



31 January 2020

The Executive Officer  
Economy and Infrastructure Committee  
Parliament House  
Spring Street  
EAST MELBOURNE VIC 3002

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Dear Sir

**Inquiry into expanding Melbourne's free tram zone**

Please find attached my submission to the Inquiry

Yours faithfully

Ian Hundley

Att.

## **SUBMISSION TO THE ECONOMY AND INFRASTRUCTURE COMMITTEE INQUIRY INTO EXPANDING MELBOURNE'S FREE TRAM ZONE**

**Ian Hundley**

**31 January 2020**

### **Introduction**

This submission considers the first point in the terms of reference, i.e.:

*(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; and*

*(e) St Kilda Road to Commercial Road, Prahran.*

The free tram zone was introduced on 1 January 2015 in the wake of the 2014 general election.

The innovation provided for all tram trips commencing and terminating within Docklands and the CBD grid bounded by Flinders Street, Spring Street, La Trobe Street and the Queen Victoria Market to be free.

The policy does not apply to train and route bus services within the area. The City Circle tram remained as a free service.

### **Election promises**

The introduction of the free tram zone followed an election promise made initially in March 2014 by the then-Coalition government. It was matched during the election campaign by the Labor Party opposition which subsequently won the election and then introduced the policy. In doing so, the then Opposition leader, Daniel Andrews, claimed that he wanted to make public transport better and cheaper. In seeking to neutralise Coalition promises on public transport prices, Andrews went on to say that "It won't matter who you vote for on November 29 (2014), our public transport system's going to be cheaper," he said.

### **An anti-congestion measure?**

The then Transport Minister, Terry Mulder, claimed that the policy would reduce congestion. He said "It'll actually speed the trams up because people getting on in the CBD through the course of the day won't have to touch on." (See <https://www.abc.net.au/news/2014-03-26/state-government-to-cut-the-cost-of-train2c-tram-travel/5345652> )

There is no evidence of this benefit having materialised. It appears that the opposite has occurred. The ability to touch on and off MYKI appears inconsequential for achieving on-time running of tram services. What appears to have happened is that people who would otherwise walk relatively short trips are encouraged to catch trams, and they have done so in significant numbers .

One of the more perverse effects has been that trips from outside the free tram zone are able to be made by car drivers who park on the perimeter or within the free tram zone, and then access tram services free of charge within the zone. This is a sub-optimal use of space within the free tram zone and conflicts with the general principle that public transport should be an effective and competitive alternative to motor car use.

### **Public transport pricing and welfare**

The policy is not justified on welfare grounds. Median personal income, for persons age 15 or greater, in the City of Melbourne is \$642. It is \$475 in the City of Greater Dandenong and \$529 in the City of Hume. (Source: ABS Census of Housing and Population 2016) For current purposes, the major difference is that public transport services in Greater Dandenong and Hume are much inferior to those in the free tram zone in the City of Melbourne. And users pay.

If there is any justification for reducing or eliminating public transport fares on a locational basis it would be for travel within those areas which suffer the poorest public transport services. Significantly, these are also the areas that incur higher household transport costs because the poor standard of public transport services compel much higher levels of private passenger vehicle ownership.

### **Fare box revenue**

The free tram zone will have resulted in reduced fare box revenue. The Committee should as part of this inquiry calculate this monetary loss and it should assess the likely additional losses if the zone were to be expanded as proposed.

It is evident that there is already significant leakage of fare box revenue due to non-compliance, and possibly faulty MYKI equipment, in Melbourne's public transport system. From my observations as a public transport user, this may particularly be the case with tram and route bus services. This would be a fruitful source of inquiry by the Economy and Infrastructure Committee.

### **Is public transport in Victoria now cheaper?**

Apart from tram trips within the free tram zone, is public transport now cheaper as envisaged in 2014 by Mr Andrews when he was Opposition leader? Or have efforts been made by the Victorian government to recover revenue initially lost through the introduction of the free tram zone and other pricing promises which were made by the major parties in the Victorian election period in 2014? I suggest that the Committee examine and report on these matters as part of the current inquiry.

### **City of Melbourne and pedestrianisation**

The City of Melbourne report, CBD Pedestrian Congestion (January 2012), identified congestion around tram stops and railway stations as a major concern, an issue subsequently highlighted in the City of Melbourne Transport Strategy 2030.

The Council says that 900,000 people now move into and within the municipality every day, a figure that is estimated to grow to approximately 1.4 million by 2036 (See Melbourne City Council Transport Strategy 2030 at <https://www.melbourne.vic.gov.au/SiteCollectionDocuments/transport-strategy-2030-city-of-melbourne.pdf> )

A major focus of the Council's strategy is the requirement to increase space for pedestrianisation of the city and the removal of on-street car parking to realise that objective. It can be seen that the major Victorian government roads projects, the Westgate Tunnel and the proposed North East Link, both of which are designed to direct more private car traffic into central Melbourne, would put this ambition at risk, by threatening the repurposing of land, currently used for car parking, for pedestrianisation. For present purposes, though, it can be said that the expansion of the free tram zone would have a similar effect.

### **Conclusions**

That the free tram zone might be expanded as contemplated in the terms of reference is a flawed proposition. It has not and will not reduce road congestion, as envisaged at the outset by Mr Mulder. And it would not provide for freer movement of the increasing numbers of pedestrian in the area as now sought by the City of Melbourne.