



Submission to the Parliamentary inquiry into Expanding Melbourne's Free Tram Zone

Fares Fair PTV

January 2020

Background

The Fares Fair PTV Campaign Coalition (“FFPTV”) welcomes the opportunity to make a submission to the Victorian Legislative Council Economy and Infrastructure Committee’s inquiry into Expanding Melbourne’s Free Tram Zone (“Free Tram Zone Inquiry”). FFPTV is a student-led campaign with members from student unions across Victoria. FFPTV was established to advocate for extending student public transport concessions to all full-time postgraduate students. FFPTV’s submission to the Free Tram Zone Inquiry is supported by separate submissions from other student associations, including the Council of Australian Postgraduate Associations¹.

Summary

Victorians value education and life-long learning – that’s why we call ourselves the education state. There are currently over 90,000 full-time postgraduates studying in Victoria, studying a range of postgraduate coursework degrees and Higher Degrees by Research. All of us stand to benefit from the contributions these students will go on to make to our community and economy. Despite this, for years Victoria’s postgraduate students have been denied access to student concessions for public transport, and Victoria remains the only state in Australia that does not grant travel concessions to all full-time postgraduate students. Yet we know that full-time study requires a full-time commitment, regardless of course level, and postgraduate students deserve this basic level of support.

In this submission, we engage with the first and second terms of reference of the Free Tram Zone Inquiry. In particular, we strongly support the possibility of providing free fares to all full-time students. However, we would also take this opportunity to highlight that there are over 90,000 full-time students in Victoria who currently have no access to public transport concessions. FFPTV welcomes Chair Elasmars’ comments that the Committee is prepared to consider other measures that can support people who use public transport², and submit that extending postgraduate concessions should be addressed as a matter of urgency, regardless of any decision taken to extend free fares to all full-time students.

¹ Council of Australian Postgraduate Associations 2019, Submission into inquiry into expanding Melbourne’s Free Tram Zone, accessed from <http://www.capa.edu.au/wp-content/uploads/2019/12/Free-tram-zone-inquiry-submission.docx>

² Economy and Infrastructure Standing Committee – Legislative Council 2019, November 26, Media release: Expansion of Melbourne’s Free Tram Zone to be examined, accessed from https://www.parliament.vic.gov.au/images/stories/committees/SCEI/Free_Tram_Zone/Media/26_NOV_2019_Expansion_of_Melbournes_Free_Tram_Zone_to_be_examined.pdf

Providing free or concession fares for all full-time students

Postgraduate students are on their way to becoming the next generation of professionals serving our society. Postgraduate study is increasingly the entry-level pathway into fields such as education, medicine, and law. Postgraduate research students also contribute substantially to Australia's research output, being responsible for 57% of the human resources dedicated to research and development in universities nationally³. We all benefit from the contributions of postgraduate students to our economy and society, and it is prudent to invest in ensuring postgraduate students are enabled to complete and succeed in their studies.

Victoria's educational landscape is changing, yet successive governments on both sides of politics are not keeping pace. Victorians increasingly need postgraduate qualifications to get the professional careers they want; in the last decade, the number of full-time domestic postgraduate students has more than doubled. Growth in the number of people studying postgraduate degree has outstripped that of any other post-secondary education level⁴, reflecting changes in the labour market and increased demand for young people to enter the workforce with a higher education. 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. Reflecting this, the median income of a full-time domestic coursework postgraduate student is just \$23,600; for the younger cohort between 20 and 24 years old, the median yearly income is only \$18,900⁵. This is less than half of the median income in Victoria, as well as below the poverty line. Despite this, there is still an outdated and inaccurate stereotype of postgraduate students as more financially affluent than their undergraduate peers. As such, full-time postgraduate students in Victoria are barred from accessing student concessions.

³ Australian Bureau of Statistics 2018, 8111.0 - Research and Experimental Development, Higher Education Organisations, Australia, 2016, accessed from

<https://www.abs.gov.au/ausstats/abs@.nsf/PrimaryMainFeatures/8111.0>

⁴ Australian Bureau of Statistics 2017, Australians pursuing higher education in record numbers, accessed from

<https://www.abs.gov.au/AUSSTATS/abs@.nsf/mediareleasesbyReleaseDate/1533FE5A8541D66CCA2581BF00362D1D>

⁵ Universities Australia 2018, Universities Australia student finances survey, accessed from

<https://www.universitiesaustralia.edu.au/wp-content/uploads/2019/06/180713-2017-UA-Student-Finance-Survey-Report.pdf>

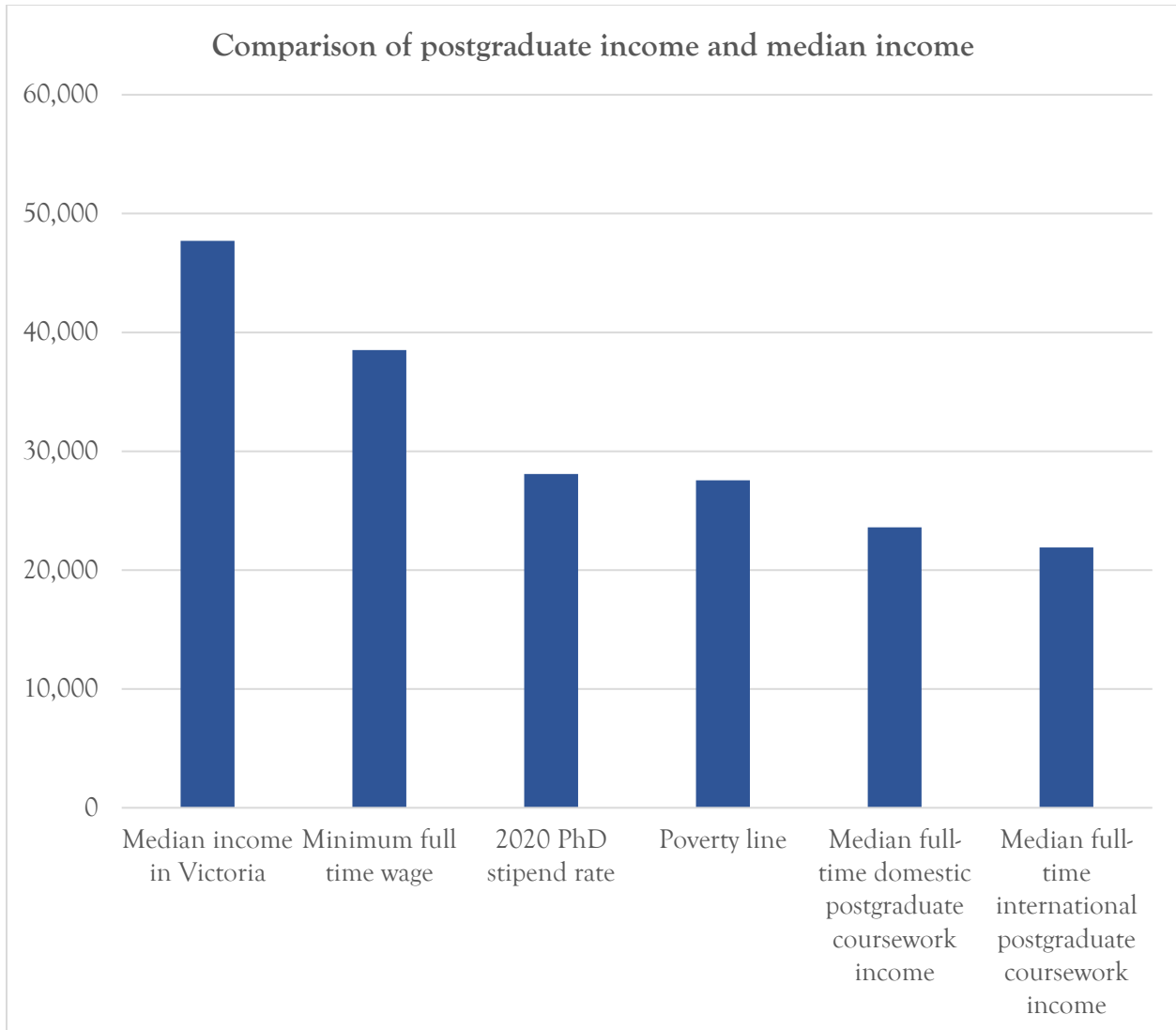


Figure 1: Comparison of postgraduate income with median income⁶, minimum wage⁷, and the Henderson poverty line⁸.

Students are clearly struggling with cost of living pressures – a quick glance at the other submissions to this inquiry reiterates this. The cost of public transport is plainly an issue affecting student cohorts and needs to be addressed as a priority. Postgraduate students,

⁶ Australian Bureau of Statistics 2019, 6524.0.55.002 - Personal Income in Australia, 2011-12 to 2016-17, accessed from <https://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/6524.0.55.002Main+Features12011-12%20to%202016-17>

⁷ Fair Work Ombudsman 2018, Minimum Wages, accessed from <https://www.fairwork.gov.au/how-we-will-help/templates-and-guides/fact-sheets/minimum-workplace-entitlements/minimum-wages#current-national-minimum-wage>

⁸ Melbourne Institute: Applied Economic & Social Research 2019, Poverty Lines – June quarter 2019, accessed from https://melbourneinstitute.unimelb.edu.au/_data/assets/pdf_file/0007/3207823/Poverty-Lines-Australia-June-2019-Final.pdf

who pay double the fares of all other full-time students, have clearly expressed to us the need for urgent change. Here are just some of the comments received by our campaign:

“I am a graduate student and spend a lot of money on public transport, while not being able to work much (less than as an undergraduate due to study time commitments).”

“I'm a full time grad student on a reduced income. Public transport concessions would make a substantial difference to my cost of living. I'm not sure why, as a full time, I'm not entitled to a student concession.”

“It is far too expensive for a poor student. Severely impacting my quality of life.”

“I have to take public transport to go to university because I cannot afford to live closer but I cannot afford the crazy expensive monthly pass so I walk everyday at least one hour and a half to go to uni and come back home.”

“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.”

Extending travel concessions to all full-time students would make our system more equitable and provide some much-needed financial relief to Victoria's next generation of professionals so they can focus on completing their studies.

It has been argued that full-time postgraduate students do not need student concession fares because of the low-income health care card system. However, this ignores that international students are not eligible to apply for a low-income health care card. Furthermore, for domestic students, there are peculiarities in the system which make this a poor solution. A low-income health care card is automatically sent to students receiving a Centrelink study payment such as Austudy, however, most postgraduate courses, including research degrees, do not attract study payments⁹. Students who are not eligible for Austudy must apply for a health care card. Students who earn just above the income test threshold are unable to obtain a card. This process is also typically fraught with administrative delays, meaning students who are low earners must pay the full fare rate as they wait for their application to be processed. It would be much fairer and simpler to allow postgraduate students, including international postgraduate students, to access student concessions.

⁹ Council of Australian Postgraduate Associations 2018, Income support for domestic postgraduates in Australia: Discussion paper, accessed from <http://www.capa.edu.au/income-support-domestic-postgraduates-australia-discussion-paper/>

In addition to the difference extending concession fares will make to postgraduate students' quality of life, it would also be beneficial to the state in supporting international education and associated tourism. Allowing international postgraduate students to access concession fares would ensure Victoria remains an attractive and welcoming place for international students. International education has been Victoria's largest services export industry for over a decade. In 2018, international education generated \$11.8 billion in revenue and supported 79,000 jobs¹⁰ - meaning over one in fifty working Victorians is employed due to our education export. When international students return home, they become a source of advice and recommendations to other potential students for Australian higher education. However, 90% of international students say the lack of public transport concessions would affect their recommendation to others¹¹. Extending public transport concessions to all full-time students in Victoria would bring us into line with the rest of the country, and is a prudent reinvestment of a small portion of the revenue received from international education. Furthermore, extending concessions would encourage postgraduate students to use the public transport network to explore Victoria, facilitating greater economic benefits throughout the state.

We agree with the proposal to make public transport free for all full-time students. If the committee decides not to proceed with this option, we strongly recommend that concession fares be extended to all full-time postgraduate students, bringing them into line with the concession entitlements of all other full-time students. We have previously estimated the cost to the state of doing so as just over \$6 million¹².

Expanding the free tram zone

The Melbourne tram network is vital to the city's functioning, accessibility, and brand. We believe current Victorian Government improvements to public transport infrastructure are provident, and that further investment in services is imperative.

We believe that public transport should be made free for all postgraduate students and we support reforms towards this. We therefore endorse the proposal to expand the free tram

¹⁰ Victorian Department of Jobs, Precincts, and Regions 2019, Economic value of Victoria's international education, accessed from <https://djpr.vic.gov.au/priority-industries-sectors/international-education/economic-value-of-victorias-international-education>

¹¹ Australian Council for Private Education and Training 2012, Achieving equitable travel benefits, accessed from https://web.archive.org/web/20190305053546/https://www.acpet.edu.au/uploads/files/Reports_Submissions/2012/Achieving_equitable_travel_benefits.pdf

¹² Fares Fair PTV 2018, Public transport concessions for Victorian postgraduate students, accessed from <http://faresfairptv.com.au/wp-content/uploads/2019/01/Fares-Fair-PTV-Position-Paper-2018.pdf>

zone and encourage the Victorian Government to consider expanding free public transport to students on all public transport modes throughout the state.

Expanding the Free Tram Zone would enable greater mobility for those in the city to reach key sites for education, healthcare, and cultural experiences. Extending the Free Tram Zone to Elgin Street, Carlton would be useful to University of Melbourne students, particularly those who are travelling from the CBD and would no longer have to pay fares. It would also make tram travel slightly more convenient for paying customers who would no longer have to worry about touching on when boarding the tram, which slows down services at peak times. We believe this is a sound proposal and are in favour of extending free travel beyond the city.

Whether the Free Tram Zone is expanded or retained in its current form, capacity must be increased for trams inside the Free Tram Zone. The Free Tram Zone as it stands is a victim of its own success. 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.

Expanding the free tram zone, especially to the universities and hospitals in Parkville precinct would help encourage more students to use the network to get around their local community. That said, we need an equitable system for all students, not just the ones fortunate to live in the inner city. We believe the inquiry's consideration of free public transport for all full-time students is prudent, and that if this is not possible, that current concessional arrangements should be made fair by expanding access to all full-time students.

Conclusion

Ultimately, cost is the most pressing issue impacting postgraduate students' access to public transport. The proposal to make public transport free for all full-time students would provide much-needed financial relief to many who are struggling. However, if the committee decides not to proceed with free student fares at the current time, we ask the committee to consider addressing the current inequity and extend concessions to postgraduate students. We implore the committee to bring Victoria's student concession entitlements in line with other states, signifying our commitment to enabling education, supporting the next generation of professionals, and promoting a fair system.