

Terms of Reference

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.

Comments

Items 1 to 3 concerning free travel.

I would hope that there has been a cost/benefit analysis done. I can see that there are savings to be made from not having to check and administer fares in these situations. However, as the beneficiary of a seniors concession card (and inner city dweller) I already feel grateful for the discounts I receive and don't feel I need any further assistance. In fact, I would feel slightly guilty not paying anything for public transport.

Item 4. No comment

Item 5. Here I have an opinion which the committee may like to consider.

The current system partly reflects the idea that travelling on public transport is a service or a personal benefit. The thinking being that the more you use it, or the further you travel, the more you should pay. The system also partly reflects the fact that, about 50 years ago, nobody lived in the city centre, the relatively poor lived in inner-city suburbs (think Collingwood, Fitzroy, Brunswick etc) while the more affluent could afford a large house and block of land in the outer suburbs. Taken together, pricing travel so that those who lived further away from the city centre should pay more than those who lived closer – made sense (both in terms of the user pays principle and in terms of equity).

Nowadays, the situation has reversed. Those who live closest to the city benefit greatly from high property prices, ease of access to many services and facilities, a choice of transport options (e.g. cycling, trams, buses, walking tracks etc.) and the fact that they do not have to experience the discomforts of public transport for very long. And, it could be argued, they also get to benefit more from the free city travel zones.

On the other hand, those who live furthest from the city experience less than average property prices, relatively poor access to services and facilities, limited transport options, and serious discomfort having to travel for long periods in crowded conditions. The net effect is that many of these people opt to use their vehicles – which, on many levels, is not ideal from an environmental point of view.

In these circumstances, a fairer system would be to “reward” the “disadvantaged” public transport user who has to travel the furthest, while “penalizing” the inner city user. I acknowledge that the current system does this to some extent. However, it could go further and I believe there is a strong argument for:

- Abolishing Zone 2
- Charging, (say) \$10 for any user boarding within Zone 1
- Charging less (say) \$6 for any user boarding outside Zone 1.

For example,

- an outer suburban city worker gets charged \$6 in the morning and \$10 in the evening when he/she boards to head home – total daily cost \$16.
- an inner suburban (i.e. Zone 1) city worker gets charged \$10 each time – total daily cost \$20.
- a user travelling solely outside Zone 1 gets charged \$6 each time – total daily cost \$12.

The net benefit would be a simpler, fairer system for the long distance commuters. A downside could be greater usage from the outer suburbs – partly balanced by less usage from the inner suburbs. I hope these thoughts are useful.

Ian Smith