



Submission to the Economy and  
Infrastructure Committee - Extending  
Melbourne's Free Tram Zone

RMIT University Student Union

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University of Melbourne Student Union

January 2020

## About RUSU

RMIT University Student Union (RUSU) is a student-run not-for-profit organisation that conducts its work on the unceded lands of the people of the Woi Wurrung and Boon Wurrung language groups of the eastern Kulin Nation. Under its constitution, RUSU represents all students of RMIT University and affiliated institutions such as RMIT Training. Our role includes representing and safeguarding RMIT students in matters affecting their interests and rights. We represent a diverse student population, encompassing VCE and foundation studies students as well as vocational, undergraduate and postgraduate education students across several campuses. Our activities cover campuses including Bundoora, Brunswick, Carlton, Point Cook and the central business district.

## About UMSU

University of Melbourne Student Union is a student-run not-for-profit organisation which operates on the land of the Wurundjeri people of the Kulin Nation. UMSU represents all students at the University of Melbourne across the Parkville, Southbank, Burnley, Creswick, Dookie, Werribee, and Shepparton campuses. We exist to run events, advocacy, and representation to students across our campuses. Our student body is made up of undergraduate and postgraduate students, and we provide support services to all students during their time at university.

## Overview

This submission addresses the first and second terms of reference of the inquiry (i.e. expansion of the free tram system and free fares for full-time students). We also note the committee's preparedness to consider 'other measures that can support people who use public transport and who face cost of living pressures.'<sup>1</sup> Accordingly, we submit that there is a need to ensure greater equity for postgraduate and international students. These students often bear significant financial burdens while completing their studies and are currently ineligible for the standard concessions afforded to local students.

In summary:

- We support free public transport for students.
- We support equitable treatment of postgraduate and international students so that they are eligible for free public transport. In the alternative, if free public transport is not

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<sup>1</sup> Parliament of Victoria, Economy and Infrastructure Standing Committee – Legislative Council, Media Release, <[https://www.parliament.vic.gov.au/images/stories/committees/SCEI/Free\\_Trाम\\_Zone/Media/26\\_NOV\\_2019\\_Expansion\\_of\\_Melbournes\\_Free\\_Trाम\\_Zone\\_to\\_be\\_examined.pdf](https://www.parliament.vic.gov.au/images/stories/committees/SCEI/Free_Trाम_Zone/Media/26_NOV_2019_Expansion_of_Melbournes_Free_Trाम_Zone_to_be_examined.pdf)> accessed 22 January 2020.

recommended by the committee, we submit that these cohorts should be automatically eligible for concession fares in line with other students.

- We further acknowledge the challenging circumstances faced by part-time students, many of whom struggle with the cost of living. We would strongly recommend that the committee consider extending concession fares to part-time students.
- If the free tram zone is extended, we encourage the committee to consider extension north along Swanston and Elizabeth streets to the Parkville medical precinct and Melbourne University to facilitate travel between inner-city educational and medical precincts.

## Providing free public transport for all full-time students

We consider that transport options should be fair and equitable for all students, including those studying outside inner Melbourne. Extending free public transport to all full-time students will help achieve this by ensuring that the benefits of free travel go beyond students fortunate enough to live and study in the CBD.

In terms of the RMIT student cohorts, approximately 7,600 students study at the RMIT Bundoora campus and 2,670 at the RMIT Brunswick campus<sup>2</sup> – both of which fall well outside the free tram zone. At the University of Melbourne, thousands of students at the Parkville, Southbank, and Burnley campuses are often required to travel in between campuses on a weekly basis to complete their studies. In addition, many students are required to undertake practical placements at locations across Melbourne. These students may spend approximately \$870 per year travelling (based on the cost of an annual Zone 1 & 2 Concession Myki Pass).<sup>3</sup> This is a significant cost, given that 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.<sup>4</sup> Inaccessible public transport is a barrier to tertiary education and can limit opportunities for students, and 45% of Melbourne tertiary students listed fare prices as a reason for not using public transport more often.<sup>5</sup>

Current housing affordability issues can make it difficult for students to tailor their living arrangements to be within walking or cycling distance of their classrooms and placement locations. Combined with low rates of private vehicle ownership, these factors mean many

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<sup>2</sup> 2018 RMIT Statistics at a Glance, RMIT University. See further <https://www.rmit.edu.au/about/our-education/reputation-and-rankings>, accessed 22 January 2020.

<sup>3</sup> <https://www.ptv.vic.gov.au/news-and-events/media-releases/2019/12/20/public-transport-fares-in-2020/>.

<sup>4</sup> 2017 Universities Australia Student Finances Survey, published August 2018, <https://www.universitiesaustralia.edu.au/wp-content/uploads/2019/06/180713-2017-UA-Student-Finance-Survey-Report.pdf>, accessed 22 January 2020.

<sup>5</sup> Carolyn Whitzman et al, 'Tertiary Students' Public Transport Safety in Melbourne, Australia', Transport, Health and Urban Design Research Hub, The University of Melbourne, 2019, p.28

students rely largely on public transport – creating significant cost pressures even factoring in the availability of concession fares.

Free public transport for full-time students would be a significant step to help address cost of living pressures on our student population. This may have flow on effects in terms of improved health, wellbeing and productivity.<sup>6</sup>

## Equitable treatment of postgraduate and international students

We also acknowledge the particular pressures felt by certain student cohorts in terms of balancing paid work, study and living costs. There are specific impacts felt by our postgraduate students who typically receive low annual salaries – often living below the poverty line<sup>7</sup> - and are currently ineligible for public transport concessions without first applying for a Low Income Healthcare Card (LIHC) through Centrelink.<sup>8</sup> There are many reasons why the additional step of Centrelink applications may be a barrier to students accessing concession fares, when they would otherwise be eligible on the basis of their full-time status and typically low income. For example, for students who have earned above the LIHC threshold in the eight weeks before commencing their postgraduate studies will be ineligible for a LIHC and therefore ineligible for public transport concessions.<sup>9</sup> Minor income fluctuations can also lead to cancellation of the LIHC. We consider this is inequitable for the following reasons:

- The current system can lead to delays where the student may be commencing studies on a low income without the necessary concession supports; and
- Requiring an LIHC for concession fares penalizes common earning patterns among students. For example, students who earn little during semester and make most of their income during semester breaks may find their LIHC and thus their concession entitlements are cancelled due to their temporary higher earnings, despite their overall low annual income. This creates additional unnecessary financial stress and administrative burden for this student cohort which is already at risk in terms of mental health.<sup>10</sup>

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<sup>6</sup> See further, National Tertiary Student Wellbeing Survey 2016, Headspace and National Union of Students, <https://headspace.org.au/assets/Uploads/headspace-NUS-Publication-Digital.pdf> accessed 22 January 2020.

<sup>7</sup> In Australia, the average household net-adjusted disposable income per capita is USD 32 759 a year (roughly equivalent to \$48,000) source: <http://www.oecdbetterlifeindex.org/countries/australia/>.

The poverty line is typically defined as 50%-60% of median disposable income. See e.g. Sila, U. and V. Dugain (2019), "Income poverty in Australia: Evidence from the HILDA survey", OECD Economics Department Working Papers, No. 1539, OECD Publishing, Paris, <https://doi.org/10.1787/322390bf-en>.

The average PhD student salary is roughly \$28,000 source: [https://www.glassdoor.com.au/Salaries/phd-student-salary-SRCH\\_KO0,11.htm](https://www.glassdoor.com.au/Salaries/phd-student-salary-SRCH_KO0,11.htm), falling squarely within the range of the poverty line as defined by the OECD.

<sup>8</sup> <https://www.ptv.vic.gov.au/tickets/myki/concessions-and-free-travel/children-and-students/tertiary-students/>.

<sup>9</sup> <https://www.humanservices.gov.au/individuals/services/centrelink/low-income-health-care-card/who-can-get-card/income-test>.

<sup>10</sup> For more information on postgraduate student (particularly PhD student) mental health risks, see e.g. <https://www.nature.com/articles/d41586-019-01492-0>

Victoria's current requirement for postgraduate students to hold a LIHC in order to be eligible for concession public transport fares is also out of step with the majority of Australian jurisdictions. Victoria is currently the only State that does not offer some form of transport concession to postgraduate students and this should be addressed.

We have had the opportunity to review the submission from the Fares Fare PTV Campaign Coalition (FFPTV) on this issue. We endorse the FFPTV submission insofar as it relates to more equitable public transport fares for postgraduate students, in line with other Australian jurisdictions.

Further, RUSU and UMSU represent a significant number of international students. Many of these students are already facing significant financial burdens in order to finance their full-fee studies. Sometimes this requires financial sacrifices from the student's family or community in order to help fund a student's educational journey.

While some international students will be eligible for the iUSEpass which affords Myki concessions<sup>11</sup>, others fall outside the eligibility criteria listed on the Public Transport Victoria website. For example, international students studying Certificate II-IV courses and those studying ELICOS and foundation programs do not appear to be included. We note that postgraduate international students are also excluded from the iUSEpass eligibility criteria. We consider that equitable treatment of our international students would involve extending free or concession-rate public transport fares to this cohort in line with the general student population. Western Australia, South Australia, and Tasmania currently offer concessions to full-time international students in line with domestic students, and New South Wales and Queensland offer partial concessions.

## Equitable treatment of part-time students

Students choose to study part time for a variety of reasons including health and wellbeing reasons and financial stress. Increasingly, students need to work in addition to study as government income support is inadequate to sustain the cost of living. While students studying full-time have access to concessions that assist in being able to cover living costs, students studying part time are not given access to these same concessions despite being subject to the same living costs. This can lead to some students choosing to enroll in a heavier load than they realistically have the capacity for in order to access these discounts, jeopardising their performance in their studies and placing additional strain on their time and health as a result.

Students who do choose to enroll part-time are faced with the same issues to do with the Low Income Healthcare Card (LIHC) discussed above in relation to postgraduate students: namely, the requirement for a LIHC in order to access concessions can have unintended consequences in terms of equity and administrative burden. Students may be faced with inequitable delays or

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<sup>11</sup> <https://www.ptv.vic.gov.au/tickets/myki/concessions-and-free-travel/children-and-students/international-students/information-for-students/>

gaps during their studies where they are prevented from holding a LIHC despite having a low annual income, simply because their income may fluctuate during the year while remaining low overall. This leads to increased financial pressure on the part-time student cohort. We believe this could be addressed by offering student concessions to part-time students, for example, those undertaking a half-load. This would help ensure that students who have had to reduce their study load for health or financial reasons are not financially penalized compared with their full-time student peers.

## Extension of the free tram zone to cover Parkville campus, medical precinct, and RMIT Carlton campus

Since its introduction in January 2015, the Free Tram Zone (“FTZ”) has successfully facilitated movement around the CBD for commuters and visitors. However, the FTZ stops more than 1 km short of Melbourne University on both the Swanston St side (at Melbourne Central) and the Elizabeth St/Royal Pde side (at Queen Victoria Market). The FTZ also stops 1 tram stop before RMIT on Swanston St. Internal PTV documents indicate that Authorised Officers position themselves immediately outside the FTZ to apprehend fare evaders. Anecdotal evidence from students at the University of Melbourne confirms that Authorised Officers use this tactic to “catch out” students travelling to University.

Enforcement disproportionately impacts disadvantaged students, as 49% of Australian students already have problems with the cost of travelling to class. Melbourne’s international reputation has been damaged by visitors’ negative experiences with ticket enforcement measures - both international students and tourists. Confusion and intimidation remain part of students’ encounters with Authorised Officers in the gap between the FTZ and the University.

Should the committee confine itself to recommending extensions of the free tram zone, we consider there is an opportunity to extend the free tram zone to cover key inner-city campuses and medical precincts. In our view, this is a logical extension of the current free tram zone which will provide for more seamless travel between RMIT Carlton campus and the CBD (e.g. for those students traveling between our Bourke Street and Lygon Street teaching venues).

This would also open up the possibility for more seamless travel between the University of Melbourne, RMIT, St Vincent’s Hospital and the Parkville medical precinct, such as the Murdoch Children’s Research Institute and the Florey Institute of Neuroscience and Mental Health. We consider that this will be of benefit both to students and to the wider community by facilitating hospital access and travel between research institutes and places of learning in the CBD and surrounds.

## Conclusion

We thank the committee for the opportunity to submit this this inquiry and we look forward to the committee's recommendations for equitable outcomes that support all students, including our postgraduate and international student cohorts. We commend the committee for exploring the option of free public transport for full-time students in recognition of the financial burden currently borne by this population and the reality of educational institutions and campuses situated far from the CBD.

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Kind regards,

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