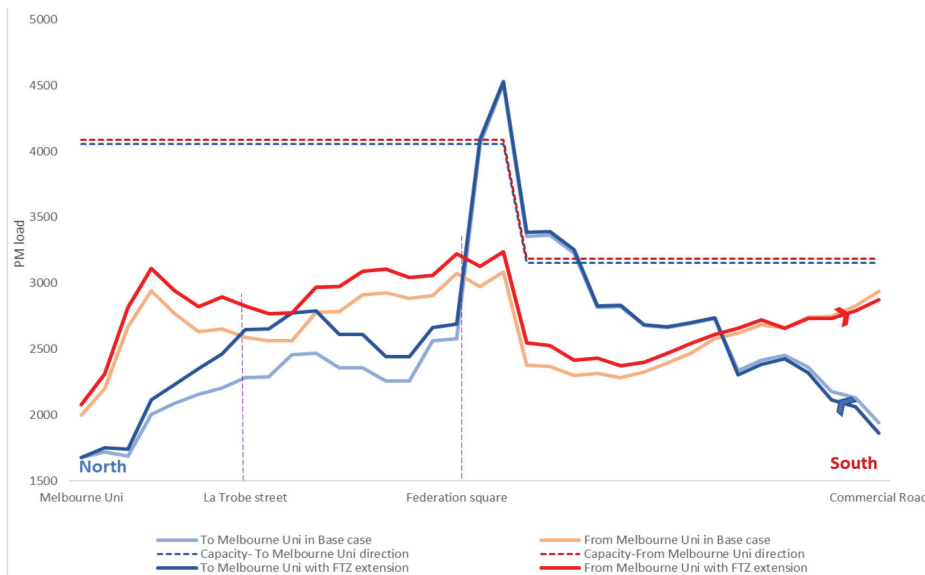


Note: Route 1 southbound diverges from St Kilda Road after the Arts Centre, where the capacity falls (and merges with St Kilda Road before the Arts Centre in northbound direction where capacity increases).

Source: Department of Transport, correspondence, p. 3.

During the PM peak from 5pm to 6pm, a 5% increase in patronage in services heading north along Swanston Street towards Melbourne University is projected. There would be a 4% increase in services heading south along Swanston street towards Flinders Street Station/Commercial Road during the afternoon peak 5pm to 6pm.⁸¹

Figure 2.4 Forecast change in patronage along Swanston Street corridor during PM peak



Note: Route 1 southbound diverges from St Kilda Road after the Arts Centre, where the capacity falls (and merges with St Kilda Road before the Arts Centre in northbound direction where capacity increases).

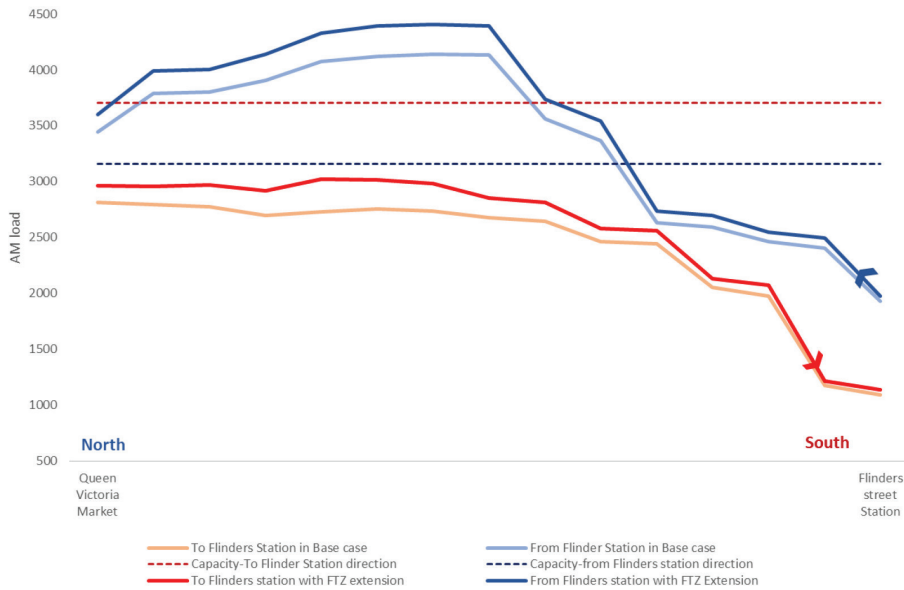
Source: Department of Transport, correspondence, p. 4.

81 Ibid.

The Elizabeth Street corridor (tram routes 19, 57, 59)

During the AM peak from 8am to 9am, a 6% increase in patronage in services heading north along the Elizabeth Street corridor is projected. There would be a 5% increase in services heading south along the Elizabeth Street corridor toward Flinders Street station.⁸²

Figure 2.5 Forecast change in patronage along Elizabeth Street corridor during AM peak



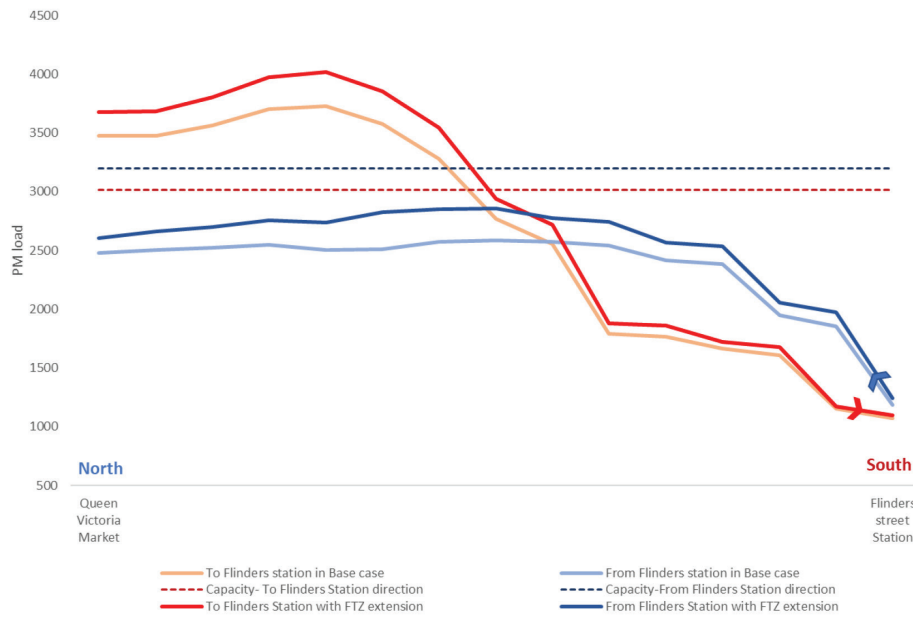
Source: Department of Transport, correspondence, p. 4.

During the PM peak from 3pm to 6pm, an 8% increase in patronage in services heading south along the Elizabeth Street corridor towards Flinders Street Station is projected. There would be a 6% increase in services heading north along Swanston street from Flinders Street Station during the afternoon peak between 5pm to 6pm.⁸³

⁸² Department of Transport, correspondence, p. 2.

⁸³ Department of Transport, correspondence, p. 2.

Figure 2.6 Forecast change in patronage along Elizabeth Street corridor during PM peak



Source: Department of Transport, correspondence, p. 5.

The Department noted the graphs indicate patronage increases where some morning and afternoon peak services already exceed capacity. However, the Department added that while routes in the proposed extension would increase patronage within the expanded Zone, tram routes outside the FTZ would decrease in patronage. There would also be small decreases in train and bus trips.⁸⁴

The Transport Matters Party’s submission noted concerns with overcrowding on trams, however it argued that overcrowding is an ‘operational issue easily solved by adding increased services and shorter shuttle routes that take passengers to the perimeter of the zone’. It adds that ‘limitations of existing services’ should not prevent expanding the FTZ.⁸⁵

This view was supported by the Rail, Tram and Bus Union, which also believed overcrowding issues could be overcome by providing more services:

Overcrowding of trams within the Free Tram Zone demonstrates that this service is valued and utilised by the community, however, there is insufficient resourcing. Other submissions to the inquiry have requested that the Free Tram Zone be discontinued to frustrations about overcrowding; these concerns would be more equitably addressed by increasing the capacity or frequency of trams.⁸⁶

⁸⁴ Department of Transport, correspondence, p. 2.

⁸⁵ Transport Matters Party, *Submission 384*, p. 8.

⁸⁶ Rail, Tram and Bus Union, *Submission 385*, p. 3.

Liam Davies, Senior Transport Analyst from the Institute for Sensible Transport, agreed and proposed that more services with larger trams and shuttle routes in the CBD could meet the patronage challenges faced by the FTZ:

If the Tram Zone is retained and/or extended, I think that it needs to be accommodated by having larger vehicles more frequently through the city centre, even if that is shuttles. We can run a shuttle between Melbourne University and the Arts Centre, and that would actually help a lot during the day. There are terminating facilities at both locations. We can also run shuttles between the Museum and Crown Casino. These types of ideas could then alleviate some of the congestion issues that are occurring within the city.⁸⁷

Mr Ian Hopkins from Yarra Trams told the Committee that increasing CBD tram services would be a complex undertaking. This is because a number of service and infrastructure factors need to be considered:

... when we consider questions like the provision of additional CBD capacity are things like whether we would need new terminus facilities on the city fringe, for example, so you can manage and evenly space the tram services; availability of vehicles, availability of drivers, if we are looking to operate, say, services on top of the existing peak-hour service. And those, in turn, can then have further downstream things to think about, in particular things like depot capacity because most of the tram depots that are close to the CBD are running very close to capacity already.⁸⁸

The Department of Transport added to this, stating that the tram fleet is currently at full capacity at peak times. However, the introduction of E-class trams that hold more people is increasing the patronage capacity of the tram fleet over time:

During peak periods all trams in the fleet are fully utilised and frequencies cannot be increased with the current fleet and network configuration without investment in tram priority. As additional E-Class trams (210 passengers) are being deployed on the network, they displace small, high-floor Z-Class trams (70 passengers), increasing the capacity of the tram fleet over time. However, this capacity uplift is a long-term outcome; it would likely be utilised through other mechanisms like population growth and may not be sufficient to reduce additional crowding due to an expanded FTZ.⁸⁹

2.5 The costs of the proposed extension

As noted in Chapter 1, the current FTZ costs the Victorian Government \$10 to \$13 million per year in lost revenue.⁹⁰ Mr Weimar told the Committee at a public hearing that the forecast cost of the extended FTZ in lost fare revenue would be an additional \$14.8 million per year (see Chapter 3 for a breakdown of costs for each proposed

⁸⁷ Mr Liam Davies, Senior Transport Analyst, Institute of Sensible Transport, public hearing, via videoconference, 30 June 2020, *Transcript of Evidence*, p. 20.

⁸⁸ Mr Ian Hopkins, Principal Advisor, Network Planning, public hearing, via videoconference, 9 July 2020, *Transcript of Evidence*, p. 11.

⁸⁹ Department of Transport, correspondence, p. 5.

⁹⁰ Mr Jeroen Weimar, *Transcript of Evidence*, p. 3.

extension). He noted that would bring the total cost of the scheme to approximately \$28 million per year, which amounts to a more than 10% reduction in Victoria's fare takings.⁹¹

As well as a loss in fare revenue, the Committee heard that there may be additional infrastructure costs to the extension. Yarra Trams said that extra platforms would be needed to cope with the expected increase in patronage:

The need to widen and lengthen these stops has been brought forward by crowding caused by the FTZ and would be worsened on some corridors by expanding the FTZ—for example, free travel to destinations on St Kilda Road is not feasible without expanding the Federation Square stops in St Kilda Road. This specific location has tangible safety consequences for operations, and could lead to a need to close the tram stop at busy times of day if it cannot be used safely.⁹²

The need to cater for those with mobility needs in the extension to the FTZ would also add to the costs. Yarra Trams noted that there was already a \$65 million backlog of infrastructure works to make stops in the current Zone accessible.⁹³

In addition, the Committee expects the Department of Transport would need to continue its replacement of the smaller, high-floor Z-Class trams (70 passengers) with the larger E-class trams that can hold 210 passengers.⁹⁴

2.6 Ticketing and who benefits from the Free Tram Zone

Melbourne's public transport ticketing and fares system has a bearing on who benefits from the current FTZ and the proposed extension. Those who begin their trip in the CBD or within walking distance of the FTZ, including residents and visitors, are most likely to be able to access the free fares. The ticketing system makes it unlikely for those catching public transport from outside the free tram zone to benefit.

2.6.1 Ticketing and fares

Melbourne's public transport system uses the Myki ticketing scheme. This scheme requires users to buy a Myki card and load money onto it in order to pay for fares. A fare purchased on a Myki card is valid for all modes of public transport in Melbourne, including trains, trams and buses. Myki charges a \$4.50 fare for a journey lasting up to two hours anywhere within Zones 1 and 2, which cover all of metropolitan Melbourne. Passengers catching a connecting train, tram or bus within two-hours of the purchase of their fare are not charged for the connecting journeys.⁹⁵

⁹¹ Ibid.

⁹² Yarra Trams, *Submission 387*, p. 11.

⁹³ Ibid.

⁹⁴ Department of Transport, correspondence, p. 5.

⁹⁵ PTV, *Metropolitan Fares*, <<https://www.ptv.vic.gov.au/tickets/fares/metropolitan-fares>> accessed 27 April 2020.

BOX 2.1: Two-hour ticket validity

Person A takes a train to the CBD and catches a connecting tram to their destination outside the FTZ within two hours of boarding the train. Person A will not be charged for the tram because their ticket was still valid from when they boarded the train.

In addition, there is a daily cap for what passengers are charged to use public transport in Melbourne. The cap is \$9.00, which is the price of two single trips. This allows users to take unlimited public transport trips in a day within Zones 1 and 2.

BOX 2.2: The daily cap

Person A takes public transport to work in the CBD and then takes public transport to another destination over two hours later. Finally after another two hours the person catches public transport home. Person A is not charged for the trip home because they have already paid for two public transport trips and reached their daily Myki cap of \$9.00.

2.6.2 The effect of Myki two-hour ticket validity and daily cap on the number of people who get free trips in the free tram zone

The two-hour Myki ticket validity and the daily cap have a large impact on the number of people who receive free tram travel when using trams in the FTZ. Passengers using the FTZ who begin their trip from outside the Zone do not benefit if they travel in the Zone within two hours of their original fare purchase or if they have reached the daily cap.

As the majority of Melbourne's population does not reside in the CBD or within walking distance of the FTZ, most passengers using the FTZ begin their journey from outside the zone. This means they still pay a fare to use trams in the FTZ and may gain little from the proposed extension.

Liam Davis from the Institute of Sensible Transport summarised this issue:

I think the issue is that for many people such as yourself and such as myself—I already pay to catch public transport into the city, so for me the free tram zone has never given me a free tram ride, because I have already paid for my two-hour ticket to get in, and then when I pay for my two-hour ticket to get back out, I convert it to a daily. So the only people that actually benefit from the Free Tram Zone that actually get a free tram trip are those whose only journeys of the day start and finish in the free tram zone.⁹⁶

⁹⁶ Mr Liam Davies, *Transcript of Evidence*, p. 20.

2.6.3 V/Line and free travel public transport in Melbourne

Some V/Line passengers who travel to Melbourne may not benefit from the Free Tram Zone because they already have metropolitan travel entitlements. Access to metropolitan fares for V/Line customers are summarised in Table 2.2.

Table 2.2 Access to metropolitan fares for V/Line customers using paper tickets

V/Line paper tickets	
One-way ticket	Other types including day return
Access to travel one hour either side of their V/line journey	All day free travel in metropolitan Melbourne

Source: V/Line, *Ticketing & fares*, <<https://www.vline.com.au/Fares-general-info/Ticketing-Fares#Included%20metropolitan%20travel>> accessed 6 May 2020.

Passengers who travel to Melbourne on V/Line from selected destinations using a Myki⁹⁷ can continue travelling within the zones for which they have paid for the remainder of their two-hour fare duration.

⁹⁷ Those travelling from Geelong, Ballarat, Bendigo, Seymour and Traralgon are able to use a MyKi card.

3 The proposed Free Tram Zone extension routes

3.1 Introduction

This Chapter provides an area-based examination of each of the proposed extension routes to:

- Universities
- Medical precincts
- Cultural and sporting precincts.

The Chapter gives an overview of the potential advantages and disadvantages of each route. It ends with a discussion on the merits of providing free tram travel for specific events in Melbourne.

3.2 Overview of the proposed extension

Terms of Reference 1 (a)-(e) outline a proposed extension of the (FTZ) to include some of inner-Melbourne's most significant health, university, and cultural and sporting precincts.

According to the Committee for Melbourne, an extension to these 'key iconic experience destinations'⁹⁸ would improve the city's reputation as an international destination, benefit the visitor economy, and provide accessibility and participation benefits.⁹⁹

The Transport Matters Party in its submission to the Inquiry said that an expanded FTZ 'would transform the way our tourists and visitors as well as those who live and work in the city move from place to place and spend their time.'¹⁰⁰

In addition it has been suggested that the extension would:

- Support cost of living pressures for financially vulnerable students and hospital patients
- Contribute to the economy by attracting tourists and increasing accessibility to key retail, cultural and sporting precincts.¹⁰¹

⁹⁸ Committee for Melbourne, *Submission 362*, p. 3.

⁹⁹ Ibid.

¹⁰⁰ Transport Matters Party, *Submission 384*, p. 5.

¹⁰¹ See for example RMIT University Student Union & University of Melbourne Student Union, *Submission 374*, p. 2 and Sally Capp, *Submission 383*, pp. 1-2.

However, several submitters said that the extension may only benefit a small number of people who live in the Central Business District (CBD), may contribute to overcrowding on trams and may not alleviate traffic congestion or prompt people to switch to public transport.

The proposed extensions, main features and estimated costs of each extension are outlined in Figure 3.1 and Table 3.1. Please note that the estimated costs are based on figures prior to the COVID-19 pandemic.

Figure 3.1 An outline of the proposed extension of the Free Tram Zone



Source: Compiled by the Legislative Council Economy and Infrastructure Committee; Yarra Trams, *Submission 387*, p.8.

Table 3.1 The proposed extension of the Free Tram Zone: zones and main features covered

Extension	Tram routes	Destinations	Estimated cost (DoT)
Proposal A Wellington Parade to Powlett Street East Melbourne	48 and 75	Health Epworth Hospital <hr/> Public space Fitzroy Gardens Yarra Park <hr/> Sporting, entertainment MCG	\$287,652
Proposal B Swanston Street to Elgin Street Carlton	1, 3/3a, 5, 6, 16, 64, 67 and 72.	Education University of Melbourne <hr/> Health Royal Dental Hospital <hr/> Public space Lincoln and Argyle Squares	\$5,587,518
Proposal C Royal Parade to College Crescent Carlton	19	Education University High School University of Melbourne <hr/> Health Royal Melbourne Hospital Royal Women's Hospital <hr/> Public space Princes Park Royal Park	\$611,008
Proposal D Flemington Road to Abbotsford Street North Melbourne	58 and 59 ^a	Health Royal Children's Hospital Royal Melbourne Hospital Royal Women's Hospital <hr/> Public space Royal Park	\$3,192,577
Proposal E St Kilda Road to Commercial Road Prahran	1, 3/3a, 5, 6, 16, 58, 64, 67 and 72.	Arts, culture and entertainment Arts Centre and Hamer Hall National Gallery of Victoria Sidney Myer Music Bowl <hr/> Cultural and historical significance Shrine of Remembrance <hr/> Health Alfred Hospital <hr/> Public space Albert Park Fawkner Park <hr/> Public space, cultural significance Royal Botanic Gardens	\$5,129,870

a. Route 59 is part of the extension at (c) but impact has been included at (d).

Source: Adapted from Rail, Tram and Bus Industry Union, *Submission 385*, pp. 3–4 and Department of Transport correspondence.

3.3 Drawing the line on the expanded zone

While it could be said that the proposed extension of the FTZ is a small addition, it is conceivable that future extensions could be requested based on the perceived benefits of encouraging public transport or serving certain groups. For example, Yarra Trams noted that the proposed extension to Melbourne University's Parkville campus ends before reaching significant areas of student housing and sporting facilities:

Proposal B [Swanston Street to Elgin Street] seems to extend to Elgin Street, beyond the main terminus at Melbourne University but then finishes a couple of stops prior to a major student housing development.

Proposal C [Royal Parade to College Crescent] finishes further north than the Proposal B, but is still one stop short of International House, two stops short of Whitley College and three stops short of the Monash University Parkville Campus and Princes Park—used by AFLW for high attendance matches.¹⁰²

The Committee is wary that if the aims of the proposed extension are to encourage the use of public transport and reduce traffic congestion, there may be no point at which it could be argued the extensions should end. Stakeholders near the end of the proposed extension may say that the FTZ should be extended to them. Transport for Everyone noted this issue in its submission, saying: 'If a FTZ applies, arguments will always arise that this should be extended just a few stops more to benefit users at other locations.'¹⁰³

As an example of this, Cancer Council of Victoria said it supports the proposed extension in Proposal C, yet its submission raised the 'inequity' of not extending further to cover other medical centres such as St Vincent's Hospital and the Royal Eye and Ear Hospital in Fitzroy, Monash Health in Clayton, and Western Health in Footscray.¹⁰⁴

The current FTZ has reasons for its boundaries. The Committee believes that any extension should have a compelling and well-explained justification for its boundaries, to prevent lobbying for extension in the future.

3.4 Universities in the proposed extension

Melbourne is rated as Australia's best city for tertiary students and number 3 in the world.¹⁰⁵ Melbourne's tertiary education sector is one of Victoria's most important industries. In 2018–19, the sector generated \$12.6 billion in export revenue for the State.¹⁰⁶ The Universities in the proposed extension, the University of Melbourne and RMIT, attract students from around Australia and the world. They support thousands of jobs both in the education sector as well as accommodation, retail and hospitality industries.

¹⁰² Yarra Trams, *Submission 387*, p. 9.

¹⁰³ Transport for Everyone, *Submission 373*, p. 7.

¹⁰⁴ Cancer Council of Victoria, *Submission 386*, pp. 5–6.

¹⁰⁵ Asia-Pacific Student Accommodation Association, *Submission 296*, p. 1.

¹⁰⁶ Response to a Question on Notice provided by the University of Melbourne arising from a public hearing on Tuesday 9 June 2020.

As noted in Table 3, Proposal's B and C would extend the FTZ along Swanston Street to Elgin Street and along Royal Parade to College Crescent. These extensions would service both the RMIT city campus and the University of Melbourne's Parkville Campus.

3.4.1 Overview of extension to the University of Melbourne and RMIT

The current FTZ ends at the northern edge of the CBD. For those travelling by tram to the University of Melbourne's Parkville campus, several tram routes exit the Zone at La Trobe Street and continue a short distance along Swanston Street before terminating at the University. Proposal B would take in the routes that run along Swanston Street on the eastern edge of the University of Melbourne campus, as well as one service that runs along Royal Parade on the western edge. In addition, a proposed extension of the FTZ along St Kilda Road to the south of the CBD would include the University's Southbank campus.

RMIT's city campus is currently one stop outside of the FTZ near the corner of Swanston Street and Latrobe Street. Proposal B along Swanston Street would take in the principal tram stop at RMIT's city campus.

Just over 320 of the 404 submissions received by the Committee were supportive of the extension of the FTZ, albeit via very brief submissions that simply agreed without providing much, if any, supporting evidence. The majority of those submitters in support of the extension were students and staff at the University of Melbourne. The two key reasons for supporting the extension were:

- To ease cost of living pressures for students¹⁰⁷
- To end the perceived targeting of students travelling beyond the FTZ to the University by ticket officers.¹⁰⁸

3.4.2 Cost of living pressures for students and staff at the University of Melbourne

Cost of living pressures for students was one of the key themes outlined in submissions from University of Melbourne students. The Committee received comparatively few submissions from students at RMIT. The Committee heard that the cost of transport to university was high and the proposed extension to the University of Melbourne would assist students financially. For example, one submitter wrote:

As a financially struggling student, the cost of public transport in Melbourne takes up a huge chunk of my wages. Expanding the Free Tram Zone to the surrounding universities will financially help me and also encourage me to be more involved with my university.¹⁰⁹

¹⁰⁷ See also UMSU Southbank, *Submission 292*, pp. 1–2.

¹⁰⁸ RMIT University Student Union & University of Melbourne Student Union, *Submission 374*, p. 2 and 6.

¹⁰⁹ Jeslin Shaji, *Submission 46*, p. 1.

Another submitter detailed the income of full-time students receiving government assistance and argued free trams to university would assist to make ends meet:

Public transportation can be a significant economic burden to students, especially to those who are coming from a low socio-economic background. To illustrate this point let us consider students living with government benefits such as Youth Allowance, Austudy etc. They find it extremely difficult to cope with expenses such as rent and public transportation because the bi-weekly income does not allow them sometimes to afford public transportation. The highest payment fortnightly is \$455.20 for a single with no children. Adding-up the rent assistance which the highest rate is \$138.00 per fortnight, the total income per fortnight is \$593.20 and the monthly income is \$1186.40. Only, the monthly rent of a 45 m² furnished studio in a normal area is \$1467. As we can see it is not easy for a student to afford other amenities if they have to cover the rent which can cost even more than the monthly income.¹¹⁰

A counsellor at the University of Melbourne supported the extension because students seen by the counselling service were anxious about their finances, noting ‘many students that we see are under financial stress and this would be a small but important way to improve their experience of Melbourne University’.¹¹¹

The Committee acknowledges the significant cost of living pressures faced by students. Many students study full-time and find flexible work to fit around their studies while paying rent and other bills.

The Committee notes that full-time undergraduate tertiary students already receive a 50% discount on public transport fares. The cost of living pressures faced by all tertiary students in Victoria are discussed in Chapter 4, as part of the Committee’s consideration of free public transport for full-time students. Public transport concessions for postgraduate students and international tertiary students will also be considered separately.

3.4.3 Fines for fare avoidance

The second key concern expressed by students at the University of Melbourne and RMIT is perceived targeting of students by authorised officers for travel beyond the FTZ without a valid ticket. A joint submission from University of Melbourne Student Union and RMIT University Student Union states that:

... authorised Officers position themselves immediately outside the Free Tram Zone to apprehend fare evaders. Anecdotal evidence from students at the University of Melbourne confirms that Authorised Officers use this tactic to “catch out” students

110 Eleni Krikeli, *Submission 309*, p. 1.; At the time of writing the Austudy allowance had increased to \$462.50 per fortnight, with a temporary Corona Virus Supplement of \$550 per fortnight (this rate of Corona Virus Supplement will end on 24 September 2020). The maximum rate of Commonwealth Rent Assistance had increased to \$139.60 per fortnight (Services Australia, *Austudy, How much you can get*, <<https://www.servicesaustralia.gov.au/individuals/services/centrelink/austudy/how-much-you-can-get>> accessed 10 September 2020; Services Australia, *Rent Assistance, How much you can get*, <<https://www.servicesaustralia.gov.au/individuals/services/centrelink/rent-assistance/how-much-you-can-get>> accessed 10 September 2020).

111 Mallika Abbott, *Submission 206*, p. 1.

travelling to University ... Confusion and intimidation remain part of students' encounters with Authorised Officers in the gap between the FTZ and the University.¹¹²

Mr Callum Simpson, a former student and casual staff member at the University of Melbourne, also believed authorised officers targeted students:

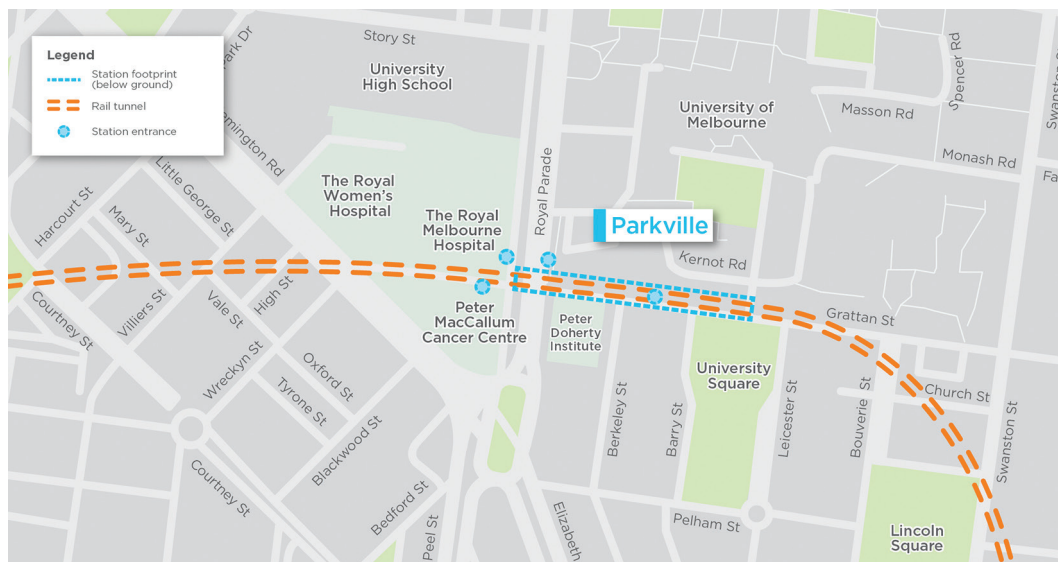
Authorised Officers are targeting poor students who sometimes haven't the money to pay for Myki fees and food, and particularly targeting International students who are under even worse financial pressures and don't always fully grasp the local system. It's a cruel targeting of a vulnerable part of society for the financial gain of the Dept. of Transport.¹¹³

The Committee does not consider the extension of the FTZ an appropriate response to a higher incidence of fines for fare evasion close to universities. There is adequate signage and announcements on trams to give passengers notice they are leaving the Zone. Students should simply comply with the law and ensure they have a valid ticket at all times.

3.4.4 The Metro Tunnel Project and the new Parkville Station

The Committee notes that a new underground train station is under construction in Parkville as part of the Metro Tunnel Project. Parkville Station will serve both the University of Melbourne and the Parkville medical precinct. The location of the station and the surrounding precinct is shown in Figure 3.2.

Figure 3.2 A map of the Parkville Station precinct



Source: Metro Tunnel, *Parkville Station*, <<https://metrotunnel.vic.gov.au/construction/parkville/parkville-station>> accessed 23 September 2020.

112 RMIT University Student Union and University of Melbourne Student Union, *Submission 374*, p. 5.

113 Callum Simpson, *Submission 57*, p. 1.

The new train line will become a faster way for students travelling from the CBD to reach the University of Melbourne's Parkville campus. It is possible that many students will switch to the train as their preferred mode of transport because the expected travel time from the CBD to the University will be less by train. In response to a question on notice, the Department of Transport said that it aims for a 25% reduction in tram patronage in trams that pass through the Swanston Street-Latrobe Street stop at morning peak times as a result of the new Parkville train station.¹¹⁴

In addition to issues regarding fare avoidance, Yarra Trams told the Committee that part of the business case for the Metro Tunnel Project was to relieve crowding on the Swanston Street tram corridor and that offering free trams may undermine the case: 'Uptake of this [extension] would mean less capacity relief for the tram network, which is one of the benefits identified in the Metro Tunnel business case.'¹¹⁵

Mr Jeroen Weimar from the Department of Transport said that the Department may be able to consider adding additional tram routes and resources to the west of the CBD if demand for trams to the University of Melbourne were to be reduced.¹¹⁶

3.4.5 Connections between universities, the Parkville medical precinct and the CBD

The Committee heard that the extension Proposals B, C and D would encourage connectivity between the University of Melbourne, RMIT, the CBD, and the Parkville medical precinct, made up of the hospitals and medical research organisations clustered west of the University of Melbourne. The Transport Matters Party submission to this Inquiry proposed:

Many of these health and academic organisations work together. An extended free tram zone will encourage and strengthen these programs and allow for better engagement among our leading health and academic professionals. These organisations are the centres of major partnerships between industry and academia. These important connections should be recognised and fostered by linking the central business and academic districts with free travel.¹¹⁷

This idea was also supported by Dr Pradeep Taneja, a lecturer at the University of Melbourne, who said that cooperation between RMIT and the University may increase and that traffic between the two universities may decrease:

This would support an integrated educational zone within the City and allow for greater interaction among students and staff from the University of Melbourne, RMIT University and the city campuses of many other educational institutions.¹¹⁸

¹¹⁴ Mr Jeroen Weimar, Head of Transport, Department of Transport, Inquiry into Expanding Melbourne's Free Tram Zone, 9 July 2020, response to a Question on Notice, received 16 July 2020.

¹¹⁵ Yarra Trams, *Submission 387*, p. 9.

¹¹⁶ Mr Jeroen Weimar, *Transcript of Evidence*, p. 2.

¹¹⁷ Transport Matters Party, *Submission 384*, p. 6.

¹¹⁸ Dr Pradeep Taneja, *Submission 156*, p. 1.

The Committee is aware of the possible benefits associated with fostering engagement between RMIT and the University of Melbourne, the Parkville medical precinct and the CBD. Close links between these institutions and sectors has the potential to promote innovation and add value to their research work and commercial activities.

However, the Committee notes that these institutions are already in close proximity to each other. The University of Melbourne and the Parkville medical precinct are directly adjacent to one another. RMIT's city campus is in the CBD. The University of Melbourne and Parkville medical precinct are approximately 17 minutes' walk to RMIT and the CBD.¹¹⁹ The Committee questions the value for money to the taxpayer by making all trips on the tram route free to serve a section of students and staff from institutions that are already relatively close.

3.4.6 Those who may benefit at universities

The Committee received evidence about the profile of journeys to universities in Melbourne. The Public Transport Users Association (PTUA) said that most university students in Melbourne live outside the FTZ and therefore those who take public transport pay a fare to travel to university:

... the majority of university students in Melbourne live outside both the current and proposed free tram zones, meaning they have to pay to travel by public transport to their tertiary campus, even if it is located inside the FTZ, and therefore do not benefit from the FTZ¹²⁰

This was supported by VISTA data which showed that in 2018, 70% of public transport trips to University and TAFE were by train.¹²¹ Given that most train stations in Melbourne are outside the FTZ, this suggests that train trips begin outside the Zone.

For students at the University of Melbourne and RMIT who live outside the CBD, public transport to university may involve travel to the CBD via train, tram or bus and catching a connecting tram to campus. A Melbourne University student said in their submission that this was the case for many of her peers: 'Almost every uni student trains into the city and then trams up to Parkville'.¹²² For these students, the connecting tram to university will already be paid for because of the two-hour myki fare system (see Chapter 2).

To illustrate this, a sample journey of a passenger travelling to the University of Melbourne from outside the Free Tram Zone is outlined in Figure 3.3.

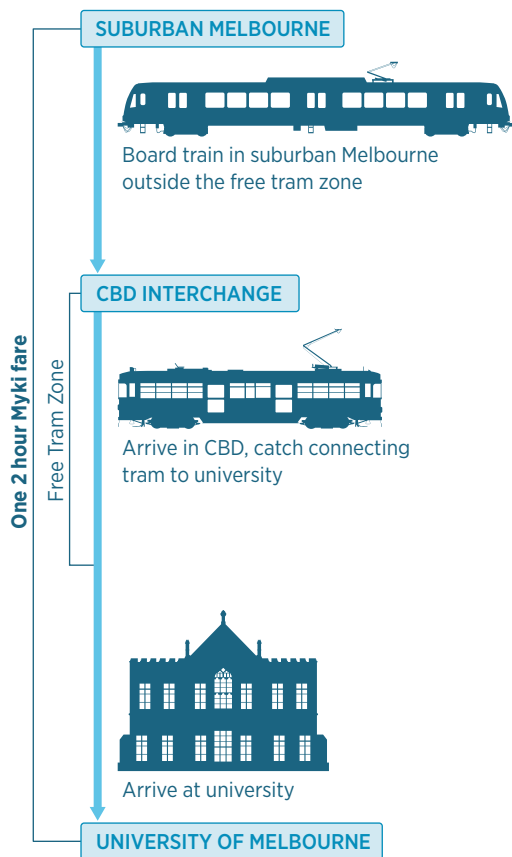
¹¹⁹ This estimate has been made using the Google Maps directions function.

¹²⁰ Public Transport Users Association, *Submission 388*, p. 7.

¹²¹ Department of Transport, *Victorian Integrated Survey of Travel and Activity*, <<https://public.tableau.com/profile/vista#!/vizhome/VISTA-JourneytoeducationAccess/JTE-methodoftravel>> accessed 12 May 2019.

¹²² Mahnoor Gillani, *Submission 6*, p. 1.

Figure 3.3 A sample journey to the University of Melbourne from outside the Free Tram Zone



Source: Compiled by the Legislative Council Economy and Infrastructure Committee.

In this sample journey, the passenger does not benefit from the Free Tram Zone because they have already paid for a two-hour Myki fare.

As a result, the group with the most to gain from the proposed extension would be students who currently live within or near to the CBD and attend Melbourne University or RMIT.

The Committee was also told that University of Melbourne students who travel between the Parkville and Southbank Campuses would benefit from the extension.¹²³ This is particularly the case for students who access housing and amenities at the Parkville campus and attend classes at Southbank.¹²⁴

The Committee heard evidence that an alternative to extending the FTZ would be to increase the student concession rate (see Chapter 4).

¹²³ See for example: Mr Hamish McIntosh, *Submission 246*, p. 1.

¹²⁴ Jo Briscoe, Lecturer in Production (Design), Victorian College of the Arts, Faculty of Fine Arts and Music, University of Melbourne, *Submission 255*, p. 1.

There is a large number of students who live in the CBD that attend the University of Melbourne or RMIT, particularly international students, who would benefit from the extension.¹²⁵ The University of Melbourne was asked in a question on notice how many of its students live in the CBD. The University was not able to give an exact figure but provided the Committee with 2016 figures from the City of Melbourne which show that 17,295 people or 48.6% of CBD residents are between the ages of 12 and 25. The University of Melbourne said that this ‘demographic is likely to relate to tertiary students’.¹²⁶

The PTUA said that given the economic significance of the education sector in Victoria, there may be valid reasons to provide an extension to Melbourne University. However, this cost should be shared across the whole economy, not forced on other public transport users:

With education a significant service export for Australia, there may be valid reasons for the university sector or industry portfolios of state and/or federal governments to subsidise international student travel, however we do not believe it is appropriate for other public transport users to subsidise this through higher fares or reduced service levels.¹²⁷

PTUA added that not all universities would be served by such an extension.¹²⁸

In 2019, there were over 450,000 tertiary students in Victoria.¹²⁹ It is clear, then, that the proposed extension would only benefit a minority of students. This point was made by Transport for Everyone, who asked: ‘Why should a relatively small group of inner-city tertiary students be advantaged with a FTZ, while suburban students are not?’¹³⁰

The Committee believes that given the relatively small cohort of students who would benefit from the proposed extension it would not be an efficient use of Government funding to provide for an extension of the FTZ to the University of Melbourne.

3.4.7 Active transport from the CBD to university

A number of students from the University of Melbourne perceived it excessive to pay a full fare to travel a few stops to reach the University from the CBD. The Committee considers this may be a useful price incentive for students to seek alternative means to reach their destination.¹³¹

¹²⁵ Public Transport Users Association, *Submission 388*, p. 7.

¹²⁶ Ms Alexandra Lawlor, Executive Director, Estate Planning and Development, University of Melbourne, Inquiry into the Expansion of Melbourne’s Free Tram Zone hearings, response to questions on notice received 30 July 2020.

¹²⁷ Public Transport Users Association, *Submission 388*, p. 7.

¹²⁸ Ibid.

¹²⁹ Commonwealth Department of Education, Skills and Employment, *uCube*, <<http://highereducationstatistics.education.gov.au>> accessed 23 September 2020.

¹³⁰ Transport for Everyone, *Submission 373*, p. 7.

¹³¹ This same argument, a steep jump in fare cost (from zero to something) for crossing the boundary applies to any extension of the FTZ, or indeed to the retention of the Zone.

Active transport, such as walking or cycling from the FTZ to the University of Melbourne's campuses and RMIT, could be a viable option for many students. The Committee is aware that a portion of students will be prevented from taking up active transport due to disability, ill health, safety concerns or age. Others are required to carry loads to class or work.¹³² Nevertheless, active transport is possible for most. Estimated distances from the edge of the FTZ to university campuses included in the proposed extension are outlined below:

- Tram Stop 1 at the University of Melbourne's Parkville campus is approximately 1.2 km from the last stop within the FTZ on La Trobe Street and Swanston Street.¹³³ It is a 17-minute walk.
- The University of Melbourne's Southbank campus is approximately 850 metres from the edge of the FTZ near Flinders Street Station. It is a 10-minute walk.
- The RMIT's city campus tram stop on Swanston Street is approximately 180 meters from the Melbourne central tram stop within the FTZ. It is a two-minute walk.¹³⁴

3.5 Medical precincts in the proposed extensions

Two routes in the proposed extension of the FTZ would take in some of Melbourne's most significant medical precincts and hospitals. These are summarised in Table 3.2.

Table 3.2 Medical precincts served by the proposed extension

Extension	Tram routes	Medical facilities served
Proposal C Royal Parade to College Crescent Carlton	19	Parkville Medical precinct, including: <ul style="list-style-type: none"> • the Royal Melbourne Hospital • the Royal Women's Hospital • the Royal Children's Hospital
Proposal D Flemington Road to Abbotsford Street North Melbourne	58 (partly), 59	<ul style="list-style-type: none"> • the Peter MacCallum Cancer Centre • the Walter and Eliza Hall Institute • the Bio21 Molecular Science & Biotechnology Institute • the Murdoch Children's Research Centre; and • the Florey Institute of Neuroscience and Mental Health.
Proposal E St Kilda Road to Commercial Road Prahran	1, 3/3a, 5, 6, 16, 58, 64, 67 and 72.	The Alfred Hospital and surrounding precinct which includes the hospital as well as Baker Heart and Diabetes Institute and the Burnet Institute.

Source: Compiled by the Legislative Council Economy and Infrastructure Committee.

¹³² See for example: Ms Liya Yi, *Submission 192*, p. 1.

¹³³ The distance measured is to Melbourne University Tram Stop 1 on Swanston Street at the University of Melbourne's Parkville Campus.

¹³⁴ These estimations were compiled using the Google Maps distance function.

3.5.1 Anomalies with the proposed extension to the Parkville medical precinct

Yarra Trams pointed out in its submission that there were some anomalies with the routes outlined in extension Proposal D, which would serve the Royal Children's Hospital. It noted that only one of the three tram routes that serve the Royal Children's Hospital (Route 59) would be captured by the extension.¹³⁵ One of the other routes serving the hospital, Route 58, would exit the proposed extension at William Street, then re-enter it at Flemington road. This could be problematic for passengers and ticket inspectors alike.

The final route serving the hospital, Route 57, would not be captured in Proposal D. Yarra Trams believes this may be confusing for passengers who would be able to reach the Hospital for free on some routes and not others.¹³⁶ It said that in addition, of the routes that would serve the Children's Hospital as part of Proposal D, Route 59 is not wheelchair accessible, while only some trams on Route 58 are.¹³⁷ It noted that supporting investment such as 'new trams, substations, termini redevelopment, platform stops and additional depot capacity'¹³⁸ would be required to run accessible trams on Route 59.

3.5.2 Cost of living pressures for hospital patients, carers and staff

Like students, some hospital patients and their carers may be a financially vulnerable group that would benefit from free tram travel to hospitals in the proposed extensions. This was a key argument in favour of extending the FTZ to the medical precincts.

The Cancer Council of Victoria informed the Committee of the results of a community consultation on cancer issues as part of its submission. The consultation found that the cost of cancer treatment, including transport, was a significant concern for patients:

Cancer Council Victoria has recently undertaken extensive consultations with more than 600 community members and health professionals about Victorian cancer issues. The cost of cancer: specifically, the cost of travel to and accommodation near cancer treatment centres – is a significant concern for cancer patients.¹³⁹

The submission went on to note reports that some patients may decline treatments for financial reasons:

It is alarming that we hear reports from health professionals and the community that some patients decline to access critical treatments based on financial considerations. It is also reported that some patients make treatment decisions based on financial considerations, meaning they may forgo recommended medical care.¹⁴⁰

¹³⁵ Yarra Trams, *Submission 387*, p. 9.

¹³⁶ *Ibid.*

¹³⁷ *Ibid.*

¹³⁸ *Ibid.*

¹³⁹ Cancer Council, *Submission 386*, p. 5.

¹⁴⁰ *Ibid.*

An overview of some of the costs faced by cancer patients and their carers when attending treatment, many of which last up to 12 months or longer, include:

- Hospital car parking charges
- Metred street parking
- Taxis / rideshare from train stations to hospital
- Petrol.¹⁴¹

The Peter MacCallum Cancer Centre made similar comments about the financial burdens for patients and their families undergoing cancer treatment in its submission to this Inquiry.¹⁴²

The Cancer Council of Victoria believed that the proposed extension of the FTZ would help patients access services by making it easier to navigate the CBD and relieving the stress of parking. It noted that parking at hospitals is a significant cost for many cancer patients.¹⁴³ In response to a question on notice, it estimated the parking costs of a patient undergoing treatment for uncomplicated breast cancer for one year would be \$1100.¹⁴⁴

The stress of parking was raised by a submitter who regularly attends hospital. The submitter also noted they would benefit because they lived close to the proposed extension:

I am a resident of North Melbourne and unfortunately need to attend the hospital for treatment on a regular basis. An expansion of the [Free Tram Zone] network would be of obvious advantage to me should an extension include to the hospital district. However, during my visits to the hospital I hear of many people struggling with parking in the area and even more so for parents attending the Children's Hospital. They have so much to contend with already.¹⁴⁵

However, the organisation Travellers Aid, which promotes the needs of those with mobility issues, was concerned that parking at the edge of the proposed extension would cause further problems for patients:

We believe that parking will become even harder to locate around the precinct as people outside the zone will drive to the edge to get a free tram trip. This will put even more strain on the people that rely on a car to get to essential hospital appointments. We suggest that further assessment is needed around the impact of expanding the FTZ on parking within the hospital precinct.¹⁴⁶

¹⁴¹ Cancer Council, *Submission 386*, p. 6.

¹⁴² Peter MacCallum Cancer Centre, *Submission 315*, p. 1.

¹⁴³ Cancer Council, *Submission 386*, p. 7.

¹⁴⁴ Mr Todd Harper, Chief Executive Officer, Cancer Council Victoria, Inquiry into Expanding Melbourne's Free Tram Zone, response to questions on notice received 20 July 2020.

¹⁴⁵ Steve Pollard, *Submission 83*, p. 1.

¹⁴⁶ Travellers Aid, *Submission 380*, p. 1.

The issue of commuters driving to the edge of the FTZ is examined in Chapter 2.

The Committee notes high parking costs at hospitals and the considerable financial difficulty this can cause for patients and carers, particularly patients receiving ongoing treatment. The Committee notes there is a scheme in place whereby individual hospitals are required to have a parking concession scheme in place to mitigate the financial impact of car park fees on patients.¹⁴⁷

The Committee was also told that hospital staff would also benefit from the proposed extension. The Peter MacCallum Cancer Centre submission states that in a recent staff survey ‘... 61.4% of staff answered that upgrades to public transport would influence how they travel, and 52.6% of staff indicated that discounted fares on public transport would positively influence their decision to take public transport’.¹⁴⁸

In this case, the Committee does not support targeting an individual group of workers.

3.5.3 Those who may benefit at medical precincts

The majority of hospital patients, carers and staff do not live in the FTZ and may benefit little from the proposed extension. The PTUA said that 90% of trips to the Parkville medical precinct originate from outside the CBD and these people would not benefit from the proposed extension:

VISTA data indicates that well over 90% of trips to the Parkville medical precinct for medical reasons originate outside the City of Melbourne and therefore from outside the current and proposed FTZ. This means the vast majority of patients (and families) travelling by public transport to the major hospitals in that area will have paid a fare that also covers tram travel and thus would not benefit from the FTZ even if it was extended

Dr Johnathan Spear from Infrastructure Victoria also noted the potential to create a divide in the cost of medical care based on a patient’s address:

... extending the Free Tram Zone to hospitals would only provide a free trip for those who start their trip inside the zone when the vast majority of people who rely on hospitals for work or for medical care live outside that zone. So this does seem to create an arbitrary divide in the cost of medical services provided to Victorians based on where they live.¹⁴⁹

However, there may be other people who benefit. There are a portion of public transport trips to the CBD that may take longer than two hours and those passengers may benefit from a free connecting tram from the CBD to a hospital. For example, those who travel from outer suburban Melbourne or from certain regional centres on V/Line where a Myki can be used.¹⁵⁰

¹⁴⁷ Department of Health and Human Services, *Car Parking Fees review*, <<https://www2.health.vic.gov.au/about/news-and-events/hospitalcirculars/circ0515>> accessed 24 August 2020.

¹⁴⁸ Peter MacCallum Cancer Centre, *Submission 315*, p. 1.

¹⁴⁹ Dr Jonathan Spear, *Transcript of Evidence*, p. 12.

¹⁵⁰ Geelong, Ballarat, Bendigo, Seymour and Taralgon are able to use a Myki card.

Others who travel to the hospitals from regional Victoria and stay overnight in the CBD would also benefit from the proposed extension because they would arrive in the CBD and be able to catch a tram from the FTZ. For more on regional Victoria see 3.5.5 below.

Similarly, patients and carers who travel from interstate or overseas and stay in the CBD would benefit, as outlined by one submitter:

Parkville medical precinct is the home of three major public hospitals and six world-class medical research institutes. Every year, thousands of patients with their families coming from the rural area for treatment to these hospitals. Every year many international and interstate scientists visiting this area for scientific meetings and establishing collaboration.¹⁵¹

Those who live outside the FTZ and drive to its edge to catch a tram to the hospital may also benefit from the proposed extension.

Table 3.3 Groups accessing services at the Parkville medical precinct and their benefit from the extension of the free tram zone

Group accessing services at the Parkville medical precinct	Benefit
People living in the CBD	✓
People living in Melbourne, but outside the CBD	✗
People from regional Victoria, interstate or overseas who stay in the CBD	✓

Source: Compiled by the Legislative Council Economy and Infrastructure Committee.

3.5.4 Regional Victorians and the Victorian Patient Transport Assistance Scheme

As mentioned, a key group who would benefit from the proposed extension to hospitals is regional Victorians who travel to Melbourne for medical treatment. There is already a program in place to assist with the cost of fares for this group, the Victorian Patient Transport Assistance Scheme (VPTAS). To be eligible, patients must receive treatment from a specialist medical practitioner and live in a designated rural area more than 100 kilometres from Melbourne. One approved person to accompany the patient is also entitled to assistance under the scheme.

People receiving VPTAS assistance pay the first \$100 each treatment year for their travel and accommodation, after which VPTAS covers a portion of travel and accommodation costs for the remainder of the treatment year.¹⁵² This includes part reimbursement for airfares, road travel and accommodation. For public transport, VPTAS fully covers economy class public transport fares on rail, bus, and ferries for trips

¹⁵¹ Dr Nima Etemadi, *Submission 166*, p. 1.

¹⁵² Department of Health and Human Services, *Victorian Patient Transport Assistance Scheme (VPTAS)*, <<https://www2.health.vic.gov.au/hospitals-and-health-services/rural-health/vptas-how-to-apply>> accessed 3 May 2020.

from their principal residence in regional Victoria to Melbourne. There is no scheme for reimbursement of public transport costs while in Melbourne to travel between accommodation and hospital appointments. This was noted by Carers Victoria:

Under the Victorian Patient Transport Assistance Scheme (VPTAS) people travelling to Melbourne from regional, rural and remote areas can receive ‘fare reimbursement based on the cost of an economy fare or the relevant concession fare if travelling by rail, bus, coach or ferry’. However, the fare reimbursement does not cover the separate leg of travel to the hospital (i.e. if a patient is staying in accommodation and is using a tram to get to the hospital the next day and thereafter).¹⁵³

Given the financial costs faced by patients from regional Victoria when travelling to Melbourne for specialist treatment, the Committee believes it is appropriate to extend the VPTAS reimbursement provisions to include public transport between medical appointments and patients’ and carers’ accommodation in Melbourne. The Committee believes this is an appropriate way for some hospital patients to receive financial assistance for public transport without providing free travel for all.

RECOMMENDATION 2: That the Victorian Government expand public transport reimbursement provisions in the Victorian Patient Transport Assistance Scheme to include public transport travel between medical appointments and patients’ and carers’ accommodation in Melbourne during the course of a patient’s medical treatment.

RATIONALE : Expanding the public transport provisions in VPTAS will provide free public transport to regional Victorians who need specialist hospital treatment in Melbourne in a targeted way.

Carers

The Victorian Government announced in October 2019 that carers who hold a Victorian Carer Card will receive half price public transport on weekdays and free travel on weekends, in line with key entitlements of Seniors Card holders.¹⁵⁴ The Committee welcomes this development.

3.6 Cultural and sporting precincts

As noted in Chapter 2, a number of submitters argued that Melbourne’s visitor economy would benefit by extending the FTZ to key cultural sporting precincts just outside the current Zone. An overview of these precincts is outlined in Table 3.4.

¹⁵³ Carers Victoria, *Submission 382*, p. 3.; Department of Health and Human Services, *Victorian Patient Transport Assistance Scheme Guidelines*, p. 17.

¹⁵⁴ The Hon. Luke Donnellan MP, *Half Price Travel and Extra Concessions For Carers*, media release, Minister for Disability and Ageing, Melbourne, 19 October 2019.

Table 3.4 Cultural and sporting precincts served by the proposed extension

Extension	Tram route	Destinations
Proposal A Wellington Parade to Powlett Street East Melbourne	48 and 75	Public space Fitzroy Gardens Yarra Park <hr/> Sporting, entertainment MCG
Proposal E St Kilda Road to Commercial Road Prahran	1, 3/3a, 5, 6, 16, 58, 64, 67 and 72.	Arts, culture and entertainment Arts Centre and Hamer Hall National Gallery of Victoria Sidney Myer Music Bowl <hr/> Cultural and historical significance Shrine of Remembrance <hr/> Health Alfred Hospital <hr/> Public space Albert Park Fawkner Park <hr/> Public space, cultural significance Royal Botanic Gardens

Source: Compiled by the Legislative Council Economy and Infrastructure Committee.

3.6.1 Melbourne's arts precinct

The proposed extension route along St Kilda Road would take in Hamer Hall, the Melbourne Arts Centre and the NGV. These are some of Melbourne's most important arts and cultural institutions. Hamer Hall and the Arts Centre host thousands of performances per year and the NGV is the most visited gallery in the country.¹⁵⁵

The Government has plans to expand the Arts Precinct with new buildings that will include the new 'NGV Contemporary', a new Australian Performing Arts Gallery and an expanded Australian Music Vault.¹⁵⁶

The proposed extension would also provide access within walking distance to:

- The Southbank Theatre
- The Melbourne Recital Centre
- The Australian Centre for Contemporary Art.

¹⁵⁵ Development Victoria, *Melbourne Arts Centre Precinct*, <<https://www.development.vic.gov.au/projects/melbourne-arts-precinct>> accessed 3 August 2020.

¹⁵⁶ Development Victoria, *Melbourne Arts Centre Precinct*, <<https://www.development.vic.gov.au/projects/melbourne-arts-precinct>> accessed 3 August 2020.

In addition, as noted in section 3.4, this extension would also assist students attending the University of Melbourne's Southbank Campus.

Currently the southern boundary of the FTZ is Flinders Street. Trams travelling along Swanston Street exit the Zone as soon as they cross Flinders Street onto St Kilda Road. The next tram stop, the Arts Precinct/St Kilda Road stop, is 500 metres outside the Zone.

The Committee for Melbourne considers the Arts Precinct as one of Melbourne's iconic attractions and has been lobbying for such an extension for several years. The Committee for Melbourne includes the NGV as one of its members and outlined the economic benefits to the Gallery should the FTZ be extended to the Arts Precinct:

... the National Gallery of Victoria estimates that inclusion in the FTZ will lead to a 3% increase in visitor numbers, amounting to an additional 75,000 visitors a year. Including key cultural institutions in the FTZ will also integrate the redeveloped Arts Precinct and Southbank area into the CBD, lowering the barriers to enjoyment of this important cultural infrastructure and enlivening it.¹⁵⁷

Similarly, at a public hearing, Martine Letts, the Committee for Melbourne's CEO, said the Arts Centre estimates an increase in visitor numbers of 3–5% if the FTZ were extended to the Arts Precinct.¹⁵⁸

As noted in Chapter 2, the Arts Precinct is a key drawcard for tourists and visitors to Melbourne. To visit the precinct on public transport visitors must purchase a Myki and load it with funds. In addition, the Committee was told that the FTZ is an asset that tourism operators draw on when selling Melbourne to visitors, especially to organised tour groups.

The Committee is concerned that the current Free Tram Zone is a barrier for tourists and visitors to enjoy the destinations that are such an important part of Melbourne. The Committee believes that given the importance of the Arts Precinct to Melburnians, and the barrier the current Zone places to the enjoyment of this area for visitors and Melburnians alike, that the Free Tram Zone should be extended one stop to the south of Princes Bridge to include the Arts Precinct/St Kilda Road tram stop.

The Department of Transport estimates that extending the Free Tram Zone to the NGV would cost \$602,000 per year.¹⁵⁹

RECOMMENDATION 3: That the Victorian Government extend the Free Tram Zone one stop to the 'Arts Precinct St Kilda Road' stop.

¹⁵⁷ Committee for Melbourne, *Submission 362*, p. 4.

¹⁵⁸ Ms Martine Letts, *Transcript of Evidence*, p. 9.

¹⁵⁹ Department of Transport, correspondence, 3 September 2020, p. 1.

RATIONALE : Removing a barrier to visiting Melbourne’s Arts Precinct would enhance Melbourne’s and Victoria’s reputation as a top tourist destination. It may assist the tourism industry to attract organised tour groups from across the world to Melbourne and regional Victoria.

3.6.2 The Melbourne Convention and Exhibition Centre

The Melbourne Convention and Exhibition Centre (MCEC) is not in the proposed extension as outlined in the Terms of Reference. However, a number of stakeholders advocated for the Committee to consider an extension of the FTZ one stop to service MCEC. This was because of the economic importance of the centre and the number of visitors it attracts.

MCEC provided the Committee with a submission stating that in the 2018–19 Financial Year, MCEC attracted just over 1 million delegates, with 27,850 of those coming from overseas, and contributed over \$1.1 billion in economic output.¹⁶⁰ Its submission outlined that it would be helpful for convention organisers to be able to provide delegates, especially overseas visitors, with the message that MCEC is free to access on public transport:

For exhibitors to be able to provide these delegates with a simple message to access MCEC through free public transport, with no need for a physical ticket, is a powerful tool that only helps to further establish Melbourne’s reputation around the world as an attractive, modern and accessible city.¹⁶¹

Mr Peter King, Chief Executive of MCEC, added that while the FTZ is an asset in attracting convention delegates to Melbourne, the fact it stops one stop short detracts from the visitor experience:

The ease of getting around the city is one of the great benefits—getting access to the hotels and restaurants and bars and things like that—but being able to jump on a tram and come directly to the convention centre is a huge bonus, and as I said, stopping one stop short at the moment is confusing. Theoretically these people all have to go and get Myki cards to be able to access the tram to get that one extra stop. We have had examples of people being fined, which is embarrassing and creates a pretty poor impression of the state I think in that case.¹⁶²

The Committee for Melbourne also supports extending the FTZ one stop to MCEC. Martine Letts said it was an important part of Melbourne’s visitor economy:

As we know, the business events economy is a particularly important part of the Melbourne visitor experience and the economy, and we are in a highly competitive environment for attracting international business conferences. As we rebuild that part

¹⁶⁰ Melbourne Convention and Exhibition Centre, *Submission 372*, pp. 1–2.

¹⁶¹ *Ibid.*, p. 2.

¹⁶² Mr Peter King, Chief Executive, Melbourne Convention Exhibition Centre, public hearing, via videoconference, 9 July 2020, *Transcript of Evidence*, p. 15.

of it again, extending the Free Tram Zone to include that particular stop will be highly, highly beneficial.¹⁶³

Finally, Sally Capp believed that offering free travel to MCEC could be important in Victoria's economic recovery following the COVID-19 pandemic. She said:

We are going to need them more than ever when restrictions ease and we are able to welcome those types of visitors back into our city. The free tram zone has always been an important part of our submissions to attract business events and visitors to the city, and I think expanding the free tram zone to those major cultural and sporting attractions but particularly the Melbourne Convention and Exhibition Centre will be a wonderful way of refreshing that offer out to the world and to interstate travellers when they are allowed to come back.¹⁶⁴

Given the economic benefit provided by MCEC, the Committee believes it would be an advantage to extend the Free Tram Zone one stop to the southern side of the Yarra to MCEC.

The Department of Transport estimates that extending the Free Tram Zone to MCEC would cost \$1,191,000 per year.¹⁶⁵

RECOMMENDATION 4: That the Victorian Government extend the Free Tram Zone one stop to 'Casino / MCEC' stop.

RATIONALE : Free tram travel to MCEC adds to Melbourne's and Victoria's reputation as a destination for conferences and events. It may assist MCEC attract conference and event organisers from around the world to Melbourne.

3.6.3 Sporting precincts

One of the proposed extension routes is along Wellington Parade to Powlett Street. The extension would provide access to the northern edge of the Melbourne Cricket Ground (MCG) and Melbourne's sporting precinct.

A number of submitters to the Inquiry told the Committee they would support the extension of the FTZ to the MCG and the sporting precinct. For example, the Melbourne Cricket Club (MCC) notes the organisation's legislated responsibility to protect the condition of Yarra Park, which surrounds the MCG. The park is used for car parking during major events. The duty to prevent damage to the park from cars can cause the MCC to suspend or limit parking at the site. As a result, the MCC encourages patrons to catch public transport to events at the MCG. The expansion of the Free Tram Zone would support this aim.

¹⁶³ Ms Martine Letts, *Transcript of Evidence*, p. 6.

¹⁶⁴ Ms Sally Capp, *Transcript of Evidence*, p. 37.

¹⁶⁵ Department of Transport, correspondence, 3 September 2020 p. 1.

In its submission, it refers to the 'success' of the temporary extension during the AFL Finals Series. The MCC also notes that many people now take a tram to Flinders Street Station following a game, due to long wait times at both Richmond and Jolimont Stations. Its submission to this Inquiry adds:

The MCG also attracts visitors from interstate and overseas attending international events and during the week attending MCG tours and visiting the Australian Sports Museum. Extending the Free tram zone will encourage an increase in tourists to visit the MCG and Melbourne Olympic Park precinct and enhance the visitor experience without having the need to purchase a Myki card.¹⁶⁶

Mr James Groombridge, a Member of the East Melbourne (Residents) Group also suggested extending the FTZ to cover the whole of Melbourne's main sporting precinct. Along with noting the sporting precinct as a tourist attraction, benefits identified by the submission include:

- Protecting Yarra Park from damaging car parking after large rain falls
- No large disruption to the CBD as most sporting events are held outside of business hours.¹⁶⁷

As stated in Table 3, the Department of Transport estimates that extending the Free Tram Zone to the MCG would cost \$287,652 per year.

The Committee acknowledges the value of the MCG and the sporting precinct to Victoria's tourism sector and economy, as well as the significance the precinct holds in the hearts and minds of many Victorians. The facilities that make up the precinct including the MCG, Rod Laver Arena and AAMI Park are events focussed. They come alive on game day or for concerts and conventions. The next section of this report will consider strategies to extend the FTZ for specific events.

3.6.4 Event-based extensions

As noted in the previous section, the Victorian Government has authorised extensions of the FTZ to accommodate large events such as the AFL Finals Series and the Australian Open. The Transport Matters Party submission said these extensions have been successful and are a recognition of the practical difficulties in policing fare evasion for such events:

In recent years we have seen the Free Tram Zone extended to include sporting venues during major events, such as the AFL Grand Final at the MCG, with additional trams and trains put on to service the extra travellers in this area. This has been a great success; it is also a necessary measure. The logistics of trying to police fare evasion on these services at these times would be impossible.¹⁶⁸

¹⁶⁶ Melbourne Cricket Club, *Submission 390*, p. 1.

¹⁶⁷ James Groombridge, *Submission 405*, p. 1.

¹⁶⁸ Transport Matters Party, *Submission 384*, p. 6.

The Committee agrees that there is merit in temporarily extending the FTZ for certain events, in particular as another way of promoting Melbourne as a vibrant city.¹⁶⁹ Such events should not be limited to sporting events but could include others in the vicinity of the Zone such as the ANZAC day services at the Shrine of Remembrance or the Melbourne International Comedy Festival. This measure could be helpful for events organisers and attendees once events begin again after the COVID-19 pandemic.

However, this should be done in a transparent way. The Victorian Government should therefore develop criteria under which it would allow event organisers to apply for free tram travel. The scheme should provide for the Government to partly recoup fare loss via ticket prices, to allow users to contribute to their travel. The Committee believes this would acknowledge the realities of the difficulty in policing fare evasion for major events and provide an additional selling point for event organisers.

RECOMMENDATION 5: That the Victorian Government establish an application scheme and criteria for public event organisers to apply for free tram travel along a designated route for the duration of an event.

RATIONALE : Free tram travel for events is another way in which Melbourne can promote itself as a vibrant city, while also encouraging the use of public transport.

¹⁶⁹ The Committee notes that in Queensland, in some cases TransLink provides free travel to public events held at key locations around the state. The free services are listed in an event transport calendar to promote an uptake in public transportation to public events.

4 Free public transport for full-time students and Seniors Card holders

4.1 Introduction

This Chapter addresses the proposal of providing free public transport for full-time students and Seniors Card holders. It discusses current eligibility requirements and concessions for both groups, as well as outlining the costs and benefits of providing free travel. The Chapter concludes, taking a similar approach, with a discussion on postgraduate and international students.

4.2 The scope of parts (2) and (3) of the Terms of Reference

Parts (2) and (3) of the Terms of Reference ask the Committee to consider:

- Providing free fares for all full-time students
- Removing fares for all seniors card holders.

The Committee found it necessary to define who would be eligible for free fares as proposed in parts (2) and (3) of the Terms of Reference. In addition, the preamble to the Terms of Reference ask the Committee to consider Melbourne's public transport. However, this section of the Final Report makes reference to rural and regional Victoria as current concessions cover students and seniors across the whole State.

4.2.1 Full-time students

The Committee considered the following student groups for eligibility for free public transport fares:

- School-aged students at primary and secondary school
- Tertiary students studying full-time on campus that are eligible for a Public Transport Victoria Tertiary Student ID.

These groups are currently eligible for Public Transport Victoria concession fares due to meeting criteria such as age range, undertaking full-time study and residing in Australia.¹⁷⁰

¹⁷⁰ PTV, *School Students*, <<https://www.ptv.vic.gov.au/tickets/myki/concessions-and-free-travel/children-and-students/school-students>> accessed 23 September 2020.; PTV, *Tertiary Students*, <<https://www.ptv.vic.gov.au/tickets/myki/concessions-and-free-travel/children-and-students/tertiary-students>> accessed 23 September 2020.

The Committee received evidence from other groups of tertiary students, including part-time students, postgraduate students and international students, regarding their access to concessions. The Committee has not included these groups in its considerations about free fares, however, postgraduate students and international students are discussed separately in sections 4.10 and 4.11.

4.2.2 Who is eligible for a Seniors Card?

Seniors cards are available to all Victorians over the age of 60. There are two types of cards: the Seniors Card; and the Seniors Business Discount card. Each card offers different benefits (discussed in section 4.5) and eligibility is based on hours of employment. Table 4.1 outlines the eligibility criteria for the two cards.

Table 4.1 Eligibility criteria for the Seniors Card and the Seniors Business Discount Card

The Seniors Card	Seniors Business Discount Card
You must be: <ul style="list-style-type: none"> • 60 years old or over • Working less than 35 hours per week in paid employment, or fully retired • A permanent resident of Australia, residing in Victoria 	You must be: <ul style="list-style-type: none"> • 60 years old or over • Working 35 hours per week or more in paid employment, or fully retired • A permanent resident of Australia, residing in Victoria

Source: Seniors Online Victoria, *Seniors Card Frequently Asked Questions*, <<https://www.seniorsonline.vic.gov.au/seniors-card/seniors-card-faqs>> accessed 22 November 2019; Seniors Online, *Victoria Public transport is cheaper with a Seniors Card* <<https://www.seniorsonline.vic.gov.au/seniors-card/other-benefits/public-transport-benefits>> accessed 22 November 2019.

4.3 The current concessions for school-aged students

There are concessions available for both children, aged 5 to 18, and for school students at primary and secondary school. The concessions are a Child Myki, the Victorian Student Pass and the Regional Student Pass.

4.3.1 The Child Myki

Children aged 5 to 18 can travel using a Child Myki.¹⁷¹ They are entitled to a 50% discount on all fares.¹⁷² A Child Myki can only be used where Myki is accepted including metropolitan Melbourne and some regional routes. Children in areas where a Myki is not accepted can apply for a Regional Student Pass.

¹⁷¹ Children aged 4 and under travel free (PTV, Children, <<https://www.ptv.vic.gov.au/tickets/myki/concessions-and-free-travel/children-and-students/children>>).

¹⁷² PTV, Children, <<https://www.ptv.vic.gov.au/tickets/myki/concessions-and-free-travel/children-and-students/children>> accessed 23 September 2020.

4.3.2 The Victorian Student Pass and the Regional Student Pass

Primary and secondary students can apply for a student pass. For a fixed yearly or half-yearly fee, the passes entitle students to unlimited travel on public transport depending on the region and the mode of travel. The passes are:

- The Victorian Student Pass, which allows travel on all modes of public transport within Victoria. The pass is a Myki card
- The Regional Student Pass, which allows travel on buses and trains within a certain region. This includes the use of Mykis for some regions and paper tickets for others.¹⁷³

The fee in 2020 for Victorian Student Pass is \$617 for a full year and \$322 for a half year.¹⁷⁴ The cost for a Regional Student Pass in Geelong and Ballarat is \$353 for a full year and \$177 for a half year. In Bendigo, the south-west, Colac and Portland it is \$235 for a full year and \$118 for a half year.¹⁷⁵

4.4 The current concessions for tertiary students

Some undergraduate tertiary students are eligible for a Public Transport Victoria Tertiary Student ID. This allows them to purchase a concession Myki at a 50% discount. To be eligible, students must study full-time on campus in a course or institution that is on the Public Transport Victoria register of approved courses in tertiary institutions. The register includes Victorian Universities, TAFE campuses and other tertiary education institutions.¹⁷⁶ Australian citizens and permanent residents are eligible to apply for the concession. Students who are not Australian citizens or permanent residents can apply if they have refugee status or are part of an approved overseas exchange programme or hold an Australian Awards Scholarship.

4.4.1 Postgraduate students

Post graduate students at tertiary institutions and part-time students are not eligible for concession fares. Students must study full-time on campus to be eligible for concessions. This is discussed further in section 4.10.

¹⁷³ Ibid.

¹⁷⁴ PTV, *Metropolitan Fares*, <<https://www.ptv.vic.gov.au/tickets/fares/metropolitan-fares/#students>> accessed 23 September 2020.

¹⁷⁵ PTV, *2020 PTV School Student ID and Student Pass application form*, p. 1.

¹⁷⁶ PTV, *Tertiary Students*, <<https://www.ptv.vic.gov.au/tickets/myki/concessions-and-free-travel/children-and-students/tertiary-students>> accessed 23 September 2020.

4.4.2 International students

International undergraduate students may apply for an International Undergraduate Student Education pass (iUSE pass), which enables them to a 50% discount on an annual Myki pass. An annual iUSE pass for Zones 1 and 2 in Melbourne costs \$877.50.¹⁷⁷

Issues regarding the eligibility of international students for a concession Myki are discussed further in section 4.11.

4.5 The current concessions for Seniors Card holders

The Seniors Card program is a discount scheme that provides business discounts as well as exemptions and concessions for some government services, particularly public transport. The scheme is designed to 'encourage older people to keep active and engaged in the community, by providing incentives and making it more affordable to get out and about.'¹⁷⁸

Table 4.2 below outlines the eligibility criteria and benefits for the two cards.

Table 4.2 Benefits associated with the Seniors Card and Seniors Business Discount Card

The Seniors Card	Seniors Business Discount Card
Public transport benefits: <ul style="list-style-type: none"> • 50% concession on public transport fares • Free weekend travel in any two consecutive zones and on regional town busses • Cheaper off-peak fares on V/Line services • Free travel during the 8 days of the Victorian Seniors Festival in October • Two free off-peak travel vouchers: <ul style="list-style-type: none"> – One day's unlimited travel in Zone 1 and 2 in the metropolitan area – One off peak V/Line single or day return ticket • A free seniors myki card 	Business discounts
Other discounts: <ul style="list-style-type: none"> • Business discounts • Exemption from Fishing Licence in Victorian Waters 	

Source: Seniors Online Victoria, *Seniors Card Frequently Asked Questions*, <<https://www.seniorsonline.vic.gov.au/seniors-card/seniors-card-faqs>> accessed 22 November 2019; Seniors Online, *Victoria Public transport is cheaper with a Seniors Card* <<https://www.seniorsonline.vic.gov.au/seniors-card/other-benefits/public-transport-benefits>> accessed 22 November 2019.

¹⁷⁷ PTV, *International Students*, <<https://www.ptv.vic.gov.au/tickets/myki/concessions-and-free-travel/children-and-students/international-students>> accessed 22 August 2020.

¹⁷⁸ Seniors Online Victoria, *Seniors Card Frequently Asked Questions*, <<https://www.seniorsonline.vic.gov.au/seniors-card/seniors-card-faqs>> accessed 22 November 2019.

4.6 The benefits of free public transport for full-time students and Seniors Card holders

4.6.1 Cost of living pressures for students

Awarding free public transport travel to full-time school-aged and tertiary students would help relieve cost of living pressures for students and their families. The Committee heard that families on low incomes with school-aged children can face pressure to cover the costs of public transport. The Transport Matters Party said that this could lead to financial stress:

For many low-income students and families, the cost of public transport isn't an option. Yet they still need to get to school and university. Conflict with inspectors, unpaid fines and the resulting debt collection and credit damage can be avoided. Using public transport shouldn't be stressful just because you can't afford it.¹⁷⁹

RECOMMENDATION 6: That the Victorian Government review all existing or emerging programs that provide public transport subsidies to school aged children and report to Parliament about the implementation and performance of those programs, with a view to improving them.

RATIONALE : The Committee can see merit in the provision of subsidised public transport to school aged children. This review will ensure that programs are effective in achieving their purpose.

Cost of living pressures are faced by students at all tertiary institutions across Melbourne and Victoria. Students on low incomes can face difficult choices when it comes to the cost of public transport. This was outlined by Hannah Buchan, President of the University of Melbourne Student Union:

The fares for a Myki may not seem like a lot, but for many students who have insecure work, they may have to make the decision between paying the Myki fare that day or eating dinner that night. One in seven domestic students say they regularly go without food or other necessities due to financial stress, and three in five domestic students say their finances are a source of worry. Free public transport for full-time students would be a significant step to help address cost of living pressures on students.¹⁸⁰

¹⁷⁹ Transport Matters Party, *Submission 384*, p. 4.

¹⁸⁰ Ms Hannah Buchan, President, University of Melbourne Student Union, public hearing, via videoconference, 9 June 2020, *Transcript of Evidence*, p. 26.

4.6.2 Other benefits associated with free travel for students

The Committee heard evidence that free public transport may encourage university students to drive less. When asked about this Hannah Buchan replied: ‘Yes, absolutely. I think it definitely would be an incentive and that there would be outlying benefits to that as well—so less congestion on the roads, less pollution from students driving to university.’¹⁸¹

The University of Melbourne’s submission reports that the journey to and from campus affects students’ academic attendance and engagement with other on-campus activities.¹⁸² The University supports the extension of the Free Tram Zone (FTZ) as it would both make students’ journeys easier and ‘reflect and reinforce the symbolic connection between Melbourne and its namesake university’.¹⁸³

4.6.3 Cost of living pressures for seniors

The Committee did not receive as much evidence regarding cost of living pressures for seniors as it did for tertiary students. A recent Productivity Commission report notes that seniors are on average wealthier than working age Victorians.¹⁸⁴ However, the Committee heard from one submitter that seniors on a fixed income may experience cost of living pressures, especially in the current period of low interest rates. They wrote: ‘Seniors Card holders and pensioners generally are having increased pressure on their income from rising prices, rates, insurances etc, but have to cope with miniscule interest rates undermining their income.’¹⁸⁵

4.6.4 Other benefits associated with free travel for seniors

One of the key benefits of the Seniors Card is that it entitles the holder to a 50% concession on public transport fares. Enabling free public transport for seniors would remove a financial barrier to active participation in the community and could assist with the health and wellbeing of older Victorians. This issue was touched on by the Transport Matters Party, which said in its submission: ‘Free transport for them would encourage their ongoing and active participation in their communities that may otherwise not happen due to financial constraints and distance.’¹⁸⁶

¹⁸¹ Ms Hannah Buchan, *Transcript of Evidence*, p. 27.

¹⁸² University of Melbourne, *Submission 353*, p. 3.

¹⁸³ *Ibid.*, p. 2.

¹⁸⁴ Productivity Commission, *Rising Inequality? A Stocktake of the Evidence*, Productivity Commission Research Paper, 2018, p.83.

¹⁸⁵ Ms Lorraine Bull, *Submission 306*, p. 1.

¹⁸⁶ Transport Matters Party, *Submission 384*, p. 4.

4.6.5 Concessions in New South Wales

The Committee heard from a witness that Victoria should emulate elements of the public transport concession scheme in New South Wales.¹⁸⁷ New South Wales offers free travel and concessions for school aged students and concessions for tertiary students, as well as a flat concession fare for seniors. This overview will consider services that use Sydney's Opal Card only.

School-aged students

School-aged students are eligible for free travel to and from school through the New South Wales School Student Transport Scheme. Students may travel on approved metro, train, bus, ferry and light rail services during school term. The free travel applies to and from school only and does not include travel to out-of-school care or activities.¹⁸⁸ Concession fares apply to travel outside of school.¹⁸⁹ Students must apply for the scheme and receive a school Opal Card to access free fares.¹⁹⁰

Students aged 4–15 years are also eligible for a child Opal Card, which entitles them to a 50% fare reduction.¹⁹¹ The School Student Transport scheme has been in place in New South Wales since 1968 for students in Sydney and earlier for regional students.¹⁹²

Tertiary students

In New South Wales, tertiary students are eligible to apply for a concession Opal Card if they are enrolled full-time in either an accredited course with a registered higher education provider or a Vocational Education and Training accredited course. Tertiary students must also be an Australian citizen or permanent resident of Australia.¹⁹³ The concession Opal Card entitles them to a 50% fare reduction.¹⁹⁴

¹⁸⁷ Ms Kathy Lazanas, General Manager, Victoria and Tasmania, MRCagney, public hearing, via videoconference, 30 June 2020, *Transcript of Evidence*, p. 24.

¹⁸⁸ Transport for NSW, *About the School Student Transport Scheme*, <<https://apps.transport.nsw.gov.au/ssts/schoolTravelPasses#>> accessed 21 August 2020.

¹⁸⁹ Transport for NSW, *Primary and secondary school students*, <<https://transportnsw.info/tickets-opal/ticket-eligibility-concessions/child-student-concessions/primary-secondary-school>> accessed 21 August 2020.

¹⁹⁰ Transport for NSW, *About the School Student Transport Scheme*, <<https://apps.transport.nsw.gov.au/ssts/schoolTravelPasses#>> accessed 21 August 2020.

¹⁹¹ Transport for NSW, *Child Fares*, <<https://transportnsw.info/tickets-opal/opal/fares-payments/child-fares>> accessed 21 August 2020; Transport for NSW, *Adult fares*, <<https://transportnsw.info/tickets-opal/opal/fares-payments/adult-fares>> accessed 21 August 2020.

¹⁹² Parliament of New South Wales, Public Accounts and Estimates Committee, *Inquiry into the School Student Transport Scheme* (2002), p.2.

¹⁹³ Transport for NSW, *Tertiary or TAFE students*, <<https://transportnsw.info/tickets-opal/ticket-eligibility-concessions/child-student-concessions/tertiary-or-tafe-students>> accessed 21 August 2020.

¹⁹⁴ Transport for NSW, *Concession Fares*, <<https://transportnsw.info/tickets-opal/opal/fares-payments/concession-fares>> accessed 21 August 2020; Transport for NSW, *Adult fares*, <<https://transportnsw.info/tickets-opal/opal/fares-payments/adult-fares>> accessed 21 August 2020.

Seniors

People eligible for a Seniors Card or Pensioner Concession Card issued by any Australian state or territory are entitled to a senior/pensioner Opal Card.¹⁹⁵ The card provides public transport fares which are capped at \$2.50 per day.¹⁹⁶

In much the same way, micro-pricing on Melbourne's tram network would provide a price signal that may influence use of the tram system.

MRCagney noted the simplicity of the \$2.50 per day cap for New South Wales seniors, adding that it provided a low fare to assist low income seniors, while still providing a price signal that meant the service was valued by those who use it. Responding to a question from Committee Member Mr Rod Barton, MRCagney's General Manager Victoria and Tasmania Kathy Lazanas said:

Mr Barton, you did reference Transport for New South Wales' flat fee of \$2.50 for eligible seniors—and you are right; that does work. While you commented that this is almost free or as good as free, the reality is it does still have a cost associated with it, and while we know that that does not go a long way to providing the service itself, behavioural science has taught us the fact of paying for something means that we actually value it more.¹⁹⁷

4.7 The cost of free public transport for full-time students and Seniors Card holders

Providing free public transport for full-time students and Seniors Card holders would come at a significant financial cost to taxpayers. The Department of Transport gave the following estimates of the cost of the policy in loss of revenue for different groups at a public hearing:

- Seniors Card holders—\$30 million
- School aged children—\$60 million
- Tertiary students—\$90 million.¹⁹⁸

Mr Jeroen Weimar, Head of Transport at the Department of Transport, said that the cost of these policies via loss of fare revenue would require the Government to make some difficult choices about alternative sources of transport network funding:

... it is a significant number that starts to get generated that, yes, ultimately would require both government and the State to make some drastic choices about alternative ways of supplementing that revenue.¹⁹⁹

¹⁹⁵ Transport for NSW, *Seniors Card*, <<https://transportnsw.info/tickets-opal/ticket-eligibility-concessions/seniors>> accessed 22 August 2020.

¹⁹⁶ Transport for NSW, *Senior and pensioner fares*, <<https://transportnsw.info/tickets-opal/opal/fares-payments/senior-pensioner-fares#>> accessed 22 August 2020.

¹⁹⁷ Ms Kathy Lazanas, *Transcript of Evidence*, p. 27.

¹⁹⁸ Mr Jeroen Weimar, *Transcript of Evidence*, p. 4.

¹⁹⁹ *Ibid.*

The Public Transport Users Association (PTUA) thought the funds that would be allocated to such a policy would be more efficiently spent on other areas of the network, to improve services and provide better targeted help for lower income Victorians:

There is an urgent need to prioritise investment in underserved areas rather than making it free for those areas that already have fairly good public transport access. That is going to benefit students, it is going to benefit seniors, it is going to benefit people on low incomes. These days people like to talk about Venn diagrams. If you were to do a Venn diagram of vulnerable households and areas with poor public transport, I am sure we would see a large overlap there.²⁰⁰

4.7.1 Equity

In general, the majority of evidence received by the Committee suggests that if the Victorian Government wishes to assist people facing cost of living pressure, it should target those on a low income, not whole groups. The Committee believes that publicly funded concessions should only go to those who need them. When considering the application of across the board concessions to certain groups regardless of income, the Committee has reservations that some of the public funds would go to wealthy individuals who have less need of Government support.

This concern was shared by Infrastructure Victoria, who also said that awarding free travel to students and seniors would reach less than 60% of low-income earners in Victoria:

To help improve fairness and equity across the board, concessions should be closely matched to a person's ability to pay, and our submission shows that awarding free travel to seniors and students would reach less than 60 per cent of the lowest income Victorians, while the remaining 42 per cent are still required to pay for their public transport trips.²⁰¹

4.8 Would free public transport encourage students and seniors to switch their mode of travel?

Encouraging Melburnians to reduce their reliance on cars and switch to public transport produces a number of positive outcomes. This includes alleviating the economic costs of congestion on Melbourne's road network, which Infrastructure Australia estimated at \$5.48 billion in 2016.²⁰²

²⁰⁰ Mr Cameron Tampion, *Transcript of Evidence*, p. 22.

²⁰¹ Dr Jonathan Spear, *Transcript of Evidence*, p. 14.

²⁰² This estimate was for Melbourne and Geelong (Infrastructure Australia, *Urban Transport Crowding and Congestion*, The Australian Infrastructure Audit 2019 Supplementary report, 2019, p.7.

As noted in Chapter 2, the provision of free transport for certain areas does not necessarily encourage people to switch the mode of their transport. The cost of public transport is just one factor in a number of considerations travellers make when considering their journey. Such considerations include availability, speed and frequency of public transport in a particular area.²⁰³ For school-aged students, safety and linking the school drop off and work journey may also be a factor.²⁰⁴

The Committee believes the same principle, that free public transport may not encourage all travellers in inner-city Melbourne to use the proposed extension of the FTZ, would apply to all students and seniors in relation to public transport throughout Melbourne and Victoria.

As noted in section 4.6.5, the scheme for free travel for students to and from school has been in place for students in Sydney since 1968.²⁰⁵ Data from the 2016 census shows that Sydney has the highest per-capita use of public transport of all Australian state capitals.²⁰⁶ The New South Wales School Student Transport Scheme may be a factor in Sydney's higher per-capita public transport use, however, the evidence provided by MRCagney, the PTUA and others discussed in Chapter 2 suggests that additional factors such as public transport availability and service frequency are equally important. This was supported by Yarra Trams, who said in its submission that lowering the price of a service will not promote it if it does not meet the needs of students: 'Recent research into access to education precincts show that slow travel times and lack of service are significant barriers (i.e. changing the price does nothing to promote a service that does not operate at the right times).'²⁰⁷

Conversely, the Department of Transport told the Committee that it expected a policy of free public transport for all students and seniors 'would generate significant extra travel journeys' amongst those groups.²⁰⁸ The Committee received information from the Department about the projected increase in patronage:

DoT estimates that if public transport were available for no charge to all full-time primary to tertiary students and Seniors Card holders, then average daily public transport trips would increase by 53,500 (3.4 per cent), comprising 38,000 students and 15,500 seniors. Private vehicle person trips would decrease by 62,500 (0.3 per cent).

The average daily trips on trams is estimated to increase by 19,700 (comprising 14,000 students and 5,700 seniors). Some morning and afternoon peak tram services are already at or exceeding load capacity and accommodating the increased demand would require more services.²⁰⁹

²⁰³ MRCagney, *Submission 401*, p. 3.

²⁰⁴ Yarra Trams, *Submission 387*, p. 13.

²⁰⁵ Parliament of New South Wales, Public Accounts and Estimates Committee, *Inquiry into the School Student Transport Scheme* (2002), p. 2.

²⁰⁶ Australian Bureau of Statistics, *How far do Australians go to get to work?*, Media Release, 22 May 2018, <<https://www.abs.gov.au/ausstats/abs%40.nsf/mediareleasesbyCatalogue/EC802A92025821DFCA2582950001F5DD>> accessed 21 August 2020.

²⁰⁷ Yarra Trams, *Submission 387*, p. 13.

²⁰⁸ Mr Jeroen Weimar, *Transcript of Evidence*, p. 4.

²⁰⁹ Department of Transport, correspondence, p. 6.

The Committee supports additional public take-up of public transport. However, additional trips need to be spread across the day so as not to put pressure on peak time services, which are already at capacity. The Committee heard that the likely travel patterns of school-aged students, in particular, matches peak hours and would increase strain on the network. Yarra Trams told the Committee:

There is very little capacity within the existing fleet to operate additional tram services for school students, as their travel needs coincide with the peak when trams are already fully utilised. Growing peak period capacity is likely to require significant investment in additional fleet, depot and drivers and other supporting infrastructure, as well as initiatives to improve the productivity of the existing fleet through shorter journey times enabling more services. These initiatives include signal priority, road space allocation and tram stop improvements.²¹⁰

Peter Don from the Rail Futures Institute shared the concerns of Yarra Trams and added that overcrowding could hamper service speeds and reduce passenger comfort:

It will cause additional and unnecessary overcrowding on the vehicles and at tram stops and lead to a reduction in tram speeds and tram throughput in the city, in that central business district, in peak periods. Extensive free travel would not assist in peak spreading, which is a critical issue for public transport. It is critical both in terms of interests of operations and also the comfort levels of passengers.²¹¹

As noted in Chapter 6, operational changes can be made to the tram network to add additional services on busy routes at peak times. However, such an undertaking would be complex and would require additional infrastructure such as platforms and depots, as well as more resourcing.²¹²

4.9 The Committee's view on free public transport for students and seniors

The Committee believes it is important to encourage patronage on Melbourne's public transport network, to decrease reliance on private motor vehicles and reduce congestion on the roads. The Committee agrees that providing free transport for students and seniors would contribute in some part to achieving this aim and would also alleviate cost of living pressures for the families of students and seniors on low incomes.

However, the Committee notes that students²¹³ and seniors already have access to a 50% concession on public transport fares, which goes some way to addressing cost of living concerns and encouraging greater use of public transport. The Committee is also

²¹⁰ Yarra Trams, *Submission 387*, p. 13.

²¹¹ Mr Peter Don, *Transcript of Evidence*, p. 6.

²¹² Mr Ian Hopkins, Principal Advisor, Network Planning, public hearing, via videoconference, 9 July 2020, *Transcript of Evidence*, p. 11.

²¹³ With the exception of post graduate, part time, and international tertiary students.

mindful of the potential drawbacks of the proposal for free public transport for students and seniors that was presented to it, including:

- The financial cost of the scheme
- The equity of providing free fares to students and seniors that may be financially well off
- Potential negative impact on peak time congestion
- The limited impact that price and habit have on the choice of mode of transport.

Given these, the Committee believes the current public transport concessions provided for students and seniors are adequate. The Committee does not recommend that public transport should be made free for full-time students and Seniors Card holders.

4.10 Access to public transport concession fares for postgraduate students

As noted in section 4.2.1, postgraduate students are not eligible for public transport concessions. The number of postgraduate student enrolments in Victoria has risen steadily in the decade to 2018, which is the most recent year for where data is available. Much of the increase has come from international students. In 2008, there were 49,635 domestic post graduate students²¹⁴ and 30,412 international postgraduate students.²¹⁵ By 2018 there were 64,859 domestic postgraduate students²¹⁶ and 73,940 international postgraduate students.²¹⁷ This rise was addressed in the submission from Fare's Fair PTV, which said that postgraduate study was becoming more common for young people without established careers:

The typical postgraduate student isn't an already successful professional returning to study to upskill; they are a young person going straight from an undergraduate to a postgraduate course, putting in another few years of study to become a teacher, engineer, nurse, doctor or lawyer.²¹⁸

The Committee received a submission from the Council of Australian Postgraduate Associations (CAPA), also noting the recent significant increase in postgraduate students and adding that those undertaking postgraduate study were increasingly in

²¹⁴ This figure includes 15,120 full time students and 34,515 part time students; Commonwealth Department of Education, Skills and Employment, *uCube*, Enrolment Count by Type Of Attendance by Year by State - Institution by Course Level by Citizenship Category, <<http://highereducationstatistics.education.gov.au>> accessed 11 September 2020.

²¹⁵ This figure includes 25,289 full time students and 5,123 part time students; Commonwealth Department of Education, Skills and Employment, *uCube*, Enrolment Count by Type Of Attendance by Year by State - Institution by Course Level by Citizenship Category, <<http://highereducationstatistics.education.gov.au>> accessed 11 September 2020.

²¹⁶ This figure includes 28,079 full time students and 36,780 part time students; Commonwealth Department of Education, Skills and Employment, *uCube*, Enrolment Count by Type Of Attendance by Year by State - Institution by Course Level by Citizenship Category, <<http://highereducationstatistics.education.gov.au>> accessed 11 September 2020.

²¹⁷ This figure includes 67,777 full time students and 6,163 part time students; Commonwealth Department of Education, Skills and Employment, *uCube*, Enrolment Count by Type Of Attendance by Year by State - Institution by Course Level by Citizenship Category, <<http://highereducationstatistics.education.gov.au>> accessed 11 September 2020.

²¹⁸ Fare's Fair PTV, *Submission 371*, p. 3.

need of financial support.²¹⁹ A reason for the increase in post graduate students cited in the submission is the introduction of the ‘Melbourne Model’ in 2008, which sees students more regularly undertaking postgraduate study to specialise in their area of expertise:

One reason for this growth is the introduction of the “Melbourne model”, which involves students completing a three-year generalist bachelor-level degree paired with a coursework Masters degree which is specialised towards the student’s profession. This mode of study is in line with international standards, and was first brought to Australia by the University of Melbourne in 2008.

Moreover, the proportion of postgraduate students studying full-time has greatly increased over the past decade. (University of Melbourne Graduate Student Association, 2018), with full-time students less able to engage in paid work.²²⁰

The submission states that there have been changes in the demographics of postgraduate students: ‘...many are young, working part-time, and have low incomes. This does not match the stereotypical view of postgraduate students being older and financially independent.’²²¹ CAPA states the median income of a full-time domestic postgraduate student is \$23,600 per year.²²² It outlined how important a reduction or waiver of public transport costs could be to postgraduate students: ‘Reducing or waiving the cost of public transport for postgraduate students in Victoria would provide some relief to these students, for whom a few dollars can mean the difference between eating or going hungry.’²²³

Fare’s Fair PTV also notes the median post graduate income of \$23,600 and states that it ‘...is less than half of the median income in Victoria, as well as below the poverty line.’²²⁴ The submission includes a quote from a postgraduate student about their financial position and the difference a concession fare would make: ‘My course is more intensive than my undergraduate, leaving even less time for me to work. I’m barely scraping by. The extra \$20 I would save per week, every week, makes a massive difference.’²²⁵

Hannah Buchan from the University of Melbourne Student Union told the Committee that Victoria is the only jurisdiction in Australia that does not offer public transport concessions to postgraduate students.²²⁶

²¹⁹ Council of Australian Postgraduate Associations, *Submission 324*, p. 3.

²²⁰ Council of Australian Postgraduate Associations, *Submission 324*, p. 3.

²²¹ *Ibid.*, p. 4.

²²² *Ibid.*, p. 4.

²²³ *Ibid.*, p. 5.

²²⁴ Fare’s Fair PTV, *Submission 371*, p.3.

²²⁵ *Ibid.*, p.4.

²²⁶ Ms Hannah Buchan, *Transcript of Evidence*, p. 27.

4.10.1 The Low Income Health Care Card

Postgraduate students on low incomes may be eligible for the Commonwealth's Low Income Health Care Card, which entitles them to a concession Myki.

To be eligible for a Low Income Health Care Card, a person must be either an Australian citizen a permanent resident, or other limited visa types. The person must also pass an income test to ensure their income is below a certain threshold. For a single person with no dependents, their gross income (before tax) must be no higher than \$571 per week, which in 2020 works out to a gross income of approximately \$29,855 per year. This is above the figure quoted by the CAPA and Fare's Fair PTV as the median income of \$23,600 for postgraduate students.

Fare's Fair PTV addresses the efficacy of the Low Income Health Care Card as a means for postgraduate students to access concession fares. The submission notes that the card is not available to international students, that students who earn just above the income test threshold are unable to obtain a card and that the application process can be slowed down by administrative delays.²²⁷

Ms Buchan also noted that postgraduate students who undertake paid work between 'cyclical' study workloads may not qualify for the card because they do not meet income requirements.²²⁸

While not all postgraduate students qualify, the Committee is satisfied that the Low Income Health Care Card caters for many of the least well off domestic postgraduate students. The income test component ensures that postgraduate students on a high income do not receive unnecessary government support.

The Committee does not think it is proportionate to recommend that all postgraduate students should be able to access concession fares when the Low Income Health Care Card is available as a means tested alternative. The Committee acknowledges that international postgraduate students do not have access to the Low Income Health Care Card.

4.11 Access to public transport concession fares for international students

As noted in section 4.4.2, international undergraduate students are eligible for a discounted annual Myki pass known as an iUSE pass. The pass allows international undergraduate students to save 50% on an annual Myki.²²⁹

²²⁷ Fares Fair PTY, *Submission 371*, p. 5.

²²⁸ Ms Hannah Buchan, *Transcript of Evidence*, p. 27.

²²⁹ PTV, *international students*, <<https://www.ptv.vic.gov.au/tickets/myki/concessions-and-free-travel/children-and-students/international-students>> accessed 14 August 2020.

The Committee notes that because the iUSE pass is an annual pass, it does not provide a 50% concession fare for each trip in the way that a concession Myki does. Students who commute regularly benefit more from the discounts provided by the iUSE pass than those who travel less often.

The iUSE pass is not available to international postgraduate students. There are more postgraduate international students than domestic students in Victoria²³⁰ and their number is growing quickly. International postgraduate student numbers increased from 30,412 in 2008 to 73,940 in 2018.²³¹

Access to concession public transport fares for international students, both undergraduate and postgraduate, is not equal to those available to domestic students. This is in line with the policy at the Commonwealth level for student access to tuition fee support through the HECS-HELP schemes. Domestic students can access Commonwealth support, but international students cannot. The Commonwealth Government's reason for this was given when introducing higher education reforms in the late-1970s, the predecessor of the HECS-HELP scheme. The Commonwealth argued that international students and their families have not contributed as much in taxes as domestic students and their families, and they should not receive the same financial support:

Australian students do not pay fees. However, in their case part of the cost of their education at tertiary level comes from Consolidated Revenue contributed in part through tax by their families. No such contribution is made by overseas students or their families...²³²

The Committee believes this argument is relevant for international student access to Victorian Government public transport concessions. While international students often work and pay tax while studying in Victoria, it is likely they have not contributed as much as domestic students and their families. In addition, they are likely to return overseas after their studies and stop paying tax. For this reason, the Committee does not believe it is appropriate to provide public transport concessions in addition to what is already offered by the iUSE pass.

Table 4.3 summarises the public transport discounts and concessions available to eligible international and post-graduate students

²³⁰ Council of Australian Postgraduate Associations, *Submission 324*, p. 3.

²³¹ This figure includes 25,289 full time students and 5,123 part time students; Commonwealth Department of Education, Skills and Employment, *uCube*, Enrolment Count by Type Of Attendance by Year by State - Institution by Course Level by Citizenship Category, <<http://highereducationstatistics.education.gov.au>>; This figure includes 67,777 full time students and 6,163 part time students; Commonwealth Department of Education, Skills and Employment, *uCube*, Enrolment Count by Type Of Attendance by Year by State - Institution by Course Level by Citizenship Category, <<http://highereducationstatistics.education.gov.au>> accessed 11 September 2020.

²³² The Hon Michael John Randal McKellar, Minister for Immigration and Ethnic Affairs, Hansard, Ministerial Statement: Immigration Policy, House of Representatives, 22 August 1979, p. 441.

Table 4.3 Public transport discounts and concessions available to international and post graduate students

Student category	Concessions available	Discount amount
International students	iUSE Card	50% discount on the price of an annual Myki
Post-graduate students	Commonwealth low income health care card (if they earn under the threshold)	50% concession fare

Source: Compiled by the Legislative Council Economy and Infrastructure Committee.

5 Dynamic public transport pricing

5.1 Introduction

This Chapter outlines the effects and benefits of dynamic public transport pricing, which for the purposes of this Chapter includes any type of fluctuating pricing strategy. It includes a discussion on how dynamic pricing may affect both public transport fare structures in Victoria and user behaviour. The Chapter ends with examples of dynamic public transport pricing in overseas and Australian jurisdictions.

The Committee reiterates that all data, modelling and costings provided to this Inquiry were based on pre-COVID figures. This should be kept in mind throughout this Chapter, and the entire Final Report.

5.2 What is dynamic pricing?

Terms of Reference (5) asks the Committee to consider the effects and benefits of dynamic public transport pricing. In its strictest sense, dynamic pricing refers to setting a price for a service that fluctuates in real time as transport network conditions change.²³³ Dynamic pricing schemes aim to use data to understand the behaviour and needs of users and adjust the prices and services offered in order to encourage users to travel at alternative times and/or use a different mode of transport.

Non-government transport services, such as air travel and commercial passenger vehicle services, are the most common examples of dynamic pricing that are already widely used in Victoria.

The Committee notes that there is a broad range of terminology used in place of dynamic pricing. From evidence provided to this Inquiry, the following pricing models may be considered dynamic pricing:

- Distance-based pricing: users pay based on how far they travel²³⁴
- Time-based pricing: users pay based on when they travel and pay more to travel during peak times of the day.²³⁵

For the sake of simplicity, in this Chapter the term ‘dynamic pricing’ may include any form of fluctuating price strategy.

²³³ Infrastructure Victoria, *Submission 308*, p. 7.

²³⁴ Mr Liam Davies, Senior Transport Analyst, Institute for Sensible Transport, public hearing, Melbourne, 30 June 2020, *Transcript of evidence*, p. 21.

²³⁵ Mr Jeroen Weimar, Head of Transport Services, Department of Transport, public hearing, Melbourne, 9 July 2020, *Transcript of evidence*, p. 4.

The Committee was informed that the Victorian Government currently has no dynamic pricing policy, nor are there any plans for its introduction—in the strictest sense—on the tram, or broader public transport, network.²³⁶

5.3 Fare structure in Victoria

Public transport fares in Victoria are divided into metropolitan Melbourne fares and regional Victoria fares and defined by the zones a user is travelling to or through.

The fare for each journey is determined by three factors:

- Where a user is travelling
- The type of ticket selected
- Whether a user is eligible for a concession or discount.²³⁷

In this section, the term ‘user’ refers to a full fare adult. A detailed breakdown of fare concessions and discounts is discussed earlier in this Report in Chapter 4 and will not be revisited in this section.

There are three ticket types a user may choose:

Figure 5.1 Ticket types on Victorian public transport

Ticket type	Description
Myki Money	A pay as you go service recommended for occasional use. Charges a two-hour fare per journey with a daily cap.
Myki Pass	A service for consecutive days of travel available in a Weekly, Monthly or Annual pass that provides a discounted fare, compared to Myki Money. When a Myki Pass is purchased for between 326 and 365 days, the user only pays for 325 days and receives the remaining 40 days of travel free.
Regional tickets	Depending on the Zone, a user may need a Myki or a paper ticket to travel. Fares do not differ between using a paper or Myki ticket.

Source: Compiled by the Legislative Council Economy and Infrastructure Committee.

Victoria has a flat fare structure with minimal distinction in pricing according to the distance, time or number of modes used in a journey.²³⁸

²³⁶ Department of Transport, correspondence, p. 6.

²³⁷ Public Transport Victoria, *Fares*, <<https://www.ptv.vic.gov.au/tickets/fares>> accessed 22 July 2020.

²³⁸ Victorian Transport Action Group, *Submission 403*, p. 3.

5.3.1 Myki ticketing system

Myki is the smart card ticketing system used for the electronic payment of fares on most public transport services in Melbourne and regional Victoria.

Myki was introduced in December 2008 on regional bus services in Geelong and by March 2009 had been extended to five other regional centres.²³⁹ The metropolitan transition to Myki commenced in December 2009 and was completed by December 2012 when Myki became the only form of ticket valid on metropolitan public transport. Further regional implementation has taken place since 2012 and the Myki can now be used for travel on:

- Melbourne metropolitan train, tram and some bus services
- V/Line trains travelling within the V/Line commuter belt
- Buses within Ballarat, Bendigo, Geelong, Latrobe Valley, Seymour and Warragul.

5.3.2 Metropolitan fares

Metropolitan services are broken into Zone 1 and Zone 2 and the Zone 1/2 boundary overlap. The fare structure applies to train, tram and bus travel and features a daily cap equivalent to two two-hour fares for the zone(s) travelled through.²⁴⁰ Unlike some international and Australian jurisdictions, the cost to travel exclusively within or between Zone 1 and Zone 2 does not differ in peak and off-peak periods.

The relevant fares for metropolitan services are shown in Table 5.2.

Figure 5.2 Metropolitan fares

Ticket type	Zone 1+2	Zone 2
Myki Money 2-hour fare	\$4.50	\$3.00
Myki Money daily fare cap	\$9.00	\$6.00
Myki Pass 7-day fare	\$45.00	\$30.00
Myki Pass daily rate for 28–365 days	\$5.40	\$3.60

Source: Compiled by the Legislative Council Economy and Infrastructure Committee

5.3.3 Early Bird Train Travel

Metropolitan train passengers are entitled to free 'Early Bird Train Travel' when touch on and touch off occurs within two hours before 7.15 a.m. on a weekday. No discounts apply in the afternoon or evening. The scheme does not apply to bus or tram services.

²³⁹ Victorian Auditor-General, *Operational Effectiveness of the Myki ticketing system*, Melbourne, 2015, p. 4.

²⁴⁰ Public Transport Victoria, *Metropolitan fares*, <<https://www.ptv.vic.gov.au/tickets/fares/metropolitan-fares>> accessed 22 July 2020.

This means that many passengers drive to train stations, while fares on trams and buses before 7.15 a.m. removes the incentive for others to travel earlier.

At a public hearing, the Department of Transport's Jeroen Weimar noted that the scheme has been successful in shifting some users off-peak, saying: "...when that was introduced, before my time, it did lead to a significant one-off shift in behaviour, but that shift has remained fairly static since then."²⁴¹

The Committee is of the view that the Early Bird Train Travel scheme should be extended to include metropolitan tram and bus services. This may promote a modal shift from private vehicles (driving) to public transport and extend the incentive for those users who have flexibility to travel during off-peak periods.

The Department of Transport has indicated it would cost approximately \$7.1 million per year to extend the Early Bird Train Travel scheme to include metropolitan tram and bus services. The Department informed the Committee that it would not expect offset savings in peak services from this proposal.²⁴²

RECOMMENDATION 7: That the Victorian Government extend the Early Bird travel scheme to include metropolitan tram and bus services.

RATIONALE : Including buses and trams may encourage more public transport users to travel before the morning peak. It may also address the outcome of passengers driving to train stations to take advantage of the Early Bird Train Travel.

5.3.4 Regional fares

Regional fares apply to V/Line train and coach services between Zone 3 and Zone 13, including those regional services that enter the metropolitan Zones 1 and 2. The two-hour fare principle applies to all regional tickets, however, the duration is extended for each zone to ensure journeys can be completed before a fare expires. A daily cap is also applied to regional services meaning the most a user will pay is the equivalent of two two-hour fares for the respective zones travelled.²⁴³

Dynamic pricing is applied to regional fares for all journeys made in three or more zones and that do not arrive in Melbourne before 9.00 a.m. on weekdays or leave Melbourne between 4.00 p.m. and 6.00 p.m. weekdays. The off-peak discount saves a user 30% of the standard fare for that journey. The reduced fare also contributes towards the daily cap.

A breakdown of the fares for regional services is shown in Table 5.1.

²⁴¹ Mr Jeroen Weimar, *Transcript of evidence*, p. 5.

²⁴² Department of Transport, *correspondence*, received 16 October 2020.

²⁴³ Public Transport Victoria, *Regional fares*, <<https://www.ptv.vic.gov.au/tickets/fares/regional-fares>> accessed 22 July 2020.

Table 5.1 Regional fares

Travel between Zone 1 and	Myki 2-hour peak fare	Myki Daily peak fare	Myki 2-hour off-peak fare	Myki Daily off-peak fare	Myki Pass 7-day fare	Myki Pass 28–365 day rate
Zone 3	\$12.20	\$24.40	\$8.54	\$17.08	\$81.40	\$9.62
Zone 4	\$13.60	\$27.20	\$9.52	\$19.04	\$90.60	\$10.68
Zone 5	\$16.00	\$32.00	\$11.20	\$22.40	\$98.80	\$11.14
Zone 6	\$18.20	\$36.40	\$12.74	\$25.48	\$106.60	\$11.70
Zone 7	\$19.80	\$39.60	\$13.86	\$27.72	\$113.60	\$12.00
Zone 8	\$22.60	\$45.20	\$15.82	\$31.64	\$124.60	\$12.66
Zone 9	\$24.80	\$49.60	\$17.36	\$34.72	\$134.40	\$12.86
Zone 10	\$26.80	\$53.60	\$18.76	\$37.52	\$143.20	\$13.38
Zone 11	\$29.40	\$58.80	\$20.58	\$41.16	\$152.40	\$13.84
Zone 12	\$31.80	\$63.60	\$22.26	\$44.52	\$161.80	\$14.28
Zone 13	\$34.00	\$68.00	\$23.80	\$47.60	\$170.20	\$14.64

Source: Compiled by the Legislative Council Economy and Infrastructure Committee.

5.4 Impact of dynamic pricing

The Committee heard differing views on the benefits and challenges of applying dynamic pricing in Victoria. Some submitters expressed that there are two areas that would benefit from a review of fare structures and dynamic pricing approaches in Victoria. Those are:

- Addressing user congestion and behaviours
- Increasing revenue.²⁴⁴

Yarra Trams warns that before implementing dynamic pricing in Victoria the Government should have a full understanding of how passengers are likely to respond to varying ticket prices ('price elasticity').²⁴⁵ The Committee received anecdotal evidence that provided an insight into public transport users' views on dynamic pricing. It considers this an area the Department of Transport may wish to pursue in future planning and modelling for the Victorian public transport network.

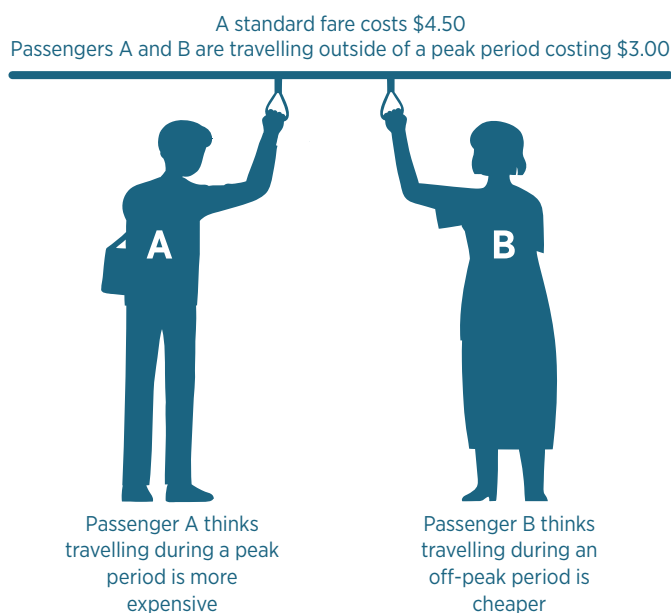
²⁴⁴ Victorian Transport Action Group, *Submission 403*, p. 2.; Dr Jonathan Spear, Deputy Chief Executive and Chief Operating Officer, Infrastructure Victoria, public hearing, Melbourne, 30 June 2020, *Transcript of evidence*, p. 10.

²⁴⁵ Yarra Trams, *Submission 387*, p. 14.

5.4.1 Shifting user behaviours

One of the problems governments face regarding dynamic pricing is that the public tends to view peak prices as more expensive, rather than off-peak prices as cheaper. For example, Cancer Council Victoria states that it ‘... does not endorse dynamic public transport pricing that could see public transport fares go up for people affected by cancer’.²⁴⁶ This would presumably cover patients and carers travelling at peak times to attend medical appointments.

Figure 5.3 The view of peak and off peak fares



Source: Compiled by the Legislative Council Economy and Infrastructure Committee.

If fares are considered too expensive, roads may become congested as people avoid public transport. Conversely, if fares are too cheap, public transport may become overcrowded requiring additional infrastructure investment to meet the demand. Plus, as identified, low cost public transport, or free in the case of the FTZ, can come at the expense of healthier active transport options such as walking and cycling.²⁴⁷

The Committee heard that using dynamic pricing to incentivise travelling outside of peak periods would appeal to those users who have the flexibility to alter their travel times. However, some submitters did not believe it was equitable to charge those who need to travel within peak periods more to do so.²⁴⁸ Mr Weimar shared this view at a public hearing. He said:

We know that for many people public transport is an economic lifeline for them. Many of our community members who do not have huge discretionary incomes are relying on

²⁴⁶ Cancer Council Victoria, *Submission 386*, p. 9.

²⁴⁷ Infrastructure Victoria, *Submission 308*, p. 5.

²⁴⁸ Australian Retailers Association, *Submission 359*, p. 5.; Cancer Council Victoria, *Submission 386*, p. 10.

public transport as their lifeline service, so hitting them with marginal increases can be really quite a challenging thing to go and do.²⁴⁹

Mr Liam Davies, a Senior Transport Analyst at the Institute for Sensible Transport, shared similar concerns about implementing dynamic pricing during peak periods at a public hearing. He said:

I think that it is a privilege to be able to say that people can work outside of normal hours, and I think that it forgets the fact that people want to be home to see their kids and not after their kids have gone to bed. They want to be up in the morning and have breakfast with their kids and not leave before the crack of dawn.²⁵⁰

Infrastructure Victoria contended that some people do have a choice of the time of day at which they travel and that there may be significant benefits to implementing dynamic pricing. Dr Johnathan Spear said:

What our modelling showed was that actually you get very, very significant benefits to the public transport system and that around a quarter of people do have a choice in terms of the time of day that they travel. We have surveyed and talked to ordinary Victorians about this, and that is what they have told us. It is also what our modelling shows as well. It is the case that some people do not have flexibility in when they can travel. What this sort of reform does is it actually makes things a lot fairer and easier for them because they get quicker, more reliable, predictable trips.²⁵¹

The Victorian Transport Action Group provided the Committee with a peak pricing fare structure it believes would reduce overcrowding of peak hour public transport services and generate significant revenue to support infrastructure upgrades of from between \$50–100 million each year. It proposed increasing peak hour fares by 5% above inflation over four years.²⁵² The peak rates would be charged on journeys entering or exiting the CBD during the morning and evening peak. Further, failure of any user to touch off their Myki at the end of their journey would result in a higher fare being charged, irrespective of time or distance.

The fare modelling is included in Table 5.2.

Table 5.2 Victorian Transport Action Group peak fare modelling

	Current	Year 1	Year 2	Year 3	Year 4
Peak trip charge	\$4.40	\$4.70	\$5.00	\$5.40	\$5.80
Other times	\$4.40	\$4.50	\$4.60	\$4.70	\$4.80

Source: Victorian Transport Action Group, *Submission 403*, p. 7.

²⁴⁹ Mr Jeroen Weimar, *Transcript of evidence*, p. 5.

²⁵⁰ Mr Liam Davies, *Transcript of evidence*, p. 20.

²⁵¹ Dr Jonathan Spear, *Transcript of evidence*, p. 15.

²⁵² Victorian Transport Action Group, *Submission 403*, p. 7.

However, Mr Weimar believed the majority of public transport users do not have any flexibility around the time they need to travel and that dynamic pricing would not change the behaviour of those who rely on the network to get to work or school.

He said:

Although I would love to think that public transport is something that people would enjoy using as much as I do, I think for most people it is a necessary thing in order for them to get from A to B, and what drives the timing of their trip and the nature of their trip is when they need to get to work, when they need to get to school or when they have to get to an appointment. So people's ability to make discretionary decisions about timing is not sometimes as great as we might think, and in that sense it is very different, say, to the airline industry. With the airline industry largely if you are travelling for leisure, you can choose the timing and people start to make more discretionary decisions: 'I'll leave on a Tuesday if I'm going on holiday; if I'm travelling for work, I'm just going to travel on a Monday morning at 6 o'clock, because that is when I need to get into Canberra'. Our view is that public transport demand generally is much more inelastic. It is less susceptible to pricing stimuli unless you really make those pricing stimuli pretty aggressive and you really start to talk about multiple loadings of journeys, and I would have some concerns.²⁵³

The Committee agrees that public transport demand is relatively inelastic. Further, it is concerned that dynamic pricing may disproportionately affect those who have little choice in travelling during peak times when fares would be highest.

In its submission to this Inquiry, the Public Transport Users Association (PTUA) also suggested that complex fare systems increase the mental cost of using public transport and reduce the likelihood of a modal shift towards public transport. There needs to be clear and widespread public communication around fare strategies intended to influence public behaviour.²⁵⁴

The Committee recognises that the Early Bird Train Travel scheme has had some success in shifting train use away from the morning peak period. However, it believes that further consideration is required to understand how dynamic pricing may be best applied to shift user behaviour ensuring it is equitable for all public transport users.

5.5 Other dynamic pricing approaches

Many of the advantages of dynamic pricing put forward to the Committee throughout this Inquiry can be achieved in other ways, including distance-based fares and establishing a comprehensive pricing scheme through transport network pricing.

²⁵³ Mr Jeroen Weimar, *Transcript of evidence*, p. 5.

²⁵⁴ Victorian Transport Action Group, *Submission 403*, p. 3.

5.5.1 Distance-based fares

The introduction of distance-based fares was put forward by some submitters who believed that paying \$4.50 for short inner-city trips unfair.²⁵⁵ A distance-based fare structure would see those users who make a shorter journey pay a nominal fee, while those who travel further pay more.

In opposition to this, the Committee heard evidence at a public hearing that shifting towards a distance-based fare system could be quite harmful to many Victorians. Mr Liam Davies, the Senior Transport Analyst for the Institute for Sensible Transport, explained the potential inequity. He said:

There is the ability to have dynamic pricing, but often with these dynamic pricing elements what happens is you also move to a distancebased pricing system, and I think that can be quite harmful, especially for lower income households that are living in the outer edges. They already have a long time commitment in transport they have to make, especially if they are working in the city centre, and to then make them pay more for that at the same time I think is inequitable.²⁵⁶

The Committee agrees that the imposition of distance-based pricing in metropolitan Melbourne would disproportionately affect people in outer-suburban areas who commute to the Central Business District (CBD) and may be on lower incomes. For these reasons it does not support distance-based pricing initiatives in Melbourne.

5.5.2 Transport Network Pricing

The Committee received evidence from Infrastructure Victoria arguing for implementing transport network pricing in Victoria. Transport network pricing refers to an integrated pricing system across the entire transport network, including roads, public transport and parking. The system would implement flexible direct user charges based on the distance of travel, time of day and mode of transport used for each journey.

There five key principles of transport network pricing are outlined in Box 5.1.

²⁵⁵ Ashwin Sharma, *Submission 68*, p. 2.; Suzanne Wood, *Submission 239*, p. 1.; Swathi Raghupathy, *Submission 264*, p. 1.

²⁵⁶ Mr Liam Davies, *Transcript of evidence*, p. 21.

BOX 5.1: Transport Network Pricing**Principle 1: All modes, routes and parking are priced**

Prices should be the central tool for allocating trips (including for parking) within the transport network. A trip that isn't priced is effectively underpriced, distorting the choice made by travellers to take that trip instead of a more efficient one. This principle also implements the beneficiary pays equity principle.^a

Principle 2: All costs are priced

Congestion, pollution and contribution to road trauma are all included in the price. This principle ensures that prices include the social marginal costs linked to externalities related to each mode and trip.

Principle 3: Provide choices but not too complex

There should be a range of products that provide choices to consumers. It should be possible to use the transport system without it being too hard to choose.

Principle 4: Different prices for different products in different markets

Prices should reflect demand and cost conditions, and permit different prices to be charged in different locations where possible. Prices can differ by mode, peak versus off-peak and by local demand and cost conditions.

Principle 5: Equity

This principle implements vertical equity (where different groups of people are treated differently) and also permits different prices to be charged in different locations where possible. Lower prices are set for groups of people identified as less able to pay and in places where demand from low income users is higher.

- a. This principle states that those who use (or benefit from) a service should pay the full cost of using that service. Conversely, those who do not benefit should not have to pay

Source: *Transport network pricing is the best solution*, Infrastructure Victoria, <<https://www.infrastructurevictoria.com.au/report/4-transport-network-pricing-is-the-best-solution>> accessed 22 July 2020.

At present, Victorians pay a combination of fixed network prices and direct user charges on roads and public transport. Fixed network prices include car registration fees, while direct user charges include road tolls and public transport fares. Infrastructure Victoria explained at a public hearing what transport network pricing may look like in Victoria. Dr Spear said:

Under the illustrative pricing scheme that we modelled, annual charges like car registration would be scrapped and replaced with a per-kilometre charge, and travel in Melbourne's CBD area during peak hours would be charged at an additional rate. Flat rates for public transport would also be replaced by fares based on time and distance and mode, and that would mean it would be cheaper to travel outside peak

times when there is spare capacity on the network and also cheaper to travel via bus or tram in comparison to trains. We also included concessions in our modelling that would make it cheaper to travel for those who are disadvantaged based on their circumstances or where they live.²⁵⁷

Table 5.3 shows the pricing scheme, including dynamic pricing for public transport, modelled by Infrastructure Victoria in its report ‘Good Move: Fixing Transport Congestion’.

Table 5.3 Infrastructure Victoria Transport Network Pricing scheme modelling

Charge	Car	Train	Tram	Bus
All day	\$0.155 per kilometre	-	-	-
Additional AM & PM peak cordon charge	\$1.00 per kilometre (within the cordon)	-	-	-
Peak	-	\$1.70 flagfall and \$0.09 per kilometre	\$0.90 flagfall and \$0.06 per kilometre	\$0.50 flagfall and \$0.06 per kilometre
Off-peak	-	\$1.50 flagfall and \$0.07 per kilometre	\$0.70 flagfall and \$0.04 per kilometre	\$0.30 flagfall and \$0.04 per kilometre

Source: Infrastructure Victoria, *Good Move: Fixing Transport Congestion*, <<https://www.infrastructurevictoria.com.au/2020/03/25/good-move-fixing-transport-congestion>> Melbourne, 2020, p. 41.

Infrastructure Victoria predicts that the implementation of transport network pricing, with concessions and subsidies to ensure equity, would improve congestion by 8%. Dr Spear said:

The solution we identified in our work is to set a price for all transport, including roads and public transport, with some very important concessions and subsidies to ensure equity. Under this illustrative approach we demonstrated up to 85% of people would pay less than they do today to travel. Really importantly, we could remove 168 000 car trips off the roads every day, which reduces the amount of time we spend in peak hour congestion by 8%.²⁵⁸

The evidence provided to the Committee indicates a transport network pricing policy has the potential to encourage a modal shift and change transport demands across different times of the day. The Committee believes it would be useful for the Victorian Government to explain its views on transport network pricing to the public.

²⁵⁷ Dr Jonathan Spear, Transcript of evidence, p. 10.

²⁵⁸ Ibid.

RECOMMENDATION 8: That the Victorian Government undertake an assessment of the merits of transport network pricing and publish its findings, including its impact on rural and regional Victorians.

RATIONALE : Transport network pricing was one of Infrastructure Victoria’s top three recommendations in its 30-year Infrastructure Strategy. The Government undertaking an assessment of this policy would help the public to determine whether transport network pricing can help Victoria meet its future transport needs.

5.6 Other jurisdictions

Many cities around the world employ pricing structures that vary by mode of transport and the time of day travel takes place. This section briefly covers the fare structures of the United Kingdom, New South Wales and Queensland to provide some context around how approaches to public transport pricing vary across jurisdictions.

5.6.1 United Kingdom

London, and the UK more broadly, use two separate fare structures, metropolitan fares (Zones 1 to 9) and the National Rail fares that extend beyond Zone 9. Users may opt for a pay-as-you-go scheme or purchase a weekly, monthly or annual travelcard, similar to ticketing options in Melbourne.

For metropolitan services, fares vary depending on which zone a user travels between, with lower fares applied if they do not enter Zone 1 and a flat fare applied for all travel exclusively within one zone.

Dynamic pricing is used to charge a higher fare for those who travel during the busiest times of the day. Using a pay-as-you-go fare, peak fares are between 6:30 am to 9:30 am and 4:00 pm to 7:00 pm Monday to Friday. In addition, some peak fares are applied strictly to the direction a service is travelling during busier periods.²⁵⁹

Using travelcards, peak periods change depending on the travelcard:

- Anytime Day Travelcards can be used for the whole day and journeys before 4:30 am the next day (these yield a higher cost).
- Off-peak Day Travelcards can be used for the whole day after 9:30 am Monday to Friday, anytime on weekends and public holidays, and for journeys before 4:30 am the next day.²⁶⁰

Further to dynamic pricing, discounted fares are applied where a user purchases a weekly, monthly or annual travelcard.

²⁵⁹ Transport for London, *Tube and rail fares*, <<https://tfl.gov.uk/fares/find-fares/tube-and-rail-fares>> accessed 22 July 2020.

²⁶⁰ Ibid.

Like Melbourne, the UK system applies a fare cap for pay-as-you-go daily and weekly travel. In Zones 1–9 and beyond, a user’s fare is capped allowing unlimited travel over a 24-hour or 7-day period after the maximum fare has been charged. However, unlike metropolitan Melbourne, the capped fare varies depending on where a user starts their journey.²⁶¹

5.6.2 New South Wales

In Sydney and its surrounding areas, fares are based on the total distance travelled, the mode of travel and how a user chooses to pay. The fare structure incorporates daily and weekly caps, dynamic pricing, and default fares for service misuse (for example, failing to touch off at the end of a journey).²⁶²

Using an Adult Opal Card, users can travel on metro, train, bus, ferry and light rail services as much as needed and not pay more than \$16.10 a day, \$50.00 a week or \$2.80 on Sunday.²⁶³ Metro and train fares in New South Wales are shown in Table 5.4.

Table 5.4 New South Wales metro and train fares

Distance	Adult Opal card fare	Adult Opal off peak fare	Adult Opal single trip fare
0–10 km	\$3.61	\$2.52	\$4.50
10–20 km	\$4.48	\$3.13	\$5.60
20–35 km	\$5.15	\$3.60	\$6.40
35–65 km	\$6.89	\$4.82	\$8.40
65+ km	\$8.86	\$6.20	\$10.80

Source: Compiled by the Legislative Council Economy and Infrastructure Committee.

New South Wales offers a 30% discount on fares for users who travel outside of peak hours, on weekends and public holidays.²⁶⁴ There are two different peak periods based on location as shown in Table 5.5.

Table 5.5 New South Wales peak periods

	Sydney metro and trains peak times	Intercity trains peak times
Monday to Friday	7am–9am 4pm–6.30pm	6am–8am 4pm–6.30pm

Source: Transport for NSW, *Adult fares*, <<https://transportnsw.info/tickets-opal/opal/fares-payments/adult-fares>> accessed 22 July 2020.

²⁶¹ Transport for London, *Pay as you go caps*, <<https://tfl.gov.uk/fares/find-fares/tube-and-rail-fares/pay-as-you-go-caps>> accessed 22 July 2020.

²⁶² Transport for NSW, *Fares and payments*, <<https://transportnsw.info/tickets-opal/opal/fares-payments>> accessed 22 July 2020.

²⁶³ Transport for NSW, *Opal benefits*, <<https://transportnsw.info/tickets-opal/opal/opal-benefits>> accessed 22 July 2020.

²⁶⁴ Ibid.

Further to off-peak incentives, fares for regional services vary depending on the season. Peak fares apply during busy travel periods, such as school holidays, public holidays and major events.

5.6.3 Queensland

Fares across Queensland are calculated based on the number of zones a user travels through during their journey. The greater the number of zones, the higher the fare. In addition to the number of zones, the fare may also vary depending on whether the user has a *go* card, a single paper ticket or is travelling outside of peak periods.²⁶⁵

Queensland's application of dynamic pricing encourages users to travel during off-peak periods where possible by reducing fares by 20%.²⁶⁶ Off-peak periods are:

- Travel between 8.30am and 3.30pm, after 7pm on weekdays
- All day on weekends and on public holidays.²⁶⁷

In addition to dynamic pricing, users who make eight trips in seven days, regardless of the number of zones they travel through, receive half-price fares for the remainder of journeys in that week.²⁶⁸

²⁶⁵ *Fares & Zones*, TransLink, <<https://translink.com.au/tickets-and-fares/fares-and-zones>> accessed 22 July 2020.

²⁶⁶ TransLink, *Discounts and ways to save*, <<https://translink.com.au/tickets-and-fares/fares-and-zones/discounts-and-ways-to-save>> accessed 22 July 2020.

²⁶⁷ TransLink, *Off-peak times*, <<https://translink.com.au/tickets-and-fares/fares-and-zones/off-peak-times>> accessed 22 July 2020.

²⁶⁸ TransLink, *Discounts and ways to save*, <<https://translink.com.au/tickets-and-fares/fares-and-zones/discounts-and-ways-to-save>> accessed 22 July 2020.

6 New technologies and intelligent transport systems

6.1 Introduction

This Chapter considers new technologies linked to intelligent transport systems that improve the performance of public transport networks. It reveals how data collected on passenger movements can aid improvements in the system, as well as discussing the need to protect passenger privacy, before looking at the sort of information passengers need to make informed choices. The Chapter concludes with a summary of evidence received by the Committee on two technology fields important to public transport: ticketing technology; and traffic light prioritisation.

6.2 Overview of current technology

Intelligent transport systems use data collected by communications and vehicle-sensing technologies installed on vehicles and the public transport network in order to improve the efficiency and safety of the network.²⁶⁹

Intelligent transport systems require data about vehicle movements and network conditions to function. One of the key issues presented to the Committee during this Inquiry was the lack of data available to transport planners, network operators and passengers to make informed decisions about the best use of Victoria's public transport network.

The Committee also received evidence about how intelligent transport systems can improve traffic light prioritisation to favour the tram network.

6.3 Data for transport planners and network operators

One of the key types of data intelligent transport systems require is the number of passengers and the time and length of the journeys they take. The most common method of gathering this data is passengers touching their Myki on and off. However, the Committee was told that on the tram network two issues prevent this data from being captured. They are:

- That passengers are not required to touch their Myki on or off in the Free Tram Zone (FTZ)

²⁶⁹ Commonwealth Parliament, House of Representatives Standing Committee on Transport and Regional Services, , *Moving on Intelligent Transport Systems*, 2002, p. 5.

- That passengers are not required to touch off their Myki when alighting from all trams.²⁷⁰

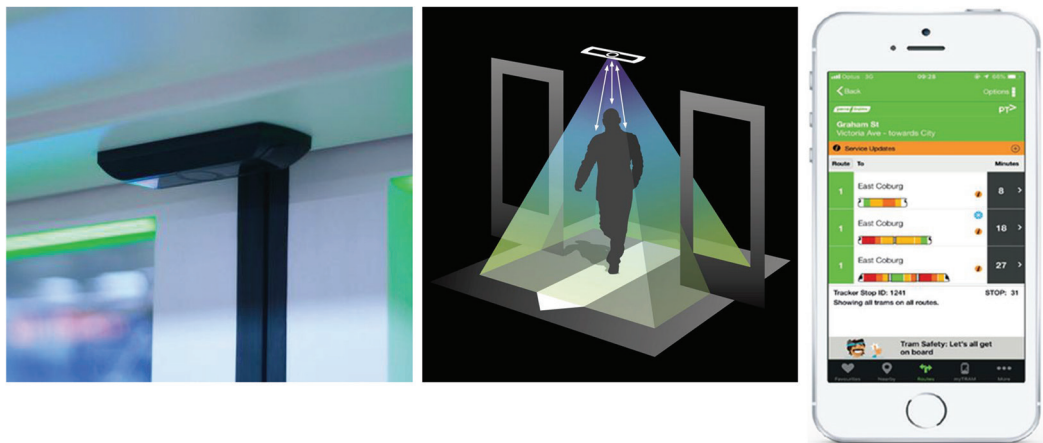
These policies intend to ensure that passengers can board and alight quickly so that trams do not dwell at stops for too long, particularly on busy routes with high passenger turnover. While service speed is important, the result is that data on patronage and network use cannot be measured through the collection of Myki data alone.

One solution to this is to install sensors on trams to count passengers. Yarra Trams' submission provided an example of the kind of system that could be implemented via passenger counting:

Modern counting techniques could be installed to estimate crowding on trams and at stops, provide operational alerts when overcrowding is occurring to allow crowd management to be initiated in real time, thus improving service and safety of the network. They could also be used to generate rich origin-destination data insights that would allow DOT and Keolis Downer undertake our respective roles in important measures to improve the transport network, such as better allocation of road space, new tram service plans, and more dynamic operation of overcrowded tram stops.²⁷¹

At a public hearing, Yarra Trams provided the Committee with an image of what a passenger sensor for a counting system might look like.

Figure 6.1 An example of passenger scanning technology on trams



Source: Yarra Trams, *Presentation at public hearing*, 9 July 2020.

Yarra Trams' submission also said that contactless ticketing could improve data capture through a ticketing system. This would allow the network operator to collect patronage and journey information without the need for passengers to touch their Mykis on and off. The submission states that:

... although Keolis Downer doesn't operate Melbourne's ticketing system, our Keolis international networks are making increasing use of off-vehicle ticketing and

²⁷⁰ Yarra Trams, *Submission 387*, p. 15.; Ian Hopkins, *Transcript of Evidence*, p. 12.

²⁷¹ Yarra Trams, *Submission 387*, p. 15.

‘contactless’ ticketing. The former can improve safety and reduce boarding times, and the latter removes the barrier of needing to get a city-specific ticketing medium, allowing use of credit or debit cards to travel.²⁷²

The Committee encourages the Department of Transport to investigate contactless ticketing technology that collects essential data without delaying services.

The Australian Integrated Multimodal EcoSystem (AIMES) is an intelligent transport system platform that is being developed and tested by the University of Melbourne. AIMES does not collect data via ticketing information, but through sensors installed in the streetscape that monitor patronage at stops. It also monitors other transport network information such as pedestrian, bicycle and vehicle movements.²⁷³ Professor Peter Sweatman from the University discussed the potential applications for AIMES on the tram network:

Already in AIMES we have done a couple of projects using the Melbourne tram system to understand how we can measure how many passengers are waiting at a stop, how many passengers could be allowed onto this tram that is arriving and, most importantly, giving passengers real-time reliable information about whether they should get on this tram or not. That is something that is really developing very quickly, and we are very excited about that.²⁷⁴

6.3.1 The need for data in light of the COVID-19 pandemic

Professor Sweatman added that such technology could be very useful to monitor post-COVID public transport use:

I would say that with the current juncture, with the COVID disruption, COVID has disrupted transport as much as any other field, we believe. That is something we are studying at the moment, and AIMES gives us an opportunity to observe, to put a microscope on, what is going on. But one thing that is happening not only here but all around Australia and around the world is great concern about the future of public transport and the crowding issues for future waves of a pandemic and so on. So how will that be dealt with?²⁷⁵

The Committee also received information from Mr Liam Davies from the Institute for Sensible Transport regarding patronage limits that transport planners and network operators must consider in light of the COVID-19 pandemic:

As I am sure everyone is painfully aware at the moment, the COVID-19 pandemic has radically changed the way we live and the way we move around our cities...For public transport this poses a very interesting challenge—that usually when we operate mass transit we try to fit the most amount of people into a vehicle at any one time

²⁷² Ibid.

²⁷³ University of Melbourne, *Submission 353*, p. 6.

²⁷⁴ Professor Peter Sweatman, International Enterprise Professor in Transport Technologies, Australian Integrated Multimodal EcoSystem, University of Melbourne, public hearing, via videoconference, 9 June 2020, *Transcript of Evidence*, p. 14.

²⁷⁵ Professor Peter Sweatman, *Transcript of Evidence*, p. 14.

to maximise efficiency, and during peak hour that means that there can often be two people per square metre on a public transport vehicle. That is what is considered in Victoria generally a safe loading capacity. Unfortunately with chief medical officer advice we now need to move to 4 square metres per person. That means we need to reduce our peak hour public transport occupancy to about one-eighth of what it was.²⁷⁶

Mr Davies told the Committee the Institute for Sensible Transport has worked with a transport consultancy firm to determine the number of passengers Melbourne's public transport fleet can carry. They used publicly available data from VISTA and the ABS to estimate the number of public transport trips. They found that even if those who could work from home did not travel, those who could cycle or walk did and those who could avoid peak hour travel changed their journey time, the network would still carry too many passengers to fit in with the Chief Health Officer's then recommendation of one person per four square meters.²⁷⁷

The COVID-19 pandemic has highlighted the need for reliable information about the patronage on Victoria's public transport network. This information is necessary not just to improve the network's efficiency, but to keep people safe.

In response to the COVID-19 pandemic, the Victorian Government has begun a trial that will give passengers information about how crowded their train, bus, or train station is. The information will allow passengers to make decisions about the safety of services and help them to comply with social distancing regulations. The trial will use passenger counting sensors and predictive modelling technology to determine the number of passengers on services or at the train station.²⁷⁸ In a press release, the Minister for Public Transport said that the trial could be expanded to meet the needs of Victorians returning to work:

A small group of public transport users, including essential workers, will participate in the trial across Melbourne's trains and several bus routes to test predictive modelling technology and passenger counting sensors which will give passengers real-time information about how many people are currently on board or at their train station.

The trial has been developed in partnership with private technology providers and - depending on the success of the early trial, will be progressively expanded over the coming months with an evaluation in the new year.²⁷⁹

The Committee notes that this trial is not yet available on trams. It recommends the Department of Transport continue to work on methods to improve the collection of data on the public transport network including sensors on trams and streets as well as contactless ticketing.

²⁷⁶ Office of the Victorian Information Commissioner, *Submission 376*, p. 1.

²⁷⁷ Mr Liam Davies, *Transcript of evidence*, p. 18.

²⁷⁸ The Hon. Ben Carroll MP, Minister for Public Transport, *Getting Victorians Ready To Travel Again*, 6 October 2020, Media Release.

²⁷⁹ *Ibid.*

RECOMMENDATION 9: That the Department of Transport continue to investigate technology that improves the collection of patronage and journey data on Victoria’s public transport network, particularly on the tram network.

RATIONALE : The Free Tram Zone has created a gap in tram user data as there is no requirement for users to touch on or off. Further, there is no requirement for passengers travelling beyond the Free Tram Zone to touch off their Myki. These are significant barriers to measuring patronage data.

6.3.2 The adequate protection of passenger data

Passenger data is vital in building an efficient and reliable public transport network. However, the data must be collected, used and disclosed in an appropriate manner.

The Committee received a submission addressing this issue from the Office of the Victorian Information Commissioner (OVIC), the primary regulator of information privacy, information security and freedom of information in Victoria. The submission provided an overview of the kind of personal data that can be collected by intelligent transport systems:

Intelligent transport systems are able to collect and use large amounts of high-quality data to generate considerable public value. This could potentially include data that may constitute personal information, such as the travel histories of individuals, concession eligibilities, WIFI usage or biometric data.²⁸⁰

The Commissioner noted that Victorian Government is required to collect data in line with the *Privacy and Data Protection Act 2014 (Vic)*. The Act sets out Information Privacy Principles. One of those principles is that agencies should not collect information unless it is required for one of its functions or activities. OVIC interprets this to mean that personal information should not be collected just because it is possible for an intelligent transport system to do so. There must be a clearly defined and justified purpose for the collection. In addition, personal information should not be collected for use in an intelligent transport system if non-personal information would serve the same purpose.²⁸¹

The submission noted that data collected by transport agencies about journeys usually reveals unique characteristics, which can allow seemingly anonymous data to identify with individuals. At a public hearing the Information Commissioner, Mr Sven Bluemmel, gave an example where seemingly de-identified journey data was linked to individuals:

Not long ago—last year—my office published the results of an investigation into the use of Myki data by a datathon, which was intended to be deidentified data. This was done with very, very good intentions to allow Myki touch-on, touch-off data being

²⁸⁰ Office of the Victorian Information Commissioner, *Submission 376*, p. 1.

²⁸¹ *Ibid.*, p. 2.

made available to some very broad research communities with the best of intentions to try and reach better insights into transport planning and the like, again something that conceptually my office supports very much. However, while that data was thought to be deidentified and was attempted to be deidentified, my office found, through investigation, that it was actually possible for substantial amounts of that data to be reidentified.

Now, for many of us we might think, ‘Well, what’s the big deal if people know what tram I take and at what time?’. But I would say a couple of things in response to that. One is for people in certain scenarios that can be deeply concerning. Imagine a person, for example, fleeing domestic violence or some other form of abuse. Imagine also people who have legitimately assumed identities—undercover operatives for state and federal authorities, for example. If their identities were able to be compromised through the analysis of traffic and transport patterns, you can imagine that the outcomes from that could be potentially catastrophic for them, their families and indeed others.²⁸²

Not only should the information collected by agencies be done with security in mind, but the way the information is collected should adhere to the privacy principles outlined in the *Privacy and Data Protection Act 2014 (Vic)*.

The OVIC submission states that passengers should have the opportunity of ‘opting out’ of their information being collected, without restricting their access to public transport. In addition, the way the data is used should meet community expectations. It writes: ‘For example, the community may expect public transport user data to be used and disclosed for fines management and optimising scheduling but would almost certainly not expect the same data to be used and disclosed for targeted advertising purposes.’²⁸³

The evidence provided to the Committee about intelligent transport systems explains how data collection is crucial for these systems to function. The Committee encourages the Department of Transport and network operators to continue to work with OVIC to ensure that the data collected to feed into emerging intelligent transport systems is collected and used in a way that is in line with community expectations and protects the rights of individuals.

RECOMMENDATION 10: That the Victorian Government continue to work with the Office of the Victorian Information Commissioner to ensure its policy for the collection, use and disclosure of patronage and journey data on Victoria’s transport network is in line with the Information Privacy Principles in the *Privacy and Data Collection Act 2014*.

RATIONALE : The collection of patronage and journey data should improve Victoria’s public transport network without breaching privacy.

²⁸² Mr Sven Bluemmel, Victorian Information Commissioner, Office of the Victorian Information Commissioner, public hearing, via videoconference, 9 July 2020, *Transcript of Evidence*, p. 18.

²⁸³ Office of the Victorian Information Commissioner, *Submission 376*, p. 2.

6.3.3 Improving network control centres

Data delivered to Melbourne's public transport network operators is coordinated through a control system that monitors the location of vehicles on the network, the network conditions and any faults that may arise. Yarra Trams told the Committee that the current system used to monitor the tram network relies on a very old computer system that lacks basic functionality:

Network operation relies on a 1980s computer system to monitor vehicle location and status. The system is so constrained that it can collect data, or allow our operations centre to talk to drivers, but not simultaneously—clearly not a capability that meets modern needs.²⁸⁴

This lack of functionality reported by Yarra Trams is concerning. Seemingly essential tasks like talking to drivers while continuing to collect data about the network cannot be performed. The Committee is concerned that this old operating system not only hampers network performance but could put the safety of passengers at risk.

Aside from these functionality issues with the current operation control centre, Yarra Trams told the Committee that the addition of vehicle location technology that monitors the location of each tram in real time would improve the management of the system.²⁸⁵ This could be improved by incorporating intelligent transport system components such as communicating with and integrating data from other modes of transport:

Vehicle location technology: a modern vehicle location system is the key enabler of more accurate real time information, more effective disruption management and a better passenger experience during disruptions, and smarter 'internet of things' digitalisation of tram movements around the city by having tram vehicles digitally communicate with other transport network assets. It can potentially enable the network to shift from a timetable based. service to a 'turn up and go' or headway-based service where it's the even flow of trams that is measured, providing more even, regular services for passengers.²⁸⁶

The Rail Futures Institute also addressed the operational management of Victoria's public transport network. It told the Committee that each mode of public transport operates their own operational control centre:

Melbourne's existing public transport operators currently each operate their own operational control centres. To obtain the most effective overall operational management of the whole network Rail Futures advocates strongly for an overarching Public Transport Control Centre incorporating the existing individual control centres. Then on a daily basis and especially at times of service disruption the overall network can be better managed in making best use of alternative resources and with modern

²⁸⁴ Yarra Trams, *Submission 387*, p. 15.

²⁸⁵ According to the Department of Transport, the existing tram detection technology involves 'inductive detectors (electromagnetic sensors in the ground) and tram transponders/transceivers installed on the tram carriages', Department of Transport, correspondence, p. 7.

²⁸⁶ Yarra Trams, *Submission 387*, p. 15.

technology communicating real time information and alternative travel arrangements to both staff and passengers.²⁸⁷

The Department of Transport confirmed to the Committee that operators' control centres work independently with the Department, coordinating communication and information during disruptions through its Incident Control Centre. The Committee agrees with the Rail Futures Network that there is scope for further integration between network providers to manage service disruption and overall coordination. It understands that the Department works with operators across the network on ways to improve how operators report disruptions to the Incident Control Centre.²⁸⁸

RECOMMENDATION 11: That the Department of Transport and public transport operators continue to improve the system by which operators report disruptions to the Incident Control Centre, including improved vehicle location technology.

RATIONALE : Department of Transport contracts with public transport operators require operators to report disruptions to the Incident Control Centre. This information needs to be provided as quickly and efficiently as possible for network situational updates to be effective.

6.4 Information for passengers

Passengers on Melbourne's public transport network require reliable real time information about services so they can make decisions about the best mode of transport to reach their destination. This also aids an efficient spread of patronage across all modes of transport, including active transport, public transport and private motor vehicles.

The key to ensuring this information reaches passengers is providing it in a simple and easily accessible manner, including through apps and at public transport stops.

6.4.1 Real time information for passengers

The Victorian Transport Action Group's submission argued that the delivery of information to passengers about services has improved but could be enhanced by making more information available via apps and other mobile services:

PTV has done well in recent years with the development of tram tracker, "rainbow boards", real time texts and information on delays and introducing improved passenger information displays. The roll out of these is somewhat inconsistent as some lines still miss out. Less successful, have been the upgrade of the PTV website and the absence of a bus tracker app for phones. The integration of timetables with Google maps and the

²⁸⁷ Rail Futures Institute. *Submission 318*, p. 3.

²⁸⁸ Department of Transport, correspondence, 3 September 2020, p. 1.

release of real time data to enable third party phone apps to be developed is also much delayed in Melbourne compared to other cities.²⁸⁹

The Public Transport Users Association's (PTUA) submission envisioned an app that would integrate with Mobile Myki, store user's travel preferences and provide information about network conditions, service disruptions and facilities at stations:

Further development of the Mobile myki app could also make it more useful to users by providing additional information such as station facilities including bike parking or disability access, journey planning, tourist information or push notification of service disruptions (potentially tailored to users' preferences or recent travel).²⁹⁰

Infrastructure Victoria added that an emerging technology arising from the provision of information to apps is the ability of passengers to assess multiple modes of transport and book and pay for a service on the same platform:

'Mobility as a service' is also an exciting emerging way for people to travel, and it includes things like user friendly booking platforms, the use of apps and new technologies and enabling easy credit card payments. The end result of that is that people can easily book, plan and pay for their travel from A to B, including catching a taxi, hiring a bike, catching a tram or a combination of all three. It makes navigation of the system for tourists and residents much easier. And we need to start to enable new technology solutions like this and the planning for it now.²⁹¹

The Committee notes that PTV has a mobile app that advertises real time information for metropolitan trains, trams and buses. In October 2020, the Victorian Government upgraded the PTV app to include real time service information including notification of disruptions. The app also now allows users to manage their Myki through the app and top-up their Myki money online.²⁹²

6.4.2 Information at tram stops

While it is important to provide public transport service information on mobile devices, it is also necessary to provide information at public transport stops. Again, the Committee heard how important it is to deliver real time information to people at stops.

Yarra Trams told the Committee that it is considering how to improve passenger information at stops with a 'smart pole'. This is a tool that will provide information to passengers but also feed information back to the network coordinators on network conditions:

Another thread is how you can roll out digital technology whilst making use of really scarce real estate, because space on our stops is really at a premium. This smart pole

²⁸⁹ Victorian Transport Action Group, *Submission 403*, p. 6.

²⁹⁰ Public Transport Users Association, *Submission 388*, p. 15.

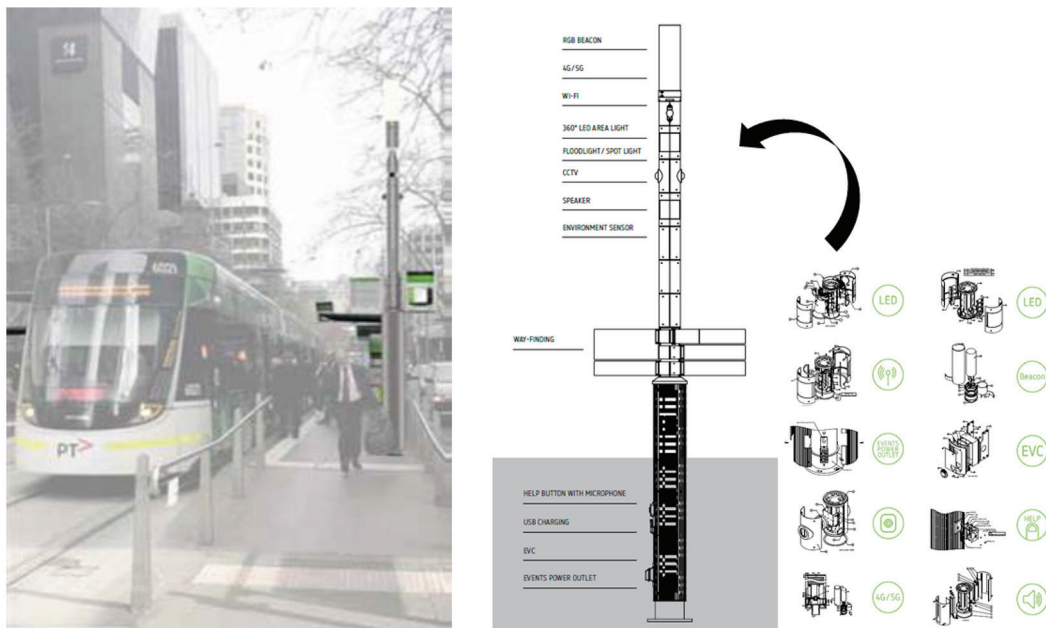
²⁹¹ Dr Jonathan Spear, *Transcript of Evidence*, p. 12.

²⁹² The Hon. Ben Carroll MP, Minister for Public Transport, *Getting Victorians Ready To Travel Again*, 6 October 2020, Media Release.

kind of concept can be the digital real estate; it can be the groundwork for laying out a pathway to introduce things like Internet of Things, capabilities on the tram network, and provide a whole range of urban digital services—environmental monitoring, emergency monitoring, hazard detection, customer service responsiveness, direct customer services like wi-fi.²⁹³

Yarra Trams has worked with AIMEs regarding some features of the ‘smart pole’ and provided the Committee with an image of what this may look like.

Figure 6.2 A smart pole at a tram stop



Source: Yarra Trams, *Presentation at public hearing*, 9 July 2020.

6.5 Ticketing technology

The Committee heard that the way passengers use Myki can be updated to improve the efficiency and functionality of the ticketing system.

The Department of Transport told the Committee about the recent introduction of Mobile Myki, which allows passengers to dispense with a Myki card and touch on and off with their phones. Mobile Myki users can top up their Myki in near real time with both Myki Money and a Myki Pass, and view their balance at any time.²⁹⁴ The Department said that as at the end of May 2020, over 311,700 Mobile Mykis had been purchased.²⁹⁵

²⁹³ Mr Ian Hopkins, *Transcript of Evidence*, p. 11.

²⁹⁴ Department of Transport, correspondence, p. 7.

²⁹⁵ *Ibid.*

Mobile Myki is only available to users with phones that run an Android operating system. The Department is exploring options to extend the service to other platforms.²⁹⁶

Other jurisdictions, including Sydney and London, enable passengers to use a debit card to touch on.²⁹⁷ These cities use a different operator than Melbourne to run their ticketing network,²⁹⁸ however, this is important functionality that, along with Mobile Myki, can assist visitors to Melbourne to use public transport without buying a Myki. The PTUA addressed this issue in its submission, saying:

Mobile myki enables visitors to Victoria, along with Victorian residents who are not regular public transport users, to travel by public transport without the need to buy a Myki card. This will ensure that tourists can travel within the inner city or beyond by public transport without first having to find a myki outlet. This also eliminates one of the main barriers to tourists using and paying for public transport when making a short visit to Melbourne.²⁹⁹

Touching on and off at tram stops

Finally, the Committee heard that additional Myki validation points could be installed at tram stops to negate the need for all passengers to validate their Myki while on the tram. The PTUA said:

A number of jurisdictions are implementing off-board payment and/or validation systems for bus and light rail networks (NACTO 2017). While we do not believe platform stops should be considered paid zones, off-board validation could enable fare-paying passengers to validate without having to struggle through crowded trams to reach on-board validators.³⁰⁰

Mr Weimar told the Committee this is “...an option we are looking at”.³⁰¹ The Committee agrees that the addition of Myki validation points at tram stops would improve the ticketing system on the tram network.

6.6 Traffic light prioritisation

The Committee heard further prioritisation of trams at traffic lights would improve the speed and reliability of Melbourne’s tram network without significant infrastructure costs.³⁰² Yarra Trams said that when traffic light priority is consistently provided, it

²⁹⁶ Ibid.

²⁹⁷ Public Transport Users Association, *Submission 388*, p. 15.

²⁹⁸ Adam Carey, ‘Losing bidder for \$700 million myki contract claims tender process was tainted’, *The Age*, 5 July 2016, <<https://www.theage.com.au/national/victoria/losing-bidder-for-700-million-myki-contract-claims-tender-process-was-tainted-20160705-gpz4oc.html>> accessed 2 September 2020.

²⁹⁹ Public Transport Users Association, *Submission 388*, p. 15.

³⁰⁰ Ibid, p. 16.

³⁰¹ Mr Jeroen Weimar, *Transcript of Evidence*, p. 7.

³⁰² Yarra Trams, *Submission 387*, p. 15.

'saves passengers' time, makes the network more attractive, and can allow more efficient use of vehicle assets to provide better services'.³⁰³

The Department of Transport told the Committee that the existing system for detecting trams involves sensors installed in the ground and on trams. Traffic lights with tram detection capabilities then apply a level of priority at traffic lights. However, it said 'there are opportunities to further improve both hardware and software at intersections to further prioritise tram movements'.³⁰⁴

The VicRoads website outlines the priority measures currently in place for trams at traffic light intersections:

As most tram routes share the traffic lanes with general vehicles, Melbourne's trams are fitted with transponders which are picked up by special detectors placed in the lead up to, and at, signalised intersections.

- When a tram is approaching, the start of the green light will appear earlier or extend the green light longer, to maximise the chances of the tram getting through without stopping.
- On many roads, trams can activate a right turn phase to clear right turning vehicles from the path of the tram. This minimises one of the greatest causes of tram delay.
- Where trams are detected at the stop-line, special tram only phases can be run to let the tram through the intersection earlier. These sometimes have a white T-light for the tram.³⁰⁵

The Committee learnt that 717 traffic signal locations in Melbourne have signal priority for trams.³⁰⁶

Correspondence from the Department of Transport described a trial of a traffic light priority system called TRANSnet for trams and buses that does not require physical sensors at intersections. The system is currently being trialled on tram Route 75:

TRANSnet is a new technology that is currently being trialled to provide traffic signal priority to public transport utilising the SCATS traffic signal control system and GPS public transport tracking information, without requiring assets to be physically installed in the roadway. TRANSnet is currently active on bus route 201 (Box Hill to Burwood). TRANSnet is also being trialled for its effectiveness on tram route 75 (Docklands to Vermont South). The system has also been used during major train line disruptions for more efficient operation of bus replacement services.³⁰⁷

The Department said that preliminary results from the trial indicate the ability to provide traffic light priority in a far more flexible manner than through 'physical detection-based systems alone.' The trial has a further two years to run.

³⁰³ Ibid.

³⁰⁴ Department of Transport, correspondence, p. 7.

³⁰⁵ VicRoads, *Sustainable Transport Priority*, <<https://www.vicroads.vic.gov.au/traffic-and-road-use/traffic-management/traffic-signals/sustainable-transport-priority>> accessed 11 September 2020.

³⁰⁶ Department of Transport, correspondence, p. 1.

³⁰⁷ Department of Transport, correspondence, p. 7.

Yarra Trams provided information about another traffic light prioritisation trial. The trial involves the installation of sensors onboard trams rather than installed on a street location:

... new technologies that Keolis Downer has recently worked with ARRB and DOT to trial offer opportunities to make tram priority more reliable, easier to implement, more transparently operated, more adaptable to changing traffic conditions, and less reliant on hard-to-access infrastructure assets.³⁰⁸

The City of Melbourne favours shorter cycle times at traffic lights. At a public hearing, Mr Richard Smithers said this would improve the movement of trams in the Central Business District (CBD):

In many jurisdictions around the world those signal cycle times are being reduced, so that wait time is reduced, and the signals cycle through more quickly, so you get more goes at the green, as it were. That is very good for trams because in the central city it is difficult for trams to run a timetable that is so precise that it can meet green lights—so providing more green opportunities, more windows, if you like, for the trams to move through.³⁰⁹

The Committee supports the prioritisation of trams at traffic lights. This offers the opportunity to improve public transport speeds and service reliability without significant infrastructure costs such as lane separation. While traffic light prioritisation for public transport affects motorists, the Committee believes that prioritisation must be given to modes of transport that move more people faster. This is particularly important in the CBD during peak hour.

6.7 The Committee's view on new technologies and intelligent transport systems

New technologies and improvements to the way public transport systems operate in Victoria emerge very quickly. During this Inquiry, the Committee was presented with just a few examples of the ways new technology can be applied to public transport. It is clear there will continue to be innovation in this area which will improve the way Victorians use public transport.

Melbourne and Victoria are well placed to take advantage of these advances with world class research facilities and programmes such as AIMES that are leaders in their field. The Department of Transport is also working to keep up with technological developments and has bought forward changes to the PTV app to help consumers make COVID-safe choices about their journeys and find real time information about services.

³⁰⁸ Yarra Trams, *Submission 387*, p. 15.

³⁰⁹ City of Melbourne, *Submission 398*, p. 2.

The Committee encourages the Department to continue to adopt new technologies, particularly in the application of data collection, to ensure that Victoria's public transport network runs efficiently.

This report was adopted by the Legislative Council Economy and Infrastructure Committee

Thursday 22 October 2020.

Appendix 1

About the inquiry

A1.1 Submissions

1	Luc Nguyen
2	Lynne Wenig
3	Richard Gould
4	Andrew Lampert
5	Elizabeth Tembo
6	Mahnoor Gillani
7	Viral Mehta
8	Jessica Anthonipillai
9	Faith Newman
10	Matthew Tomlinson
11	Jeffy Thomas
12	Nieve Powell
13	Shirley Hu
14	Euodia Mosoro
15	Nula Dailer
16	Ziyue Wang
17	Farah Qazi
18	Sonia Bryfman
19	Richard Coathup
20	Georgia Christopoulos
21	Adam Ford
22	Michael Wang
23	Francesca Hunter
24	Lynne Roche
25	Shabz Taban
26	Yang Yang
27	Eric Wong
28	Ily Property Services
29	Vivian Wu
30	Oscar Tudge
31	Michael Smolders
32	Bus Association Victoria
33	Michael Lewin
34	Haans Lewin
35	Ronald Margieson
36	John Haasz
37	Rudy Lopes
38	Hazem Alkazemi
39	Mengxu Fan
40	Craig Rowley
41	Winona Freihaut
42	Bonita Rui
43	Bronte Ford-Snell
44	Harriett Steenholdt
45	Su-Sze Kam
46	Jeslin Shaji
47	Nikitha Oommen
48	Lawrence Chong
49	Li Qin Khoo
50	Chia Yiong Wong
51	Alexandra Almond
52	Peter Parker
53	Monica Subiantoro
54	Dadang Utomo
55	Karen Natalia Nino Fierro
56	Jonathon Le Mesurier
57	Callum Simpson
58	Andrew Turner
59	Brenton Golding
60	Clare Gu

61	Renhau Luo	97	Louise Renfrey
62	Su Chow	98	Olya Wenhrynowycz
63	Tina Hoang	99	Rachel Krutulis
64	Jeremy Mills	100	Jennifer Kendall
65	Shaneshi Jayaratne	101	Jennifer De Gabriele
66	Ka Yi Cheung	102	Lorna Power
67	Frank Delorenzo	103	Zeena Lobo
68	Ashwin Sharma Umakantha Sarma	104	Cat Knights
69	Mark McKellar-Harding	105	Holly Jones
70	Ivanhoe Girls Grammar Youth Parliament Team	106	Yit Tao Loo
71	Judith Willis	107	Michael Virgato
72	Raphael Villaluz	108	Wayne Harland
73	Zachary Bain-Williams	109	Paromita Nandy
74	Carolina Abdala	110	Benita Ho
75	Piran Tarapore	111	Jack Porter
76	Adam Doherty	112	Bradley Manson
77	Naomi Ager	113	Emily Badge
78	Deb Cady	114	Sam Shokravi
79	Stuart James	115	Nicholas Magriplis
80	Michael Bell	116	Jan Thomas
81	Sandra Barker	117	John Mansfield
82	Brian Zheng	118	Dominika Konstancja Densley
83	Steve Pollard	119	Khoa Tan Nguyen
84	Jimmy Rae	120	Alexander Filkov
85	Celia Pan	121	Penny Chan
86	Melissa Donovan	122	Juliet Flesch
87	Paul Westacott	123	Lidia Lee Merzel
88	Catholic Regional College St Albans - Student leadership team	124	Donna Cameron
89	Yavuz Batmaz	125	Christopher van der Weyden
90	Michael Harris	126	Shaira Baptista
91	Hou Mun Mooy	127	Zhuowei Zhao
92	Wayne Pelling	128	Dillon Ang
93	Riley McPherson	129	Confidential
94	Marcus Wigan	130	Sandy Bird
95	Bella Cameron	131	Beverley-Ann Biggs
96	Christopher Hill	132	Leonardo Nogueira de Moraes
		133	Yenn Wei

134	Mark Learmonth
135	Eric You
136	Tamar Primoratz
137	Margaret Byron
138	Maggie Dockeary Doyle
139	Jennifer Austin
140	Callum Costello
141	UniLodge
142	Sally Robinson-Wittwer
143	Rosemary O'Brien
144	Meredith Potter
145	Januka Attanayake
146	Jennifer Decolongon
147	Rohan Byrne
148	Ehtesham Syed Imtiaz Ali
149	Andrew Harris
150	Eric Gardiner
151	Angelina La Scala
152	Charlotte Alldis
153	Stanislaus Fabian
154	Michelle Green
155	Ujashkumar Patel
156	Dr Pradeep Taneja
157	Mohammed Tabbaa
158	Budi Santoso
159	Caroline Bathje
160	Lucrezia Marino
161	Dr Rebecca Yee
162	Hao Chen
163	Patricia Young
164	Christian Reichardt
165	Mary-Beth Harrop
166	Dr Nima Etemadi
167	Richard Burt
168	Kristoff Lajoie
169	Rita Jin
170	Dr Lincon Stamp
171	Brian Fleming
172	Anu Fox
173	Alex Kerin
174	Jackson Harnwell
175	Megan Kent
176	Angela Thompson
177	Frances Miller-Pezo
178	Ruby O'Loughlin
179	Lachlan Carter
180	Dr Amanda Franklin
181	Rachel Sheldon
182	Marika Benetti-Hille
183	Charmaine Rodrigues
184	Allannah Rodrigues
185	Vlado Kekoc
186	James Mitchelhill
187	David Santos
188	Gloria Bedson
189	Philip Arandjelovic
190	Sarah Kenny
191	Neil Bain-Lowry
192	Liya Yi
193	Jiamin Zheng
194	Karen O'Duil
195	Peter Payne
196	Lingli Li
197	Megan Chapman
198	Vanessa Kowalski
199	Danielle Hakim
200	Pavithra Naidu
201	Gary Fintelman
202	Evan Peng
203	Dr Angela Devine
204	Julio Uribe
205	Cameron Raw
206	Mallika Abbott
207	Patrick Stoddart

208	Suelette Dreyfus	245	Rinske Ginsberg
209	Thorlene Egerton	246	Hamish McIntosh
210	Egberth George	247	Annabelle Murphy
211	David Balding	248	Zheng Wu
212	Farizza Amalia	249	Jin Wang
213	Robin Batterham	250	Peter Polydoros
214	Kuan Sheng Chen	251	Chieng Jin Lo
215	Vanessa Pereira	252	Kathy Barber
216	Kevin Walsh	253	Ashley Cross
217	Melanie Bahlo	254	Vanessa Ferdinand
218	Easton Dang	255	Jo Briscoe
219	Shayesta Kibriya	256	Nikita Christopher
220	Dr Nicole Van Bergen	257	Astari Kusumawardani
221	Deirdre Brennan	258	Mia Lickliter
222	Lucy Anderson	259	Jennifer Williams
223	Reziah Taylor	260	Zhuofei Chen
224	Anthony Young	261	Charles Kolyvas
225	Margaret Potts	262	Charlotte Midson
226	Anthony Cardamone	263	Lauren Massy
227	Tai Smith-Moir	264	Swathi Raghupathy
228	Ryan Kishnan	265	Rosella Lo Conte
229	Victoria Watts	266	Evelyn Masterton
230	Thu Nguyen	267	Sam Gyura
231	Samuel Hatfield	268	Michael Blair
232	Yvonne Steimle	269	Ellen Menkhorst
233	Helena Bender	270	Amy Bugeja
234	Charmaine Peters	271	Catherine Devereux
235	Yifeng Wang	272	Kayne Sheenan
236	Nicole Hart	273	Cathy Vaughn
237	Anne Nuguid	274	Michael Franklin
238	Amtsh Waraich	275	Lauren Carpenter
239	Suzanne Wood	276	Emeritus Neville Yeomans
240	Jacinta Hansen	277	Peter Saunders
241	Jie Ying	278	Robert Walton
242	Alison Compton	279	David Milevski
243	Leannza Chia	280	Karandeep Ahlawat
244	Cameron McKnight	281	Sara Hassanein

282	Carmen Gatt	318	Rail Futures Institute Inc
283	Lorraine Graham	319	Caleb Tong
284	Jeanette Tamplin	320	Desmond Chan
285	Samantha Streeter	321	Nila James
286	Nina Hakamies	322	Nicholson Nurputra
287	Rohan Harrison	323	Greta Lukavic
288	Jo Staines	324	Council of Australian Postgraduate Associations
289	Ian Smith	325	Vansitha Agrawalla
290	Ruchira Abeyratna	326	Belinda Price
291	Kayla Robertson	327	John Glazebrook
292	University of Melbourne Student Union	328	Doorgesha Jheengun
293	Hari Singh	329	Grace Macpherson
294	Moonee Valley City Council	330	Izma Haider
295	Vincent Ng	331	Suresh Wakhlu
296	APSAA (Asia-Pacific Student Accommodation Association)	332	Helena Leone
297	Adrian Meyer	333	Sylvia Lo Piccolo
298	Matt Absalom	334	Smriti Ghimire
299	Andrew O'Keefe	335	Luis Pflaumer
300	Jem Rankin	336	Carmen Parker
301	Kui Meng Ng	337	Jonathon Duan
302	Douglas Bell	338	Brian May
303	David Duncan	339	Ben Lever
304	Smriti Chaudhary	340	Stephen Duckett
305	Cindy Durham	341	Raphael Canty
306	Lorraine Bull	342	Dove Rengger-Thorpe
307	Jiesheng Niew	343	Liz Andreevska
308	Infrastructure Victoria	344	Edwina Buckley
309	Eleni Krikeli	345	Eastern Transport Coalition
310	Brent Quill	346	Alexander Rogers
311	Eleyna Pisani	347	Helena Woodward
312	Renata Ware	348	Helen Allison
313	Name Withheld	349	Tak Shum
314	Lennart Balkenhol	350	Sanket Dandekar
315	Peter MacCallum Cancer Centre	351	Ms Debbie Kraushofer
316	Jean Rodrigues	352	Georgina Binns
317	Romas Vladimirovas	353	Laruen Smith
		354	Kenneth Henderson

355	Barron Braden
356	Claire Kenefick
357	Charlotte Naisbitt
358	Mark Bannister
359	Australian Retailers Assn
360	Laura Hillard
361	Venus Manipis
362	Committee for Melbourne
363	Sadia Alvi
364	Zarina Husein-Ellis
365	Linda Kouvaras
366	Streets Alive Yarra
367	Irene Jablonka
368	Oliver Mihaila
369	City of Whittlesea
370	Traffinity
371	Fares Fair PTV
372	Melbourne Convention and Exhibition Centre
373	Transport for Everyone
374	RMIT University Student Union
375	Benjamin Cronshaw
376	OVIC
377	Allen Hampton
378	RACV
379	Ian Hundley
380	Travellers Aid Australia
381	Roger Taylor
382	Carers Victoria
383	Lord Mayor of Melbourne Sally Capp
384	Transport Matters Party
385	Australian Rail, Tram and Bus Industry Association
386	Cancer Council Victoria
387	Yarra Trams
388	Public Transport Users Association
389	Confidential
390	Melbourne Cricket Club
391	Livia Borosy
392	Teresa Mitchell
393	Carlton Inc.
394	Tracy Chen
395	Hasan Jatala
396	Simon Vuong
397	Roma Guerin
398	City of Melbourne
399	Elizabeth Jackson
400	Christopher Shea
401	MRCagney
402	Wayne Watson
403	Victorian Transport Action Group
404	Russell Northe MLA

A1.2 Public hearings

Tuesday, 9 June 2020

Hearing via videoconference

Name	Title	Organisation
Craig Rowley		
Peter Don		Rail Futures Institute
Alex Lawlor	Executive Director, Estate Services and Planning	University of Melbourne
Professor Majid Sarvi	Professor in Transport for Smart Cities, Director, Australian Integrated Multimodal Ecosystem	
Professor Peter Sweatman	Australian Integrated Multimodal Ecosystem	
Tony Morton		Public Transport Users Association
Cameron Tampion		
Hannah Buchan		University of Melbourne Student Union
Jackie Fristacky		Transport for Everyone
Sally Capp		

Tuesday, 30 June 2020

Hearing via videoconference

Name	Title	Organisation
Richard Smithers	Team Leader Transport Planning, Urban Strategy Branch	City of Melbourne
Martine Letts	Chief Executive Officer	Committee for Melbourne
Dr Jonathan Spear	Deputy Chief Executive and Chief Operating Officer	Infrastructure Victoria
Moses Lee	Senior Leader, Public Services Delivery and Policy Reform	
Daniel Harrison	Principal Economic Adviser	
Liam Davies	Senior Transport Analyst	Institute for Sensible Transport
Kathy Lazanas	General Manager, Victoria and Tasmania	MRCagney

Thursday, 9 July 2020

Hearing via videoconference

Name	Title	Organisation
Jeroen Weimar	Head of Transport Services	Department of Transport.
Ian Hopkins	Principal Advisor, Network Planning	Yarra Trams
Peter King	Chief Executive Officer	Melbourne Convention and Exhibition Centre
Sven Bluemmel	Information Commissioner	Office of the Victorian Information Commissioner
Todd Harper	Chief Executive Officer	Cancer Council Victoria

Extract of proceedings

Legislative Council Standing Order 23.27(5) requires the Committee to include in its report all divisions on a question relating to the adoption of the draft report. All Members have a deliberative vote. In the event of an equality of votes, the Chair also has a casting vote. The Committee divided on the following question during consideration of this report. Questions agreed to without division are not recorded in these extracts.

Mrs McArthur moved, That in Chapter 2, Section 2.2.1 the words ‘pandemic has’ be removed and ‘lockdown and restrictions’ be inserted in its place.

Question—put.

The Committee divided.

Ayes	Noes
Mrs McArthur	Mr Erdogan
	Mr Gepp
	Mr Tarlamis
	Mr Barton

Motion negatived.

Minority report



ROD BARTON MP

Member for Eastern Metropolitan Region
Parliament of Victoria | Legislative Council



Minority Report on the Inquiry Into Expanding Melbourne's Free Tram Zone

Pursuant to section 34 of the *Parliamentary Committees Act 2003 (VIC)*.

I, *Rod Barton MP*, submit this minority report:

Minority Report on the Inquiry Into Expanding Melbourne's Free Tram Zone

Executive Summary

Member of the Economy and Infrastructure Committee, Rod Barton MP, wishes to submit this Minority Report as a formal record of his position opposing the *Inquiry into Expanding Melbourne's Free Tram Zone report*, as currently drafted.

The Members on the committee have concluded that expanding the Free Tram Zone (FTZ) would be of little benefit to business, tourism, passengers, students and seniors due to overcrowding and speed. Further, they believe that it would not result in an increase in mode shift to public transportation over vehicle use.

It is my conclusion that the Economy and Infrastructure Committee failed to objectively and substantively consider all relevant information by not holding more public committee hearings and neglecting to invite other states or international organisations to provide insights into comparative systems operating elsewhere.

Concern is also expressed over the lack of information from Interstate and international organisations considered in the Committee Report and Committee Hearing.

Further, it is concluded that Government Departments failed to provide substantive evidence and explanation for their estimates on patronage within the Free Tram Zone.

As a result, the undersigned Member has been given no choice but to submit this minority report highlighting its shortcomings and often inconsistent conclusions that are made, in some cases with very little justification or supporting evidence.

Summary of additional recommendations supported by this Member, yet not included for consideration in the report:

1. That the Victorian Government invest in additional high capacity trams in the FTZ network and tram lines suffering from overcrowding;
2. That the Victorian Government and City of Melbourne collaborate to determine effective solutions for reducing congestion with the CBD that involve public transport;
3. That additional accessible trams are implemented in the FTZ and across the tram network;
4. That the Department of Transport and Yarra Trams undertake substantive surveys on FTZ users;
5. That the Yarra Trams and the Department of Transport inquire into the feasibility of running more services or trams that run the perimeter of the free tram zone during peak times to overcome crowding;
6. That further inquiry into the effect of the FTZ on reducing pedestrian congestion at popular sights and events be undertaken;
7. That the Department of Transport assess the feasibility of having all patrons within the free tram zone tap on and off to aid in data collection and prevent fare evasion;
8. That the Victorian Government extend the FTZ to the MCG, Rod Laver Arena and AAMI Park;
9. In recognition of the impact of COVID-19 and the financial hardship that has occurred, that the price of student, and seniors fares be further reduced, or removed;
10. That the Victorian Government investigate other programs to be put in place to better address the burdens of low-income earners;

11. That Department of Transport and PTV invest in additional concessions and further reduce the price of student, and seniors, fares;
12. That Yarra Trams continues to research and improve real time information at all tram stations;
13. That the Department of Transport invest in expanding the Mobile Myki to iOS phone technology and the use of contactless debit card payments;
14. That the Victorian Government undertake an assessment of dynamic pricing which includes a substantial investigation to determine why other jurisdictions have implemented dynamic pricing;

It is agreed that the following recommendations made by the Committee are justified:

1. To extend the FTZ to the 'Arts Precinct St Kilda Road' stop;
2. To extend the FTZ to 'Casino/MCEC' stop;
3. That the Department of Transport continue to work on methods to improve the collection of data on the public transport network including sensors on trams and streets as well as contactless ticketing;
4. That the Victorian Government continues to work with the Office of the Victorian Information Commissioner to ensure its policy for the collection, use and disclosure of patronage and journey data on Victoria's transport network;
5. That the Department of Transport and public transport operators continue to improve the system by which operators report disruptions to Incident Control Centre, including improved vehicle location technology;
6. That the Victorian Government extend the Early Bird travel scheme to include metropolitan tram and bus services;
7. That the Victorian Government undertake an assessment of the merits of transport network pricing and publish its findings, including its impact on rural and regional Victorians.

1.0 The Inquiry

This minority report is produced in accompaniment and contrast to the Committee report *into the Inquiry into Expanding the Free Tram Zone*. The following sections detail aspects of the process of the inquiry including the submissions received and

public hearing process and presents my comments within. This section reflects chapter 1.3 to 1.4 from the Committee's Report.

1.1 Submissions

A total of 405 submissions were received by the Committee.¹ Of these, 329 expressed their support to extend the FTZ. In addition, the majority of the submissions indicated support for free transport for students and seniors.

It is important to note that the remaining 75 submissions whilst rejecting the FTZ, supported other elements of the inquiry including dynamic pricing, alternative technologies and free transport for seniors and/or students.

The submission also raised other issues such as free transport for defence force members.

1.2 The Public Hearings

Due to COVID restrictions, the Committee held only three public hearings into expanding the FTZ across June and July via videoconference.

Concerns of university students, including those of postgraduate students, international students and students experiencing financial hardship, were heard briefly through the University of Melbourne Student Union representative.² The unique experiences and hardships of these students with the public transport system, particularly the FTZ, cannot be inferred or substantially understood without direct interaction and questioning. Hearing from RMIT and other universities in the area would have provided a greater perspective on this issue. Further, the Committee failed to hear from a number of youth and student groups who made substantive submissions³.

¹ <https://www.parliament.vic.gov.au/eic-lc/article/4270>

² Hannah Buchan, University of Melbourne Student Union, via videoconference 9 June 2020.

³ St Albans CRC Student Leadership Team, Submission 88. Ivanhoe Girls Youth Parliament Team, Submission 70. Hayden Williams on Behalf of UMSU Southbank, Submission 294. Asia-Pacific Student Accommodation Association, Submission 296. Council of Australian Postgraduate Associations, Submission 324. RMIT University Student Union and University of Melbourne Student Union, Submission 374. UniLodge, submission141.

The Committee did not hear from any sporting facilities or clubs. Additional information from Etihad Stadium to compare with the Melbourne Cricket Club would have provided insight into how people use the FTZ for sporting events as well as concerts and other similar events.

Multiple submissions made reference to interstate or international examples of the FTZ, dynamic pricing and free public transport. Disappointingly, the Committee did not hear from any interstate or international departments or organisations.

It is felt that the committee's public hearings were insufficient, limited and did not meet the aims of the inquiry to hear from a broad range of individuals and organisations. As a result, the Committee report fails to provide a holistic and objective cost-benefit analysis.

2.0 Extending the Free Tram Zone

This section should be read in contrast to chapters 1.5 – 3.6.4 of the Committee's Report.

The Free Tram Zone has benefitted many local business, residents and tourists in Melbourne's CBD. Since its introduction, the FTZ has seen an extra 19.2 million tram trips.

As noted in the Committee report, on multiple occasions that FTZ has been extended to the MCG for the Grand Final, Australian Open and other events. This reduces the number of pedestrians flooding CBD pathways and helps to mitigate the risk of pedestrians jaywalking and to reduce the impact on the road network.

This section of the minority report attempts to provide a more holistic perspective on issues presented in the current network. In addition, it identifies shortcomings and gaps in the information received during the inquiry process.

2.1 Patronage

In the public hearings, the Committee heard that Melbourne has the largest tram network with over 475 trams and runs approximately 5000 individual tram services a

day.⁴ It should be noted that no reference or comparison was made to patronage and service capacity across other jurisdictions.⁵

This is relevant in determining the efficiency, effectiveness and service as a whole to ensure that it is objectively evaluated. This includes an assessment of other jurisdictions to determine how the service compares.

In regard to patronage, Melbourne tram travellers make 200 million journeys a year.⁶ It is important to note that this ridership is comparatively low to other nations such as Moscow, Cologne, Vienna and Budapest.

2.2 Service Delivery

Section 1.6.2 of the Committee report fails to clearly outline all factors which impact on the average speed of CBD trams.

Mr Weimar of The Department of Transport outlined during one public hearing a series of factors impacting tram efficiency, including:

- 75% of the tram network running on shared roads, on narrow arterial roads;⁷
- Stopped at traffic lights;⁸
- Old high-floor trolley car services;⁹
- Capacity-constrained system particularly in peak periods;¹⁰
- Melbourne's rapid population growth in Docklands and inner suburbs.¹¹

As outlined by the Committee report, dwell times within and outside the FTZ have not increased as suggested by some submissions.¹²

The Committee report is too quick to presume that the FTZ is the major impact on service delivery time. From the evidence, it is clear that while the FTZ has an effect,

⁴ Mr Jeroen Weimar, Transcript of Evidence p 2.

⁵ See 1.6.1 of Committee Report.

⁶ Mr Jeroen Weimar, Transcript of Evidence p 2.

⁷ Mr Jeroen Weimar, Transcript of Evidence p 2.

⁸ Public Transport Users Association, Submission 388, p 18.

⁹ Mr Jeroen Weimar, Transcript of Evidence p 2.

¹⁰ Mr Jeroen Weimar, Transcript of Evidence p 2.

¹¹ Mr Jeroen Weimar, Transcript of Evidence p 2.

¹² Department of Transport, Correspondence, p. 2.

it is not the sole nor the most significant impact on the network. It should be noted that submissions indicated that overcrowding continues outside the FTZ on multiple tram lines.

2.2.1 Overcrowding

As the most utilised tram area, it is clear that in peak periods Melbourne's trams will be crowded. In the public hearings, Mr Weimar noted that tram services are beyond capacity at numerous times of the day.¹³ In addition, Yarra trams provided evidence of overcrowding through customer satisfaction surveys, finding that since the FTZ introduction there has been no new improvement in satisfaction relating to crowding on trams and stops as well as the ability to catch a tram.¹⁴ This dismisses the impact of population growth in the CBD on overcrowding on trams.

It is acknowledged that the majority of travel within the CBD continues to occur via walking.¹⁵ In considering overcrowding, it is important to remember that the City of Melbourne is the fastest growing municipality in Australia.¹⁶ The Committee report in section 2.4 fails to consider the impact of this significant population growth on the prevalence of overcrowding on trams as well as the fact that walking still remains the prominent mode of transport.

Many submissions expressed concerns about crowding being a result of the FTZ.¹⁷ The Department of Transport predicted an overall increase in daily tram boarding's of 2%.¹⁸

Recommendation 1: That the Victorian Government invest in additional high capacity trams in the FTZ network and tram lines suffering from overcrowding;

¹³ Department of Transport, Correspondence, p. 2.

¹⁴ Yarra Trams, Submission 387, p.6.

¹⁵ Public Transport Union Association, Submission 388, p 5

¹⁶ Ms Sally Capp, Submission 383, p. 2.

¹⁷ Public Transport Users Association, Submission 388, p. 5.

¹⁸ Department of Transport, Correspondence, p. 2.

2.2.2 Traffic Congestion

Section 1.6.4 of the Committee's report highlights that much of the evidence on traffic congestion and the FTZ has been conflicting but implies that the FTZ is linked with traffic congestion.

From the information provided it cannot be inferred whether or not the FTZ impacts upon traffic. It was suggested that the creation of better train and tram hubs may reduce traffic congestion and pollution in the CBD.¹⁹

Road Congestion within Melbourne is correlated with an 8% decrease in road traffic speeds between 2014 and 2018.²⁰ This makes Melbourne either the most or second most congested city in Australia.²¹

In addition, the Mayor of the City of Melbourne, Sally Capp, acknowledged that the City of Melbourne is the fastest-growing municipality in Australia and is expected to overtake Sydney's population this decade.²² The City of Melbourne's Transport Strategy 2030, identified that the tram network is the most efficient way to move people in and around the municipality; with the free tram service being a motivator for users to use other modes of transport as well.²³

It is acknowledged that the City of Melbourne continues to debate about the possibility of removing cars from accessing certain streets within the CBD or the CBD in its entirety.²⁴ In addition, it plans to remove further on-street parking.²⁵ The FTZ in this instance could be an incentive for residents and other users to use public transport.

Recommendation 2: It is recommended that the Victorian Government and City of Melbourne collaborate to determine effective solutions for reducing congestion with the CBD that involve public transport.

¹⁹ Mr Brian Fleming, Submission 171, p 1.

²⁰ Transport Matters Party, Submission 384, p 3.

²¹ Transport Matters Party, Submission 384, p 3.

²² Ms Sally Capp, Submission 383, p. 2.

²³ Ms Sally Capp, Submission 383, p. 2.

²⁴ City of Melbourne, Melbourne Transport Strategy 2030, p 52.

²⁵ City of Melbourne, Melbourne Transport Strategy 2030, p 34.

2.2.3 Accessibility

Section 2.4.3 of the Committee's report fails to holistically assess the lack of tram accessibility within the FTZ.

The Department of Transport noted that only a quarter of the network is fully accessible to all members of the community despite one in five Victorians facing a significant disability challenge.²⁶ The low proportion of low-floor trams and trams without stairs in Melbourne's tram fleet significantly impacts accessibility to all users.²⁷ It is recognised that the Department of Transport is only partway through its transition from high-floor trolley car services to modern services.

Yarra Trams are quoted saying that stops such as Fitzroy Gardens and Royal Parade are not accessible to people with mobility needs, therefore, there are equity implications of further expanding a non-inclusive fare policy.²⁸ Accessibility regarding these stops does not have equity implications for the FTZ but rather points to the existing tram system neglecting the needs of people with a disability.

Extending the FTZ to stops without sufficient mobility access is not inequitable. Tram stops currently in place that do not comply with Commonwealth legislation is a matter of inequity.²⁹ It is my belief that it should be a priority of the Department of Transport and Yarra Trams to bring the entire tram network in line with Commonwealth legislation.

It is acknowledged that accessible trams will alleviate stationary time spent at tram stops, alleviate some service delivery problems and aid disabled Victorians and parents with prams in accessing tram services.

Recommendation 3: It is recommended that additional accessible trams are introduced to the FTZ and tram network overall.

²⁶ Mr Jeroen Weimar, Transcript of Evidence p 1.

²⁷ Public Transport Users Association, Submission 388, p 11.

²⁸ Yarra Trams, Submission 387, p 10.

²⁹ *Disability Discrimination Act 1992* (Cth)

2.3 Encouraging Public Transport Use

The Committee report suggests in section 2.3 that the FTZ has encouraged little public transport use from those who would drive. The Public Transport Union Association highlighted a mode shift from private car to public transport is influenced by fare reductions and the introduction of the FTZ occurring simultaneously.³⁰ Insufficient data on FTZ users prevents proper evaluation from being made.

Recommendation 4: It is recommended that the Department of Transport and Yarra Trams undertake substantive surveys on who is using the FTZ.

2.3.1 Driving to the Boundary of FTZ and Parking

Section 2.3.3 of the Committee report infers that it is concerning that patrons drive to the edge of the FTZ. It was highlighted that Tram 72 on Latrobe Street is often packed with individuals who are parked on the edge of the CBD.³¹ Reduced parking costs in docklands, for example, have assisted in making this an incentive for car drivers.³² Similarly, the PTUA submitted a photo of a private car park, suggesting that there would be widespread commuters driving to the boundary of the FTZ.³³

Despite this, there was no substantial evidence to confirm these claims. The photo depicted a sign that was advertising the proximity to the FTZ as a marketing tool.³⁴ In addition, there were no submissions from individuals parking on the boundary. Thus, this does not represent commuter behaviour, provides no indication of how common a problem this may be nor does it indicate how effective this marketing tool is. It should also be noted that the PTUA is publicly opposed to the FTZ.

Mr Craig Rowley from the Rail Futures Network suggested that the FTZ makes it more economical to drive to the boundary of the FTZ and ride free when inside Melbourne's CBD.³⁵ Given that the average weekday parking costs for 8 hours in Melbourne's CBD was \$64.01 in 2014/15, it is incredibly unlikely that individuals will

³⁰ Public Transport Union Association, Submission 388, p 4.

³¹ Mr Anthony Young, Submission 224, p 1.

³² Name Withheld, Submission 313, p 1.

³³ Public Transport Users Association, Submission 388, p 5.

³⁴ Public Transport Users Association, Submission 388, p 5.

³⁵ Mr Craig Rowley, public hearing, via videoconference, 9 June 2020, Transcript of Evidence, p. 2.

view the extension of the FTZ as an opportunity to save money by parking at the boundary.³⁶ Even for one hour, the average weekday parking costs in Melbourne CBD is \$18.99, this is over double the price of a full-fare myki day pass, which is \$9.³⁷

While it is acknowledged that parking on the boundary has had a minimal contribution to the number of passengers on the tram services, it ultimately highlights that contrary to popular belief, the FTZ has encouraged drivers to use the tram network within the CBD rather than driving and parking within the city. This has thus contributed to reducing the number of cars travelling through the CBD centre.

In addition, expanding the FTZ may assist in freeing additional parking spaces within the CBD centre around hospitals, universities and other sites; as individuals are willing to park on the edge of the city and travel via free tram to their location.

Recommendation 5: To reduce crowding in peak periods, it is recommended that Yarra Trams and the Department of Transport investigate the feasibility of running additional services across the network and/or around the perimeter of the free tram zone.

2.3.2 Pedestrian Congestion

Recommendation 6: It is recommended that further inquiry into the effect of the FTZ on reducing pedestrian congestion at popular sights and events be undertaken.

Rationale: Submissions referenced pedestrian congestion as being an issue.³⁸ It is acknowledged that expansion of the FTZ for sporting events has assisted in reducing the number of people flooding over the footpath and into the street. In addition, it assists with dispersing large crowds quickly.

³⁶ RACQ, November 2014

³⁷ Ibid.

³⁸ Ms Eleya Pisani, Submission 311, p 1.

2.4 Revenue and Costing

The Committee report highlights in section 1.6.3 a significant loss in revenue. Mr Weimar told the committee that the forecast cost in lost fare revenue of the extended FTZ would be an additional \$14.8 million per year. Given that the current FTZ costs the government \$10-13 million per year in lost revenue, this forecasted cost seems disproportionate. Furthermore, it is difficult for the department to forecast accurate costs as there is insufficient data regarding the use of the current FTZ.

It is noted that the majority of people utilising free tram travel within the FTZ are fare-paying having already travelled to the CBD from elsewhere.³⁹ Due to the fact that people within the FTZ are not required to tap on or off, statistics regarding the number of free fare trips are uncertain and unsubstantiated by physical evidence. The Committee report is unclear on how many travellers are already fare-paying individuals versus sole free tram trips. That this fairly significant detail is lacking creates a degree of speculation as to the integrity and reliability of the costings to government for the current FTZ and any additional estimated cost related to the proposed extension. Without improved and more extensive data, the costings provided can be considered guesstimates at best.

2.5 Fines

Multiple submissions contended, and as identified in the Committee report in section 3.4.3, that the current FTZ arbitrarily finishes one to two stops from significant locations or sites. For example, it finishes one-stop short from the RMIT campus.

It is ludicrous to suggest the extension of the FTZ would be for the purpose of reducing fare evasion and to avoid fines. What it would prevent is confusion from tourists, international students and non-English speaking individuals. No evidence was provided on the cultural or socio-economic background of individuals who are fined just outside the FTZ. In addition, no information was provided on the cost of fines or the ability of students to pay fines.

³⁹ Public Transport Union Association, Submission 388, p 6.

Furthermore, it is contended that the FTZ ending one or two stops from university campuses poses as an incentive to walk. From the discussion of fare evasion, it is our view that this is not the case. Rather students will continue to remain on the tram – fare paying or not.

Agreeing to extend the FTZ would in no way condone fare evasion, rather would reduce inequality between those who tap on and those who do not.

Recommendation 7: That the Department of Transport assess the feasibility of having all patrons within the free tram zone tap on and off to aid in data collection and prevent fare evasion.

2.6 Metro Tunnel Project

It was noted that a 25% reduction in tram patronage in trams along Swanston Street-Latrobe Street will result from the completion of the Metro Tunnel Project.⁴⁰ It is clear that users of the Metro Tunnel will most likely be train users who currently switch to tram.

A 25% reduction in tram patronage will thus reduce the cost estimates of extending the free tram zone. In this instance, fewer non-paying patrons is unlikely to significantly change revenue; as the mode shift estimates mostly consists of fare paying patrons travelling from outside the CBD.

It is my view that extending the free tram zone will have little to no impact on those who will switch to the Metro Tunnel. Rather a large portion of students from Cranbourne and Pakenham Line as well as the Sunbury line will be directly linked to the new Parkville Station. In addition, other students will change lines at Melbourne Central or Flinders Street Station.

2.7 Proximity of Universities, Medical Precinct and CBD

⁴⁰ Mr Jeroen Weimar, Head of Transport, Department of Transport, Inquiry into Expanding Melbourne's Free Tram Zone, 9 July 2020, response to a Question on Notice, received 16 July 2020.

The Committee report in section 3.4.7 highlights that the University of Melbourne and Parkville precinct is approximately 17 minutes' walk to RMIT and the CBD. It is not taken into account that individuals with disabilities, injuries or the elderly would not be able to walk this distance. In addition, students with heavy books and laptops – with the average laptop weighing approximately 2.3kgs – are unlikely to walk this distance. Further, busy individuals with tight schedules, deadlines and meetings are less likely to invest time walking the distance and are more likely to travel by vehicle or tram.

It is my view that extending the free tram zone in this instance is unlikely to impact those who would already voluntarily walk this distance. Extending the free tram zone is aimed at assisting the vulnerable – both physically and financially.

2.7.1 Medical Precincts

In section 3.5.2, the Committee report references that the proposed extension would see some FTZ trams enter and exit the FTZ along their route. Yet, the Committee outlines in section 3.4.3 that signage and tram announcements make it abundantly clear when a tram is entering and exiting the FTZ. To overcome issues of trams entering and exiting the FTZ, it is recommended that clear and correct signage be implemented on those trams running within the FTZ.

I support the expansion of the public transport reimbursement provisions in the Victoria Patient Transport Assistance Scheme to include public transport travel between medical appointments and patients' and carers' accommodation in Melbourne during the course of a patient's medical treatment.

2.8 Tourism

Section 2.2 – 2.2.1 of the Committee report addressed economic and tourism considerations. The Committee acknowledges that it is an impediment for the FTZ to be one stop short of important tourist attractions.

Mr Cagney argued that many visitors travel outside the CBD to suburban Melbourne and regional Victoria.⁴¹ Therefore, the FTZ is a ‘bonus’ rather than a reason for visiting Melbourne.

It is my view that transport is a key enabler of tourism and plays a significant role in improving tourist satisfaction and increasing the competitiveness of a destination. Allowing tourists to travel within the FTZ to key tourist destinations enhances Melbourne’s reputation as a desirable place to visit.

The PTUA submission stated that the FTZ would be a price barrier for tourists and could discourage them from visiting other parts of Melbourne and Victoria.⁴² There is no substantial evidence to suggest this would be the case. Extending the free tram zone will not mean tourists are deterred from visiting other metropolitan and regional attractions.

Rather, it is my belief that improving access to key tourist attractions will contribute to Melbourne becoming a more appealing place to visit, therefore, tourists will plan to stay longer and see more sights, the tourist industry supports the FTZ.

2.8.1 Cultural and Sporting Precincts

I support the Committee’s Recommendation to extend the FTZ to the ‘Arts Precinct St Kilda Road’ stop.⁴³

I support the Committee’s Recommendation to extend the FTZ to ‘Casino/MCEC’ stop.⁴⁴

Section 3.6.3 and 3.6.4 of the Committee’s Report provides limited discussion of sporting precincts and event-based extensions. It is noted that no sporting facilitators were included in the public hearings. This would have provided a thorough opportunity to inquire into the current application process that event providers must complete for temporary FTZ extensions. As mentioned in section 2.0 of this

⁴¹ Mr Cagney, Submission 401, p 6.

⁴² Mr Cameron Tampion, Public Transport Users Association, public hearing, via videoconference, 9 June 2020, Transcript of Evidence, p 20.

⁴³ See 3.6.1 of the Committee’s Report.

⁴⁴ See 3.6.3 of the Committee’s Report.

document, the FTZ has been extended on multiple occasions for large scale events such as the AFL grand final.

The Melbourne Cricket Club highlighted that parking on site is an issue due to Heritage protections and management requirements surrounding Yarra Park.⁴⁵

Recommendation 8: That the Victorian Government extend the FTZ to the MCG, Rod Laver Arena and AAMI Park.

Rationale: Extending the FTZ will be an incentive to tourists and locals to visit Victoria's sporting precinct all year round as both a tourist attraction as well as to games that attract low-level of attendance. In addition, it will reduce foot traffic that poses a danger to road users after large events.

2.8.2 Fairness in Subsidising CBD Travel but not Elsewhere

Dr Jonathan Spear from Infrastructure Victoria said it was unclear to him why free travel should be subsidised for the CBD, but not other tourism or retail areas in Melbourne.⁴⁶

It is acknowledged that there are valuable tourism destinations outside the CBD, for tourist-related activities. However, it is clear that our more popular destinations largely sit within the CBD. It is more economically viable to subsidise transport in the CBD, as the proposed stop extensions can reach more tourist destinations.

It is my belief that extending the FTZ is a highly economical way of enhancing the tourism sector in contrast to introducing a similar subsidy to other destinations in suburban Melbourne.

2.9 COVID-19

It is agreed with the Committee report that the impact of COVID-19 requires modelling.

⁴⁵ Melbourne Cricket Club, Submission 390, p 1.

⁴⁶ Dr Jonathan Spear, Deputy CEO, Infrastructure Victoria, public hearing, via videoconference, 30 June 2020, Transcript of Evidence, p 17.

Section 1.7 of the Committee report does not pay sufficient attention to the impact of COVID-19 and how this impacts the terms of reference. In the event that the government finds that patronage continues to be low as a result of COVID-19, the FTZ and/or free fares may provide an incentive for users to return to public transport usage.

Recommendation 9: In recognition of the impact of COVID-19 and the financial hardship that has occurred, it is recommended that free fares be provided to students and seniors.

3.0 Free Fares for Students and Senior Card Holders

Chapter four within the Committee report discusses making fares free for students and seniors. It includes an evaluation of other jurisdictions and provides relevant recommendations.

Infrastructure Victoria said that awarding free travel to students and seniors would reach 58% of low-income earners in Victoria.⁴⁷ It is my belief that while this could be improved, reducing living costs and enhancing mobility for 58% of low-income earners is a significant achievement and is progress towards a more fair and equitable society.⁴⁸

Recommendation 10: It is recommended that the Victorian Government investigate other programs to be put in place to better address the burdens of low-income earners.

The Committee report also outlines in section 4.7.1 the matter of equity as being a concern regarding providing free fares to students and seniors. It is acknowledged that providing free fares to students and seniors will inevitably mean that some who are already financially well off will benefit; this does not reduce the significance of free transport for low-income earners.

⁴⁷ Dr Jonathan Spear, Transcript of Evidence, p 14.

⁴⁸ Dr Jonathan Spear, Transcript of Evidence, p 14.

Transport costs make up a higher proportion of disposable income for low-income earners. Substantial submissions highlighted that by making public transport free for students and seniors, these low-income earners will face less financial stress. Moreover, the system will be no less equitable than it already is, as financially well-off students must still pay the same fare as low-income students.

It is acknowledged that the Liberal Party supports cutting transport costs in Victoria including:

- Free public transport for school and university students until 1 January 2022;
- Freeze all metropolitan and V/Line public transport fares until 30 June 2022.⁴⁹

Recommendation 11: That the Department of Transport and PTV invest in additional concessions and further reduce the price of student, and seniors, fares or remove altogether.

3.1 Seniors OPAL Fares in NSW

The Committee report outlines in section 4.6.5 that seniors in NSW have their transport costs capped at \$2.50 per day. The report acknowledged that Sydney has the highest per-capita use of public transport of all Australian state capitals.

While the report cites evidence provided by Mr Cagney and PTUA that suggest additional factors such as transport availability and service frequency are equally important, it should be acknowledged the impact these concessions have on public transport usage.⁵⁰

Furthermore, the Department of Transport supported this notion stating that free public transport for all students and seniors ‘would generate significant extra travel journeys’ amongst those groups.’⁵¹ It is my belief that free transport for seniors will encourage them to be more active in the community. In addition, our current system

⁴⁹ Liberal Party, ‘Cutting Transport Costs for Victorians’, <<https://www.michaelobrien.com.au>>

⁵⁰ MRCagney, Submission 401; Public Transport Union Association, Submission 388.

⁵¹ Mr Jeroen Weimar, Transcript of Evidence, p 4.

disadvantages our senior citizens by not allowing a concession similar to NSW and by providing pensioners with only two free travel vouchers each year.⁵²

4.0 New Technologies to Improve Network Performance

This section discusses new technologies and provides relevant recommendations in light of information provided during the inquiry. This section coincides with chapter 6 of the Committee's report.

I support the following Committee recommendations:

- That the Department of Transport continue to work on methods to improve the collection of data on the public transport network including sensors on trams and streets as well as contactless ticketing;
- That the Victorian Government continues to work with the Office of the Victorian Information Commissioner to ensure its policy for the collection, use and disclosure of patronage and journey data on Victoria's transport network;
- That the Department of Transport and public transport operators continue to improve the system by which operators report disruptions to Incident Control Centre, including improved vehicle location technology

In addition, I support the prioritisation of trams at traffic lights. This will reduce dwell times and improve the overall performance of the public transport network.

Yarra Trams highlighted that they are considering methods to improve real time information to passengers at tram stops.⁵³

Recommendation 12: That Yarra Trams continues this research and improve real time information at all tram stations.

The Committee heard that the Department of Transport is looking into touching on and off at tram stops.⁵⁴ In addition, the newly implemented Mobile Myki available to

⁵² PTV, 'Pensioners' <<https://www.ptv.vic.gov.au/tickets/myki/concessions-and-free-travel/pensioners/>>.

⁵³ Mr Ian Hopkins, Transcript of Evidence, p 11.

⁵⁴ Mr Jeroen Weimar, Transcript of Evidence, p 7.

Android users.⁵⁵ Other jurisdictions such as Sydney and London, enable debit cards to be used instead of paper ticket or separate transport cards.⁵⁶ No mention was made in the Committee report regarding Visa's roll out of contactless payment for public transport across 500 global cities in response to COVID-19.⁵⁷

Recommendation 13: That the Department of Transport invest in expanding the Mobile Myki to iOS Phone technology and the use of contactless debit card payments.

5.0 Dynamic Pricing

Chapter 5 within the Committee report discusses the feasibility of dynamic pricing being incorporated by Victoria's public transport network. This section provides an additional recommendation in light of information provided during the inquiry.

I accept the following recommendations:

- That the Victorian Government extend the Early Bird travel scheme to include metropolitan tram and bus services;
- That the Victorian Government undertake an assessment of the merits of transport network pricing and publish its findings, including its impact on rural and regional Victorians.

Recommendation 14: That the Victorian Government undertake an assessment of dynamic pricing which includes a substantial investigation to determine why other jurisdictions have implemented dynamic pricing.

Rationale: It is our view that further research and inquiry into dynamic pricing should be undertaken. The lack of information on the reasoning behind the implementation of dynamic pricing in New South Wales, Queensland and the United Kingdom were unknown to the committee. Further consideration of Melbourne's increasing

⁵⁵ Department of Transport, correspondence, p 7.

⁵⁶ Public Transport Users Association, Submission 388, p 15.

⁵⁷ Shalini Nagarajan, 'Visa is Rolling Out Contactless Payments on Public Transport in 500 Cities as the Pandemic-driven Demise of Cash Continues' *Business Insider Australia*
<https://www.businessinsider.com.au/visa-coronavirus-public-transport-contactless-payments-in-500-cities-2020-7?r=US&IR=T/>

population makes it particularly relevant that dynamic pricing is considered in more depth.

7.0 Concluding Statement

It is my view that this the committee's report does not actually reflect the overwhelming support for the FTZ and the extensions.

Unfortunately, those opposed to the FTZ ran an organised campaign to have the FTZ removed.

The terms of reference were clear and precise, I feel too much weight was given to those, advocating outside the terms of reference.

I believe this was a missed opportunity, to give people the confidence in using public transport again. COVID-19 is not a reason why not to do things in fact it is the opposite.

A handwritten signature in blue ink, appearing to read 'Rod Barton', with a long horizontal flourish underneath.

Rod Barton MP

Member for Eastern Metropolitan

Date: 06th November 2020.

