

TRANSCRIPT

LEGISLATIVE COUNCIL ECONOMY AND INFRASTRUCTURE COMMITTEE

Inquiry into Expanding Melbourne's Free Tram Zone

Melbourne—Tuesday, 30 June 2020

(via videoconference)

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WITNESS

Ms Martine Letts, Chief Executive Officer, Committee for Melbourne.

The CHAIR: Welcome to the Economy and Infrastructure Committee's public hearing for the Inquiry into Expanding Melbourne's Free Tram Zone. I wish to welcome any members of the public watching via the live broadcast on the internet.

Before I begin I just need to read out a statement to all witnesses. All evidence taken at this hearing is protected by parliamentary privilege, as provided by the *Constitution Act 1975*, and is further subject to the provisions of the Legislative Council standing orders. Therefore the information you provide during the hearing is protected by law. However, any comment outside the hearing may not be protected. Any deliberately false evidence or misleading of the committee may be considered a contempt of Parliament. All evidence is being recorded. You will be provided with a proof version of the transcript following the hearing. Transcripts will ultimately be made public and posted on the committee's website.

We welcome your opening comments but ask that they be kept to a maximum of 5 to 10 minutes to ensure that we have plenty of time for discussion. Can I please remind members and witnesses to mute their microphones when not speaking to minimise interference. If you have technical difficulties at any stage, please disconnect, and contact committee staff using the contacts you have been provided. Please give us your name for the benefit of our Hansard team, and then begin your presentation. Thank you, Ms Letts.

Ms LETTS: Thank you very much, Chair. Good morning to everybody in the committee. It is a pleasure to be able to give evidence to the committee today, and many thanks for your interest and for inviting me to present on behalf of the Committee for Melbourne.

As many of you may know, the Committee for Melbourne has been around since 1985. It was first created during Melbourne's most significant period of economic crisis, before the one we are facing today, in 1985, when the economy was in quite difficult shape and a couple of passionate members of the business community got together to actually work with government to help re-establish Melbourne's status as a city of international significance. Since 1985 the committee has been helping shape a better future for Melbourne. We are non-partisan, we are apolitical, we are cross-sectoral, and many of our members are also key members of the very vibrant arts, sporting and cultural communities in Melbourne, which is the main focus of what I want to talk about today in terms of our support for the extension of the free tram zone.

We put a submission in to the committee at the beginning of this year, but this is in fact the fourth such submission we have made since the free tram zone was first introduced by the Andrews government in 2015. While we understand that the terms of reference for this inquiry are broader than the committee's proposal and we do not oppose the exploration of any other ideas in your terms of reference, we believe the strongest case for the extension of the FTZ is for what we call the five iconic stops, which are the arts precinct, Melbourne Convention and Exhibition Centre, Melbourne Cricket Ground, Melbourne Museum, and Melbourne and Olympic Parks. We believe that such an extension will significantly improve our city's reputation as a national and international destination as well as its ability to attract and retain talent. It would also benefit the visitor economy and have accessibility and participation benefits for Victorians and visitors alike.

What is interesting is that when we first wrote that submission we already were very strongly of the view that this was important, but in many ways this has become even more important in light of the importance of our road to recovery in the post-COVID-19 environment. We know that our sporting and our arts and culture economy, which is the second largest income generator for Victoria other than international education, has taken a shocking hit and is likely to be in that situation for some time to come. So whatever we can do to make it easier for visitors to come and enjoy Melbourne and to help rebuild our visitor economy, the extension of the free tram zone, in our opinion, would be a critical component.

The committee's proposal initially to extend the FTZ was in consultation with a range of experts from our membership, in particular from our arts and culture committee. We have all the major cultural and visitor institutions as members of that committee—the Arts Centre, ACMI, City of Melbourne, Fed Square, Her Majesty's Theatre, MCEC, Melbourne festival, MOPT, the recital centre, the theatre company, RMIT University, the Sofitel Melbourne On Collins and Victorian Opera. While many in this group continue to

advocate for an expansion of the free tram zone to stops such as Sturt Street, so that it can be extended to the Melbourne Recital Centre, the group did settle on the five iconic stops that I listed at the beginning of my presentation.

The Committee for Melbourne's original proposal—and it is interesting to remember that the actual original proposal was actually a Committee for Melbourne proposal and was introduced by our future focus group in 2009—was designed to solve a livability problem and to help make arts and culture more easily accessible and more embedded in the Melbourne community. 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, and maybe with an even greater impact on our economy, the stop before the Melbourne convention centre. 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 of it again, extending the free tram zone to include that particular stop will be highly, highly beneficial.

Can I just also note that we do strongly support consideration of items (4) and (5) of your inquiry:

... new technologies that enable intelligent transport systems that improve the performance of the networks—

which the Committee for Melbourne has done its own work on.

... and

... the effects and benefits of dynamic public transport pricing.

I would like to mention in that context that we have actually been running some separate workshops, such as with Infrastructure Victoria, on how road user pricing will help reduce congestion and encourage active and public transport. While this is not part of our formal submission, we strongly support the work that you are doing on dynamic public transport pricing.

We believe, in short, that the free tram zone as it currently stands has been of great benefit to the visitor economy and the community, but it could be even improved and make an even greater contribution through its extension. I have talked about the arts and culture sector, I have talked about the sporting sector and how they can be better connected. We are very lucky in Melbourne that actually our sporting precinct and our arts and culture precincts and our convention precincts are relatively close together, so having that free tram zone extension extend them in a seamless way will be a fabulous new addition to the attractiveness of Melbourne as a visitor and business destination.

I would also like to note that the Andrews government has also made accessibility one of its priorities. The infrastructure plan aligns the Victorian government's commitment to prioritise access to key destinations and precincts within five years and to improve the social participation of people of all abilities. Once again, the extension of the free tram zone to include those five iconic stops will be a major contributor to meeting that objective as well as connecting our sports and arts assets.

I am happy to answer questions. This is very much an overview of the submission I put in, because I do not want to take too much of your time in the initial presentation.

The other government strategy is Creative Victoria's *Creative State* strategy, which also calls for engaging all Victorians in creative and cultural endeavours, whether it is as artists, administrators or audience members, and in turn a city full of active community participants ensures that Melbourne's cultural life and world-famous livability will continue to be vibrant into the future. That is also, as I said at the beginning, a key element, in our opinion, to help rebuild the sector with spin-off benefits for hospitality and recreational services. Arts, culture, sports, hospitality, restaurants—they all form part of a seamless whole that makes Melbourne such a desirable destination and will be a key element of Melbourne's and Victoria's economic recovery.

Finally, we did have a look at some alternatives to extension of the free tram zone, such as a Melbourne card for visitors, a free Myki card for visitors, a version of the Singapore tourist pass. We looked at all of those but decided that these options only went partially towards addressing the challenge. So after much discussion with our members and consideration we settled on extending the free tram zone to the arts precinct, MCEC, MCG,

Melbourne Museum and MOPT as the optimal solution. It is not going to have much of a significant impact on the fare box, because some of the modelling has shown that when the free tram zone was first introduced in 2015 there was some impact on the fare box but the extension to these five iconic stops is not going to make such a big difference.

Thanks very much. Those are my introductory words—very happy to take questions.

The CHAIR: Thank you, Ms Letts. I might actually begin by asking a question myself. You touched on a great point about equity and access, because I think that is a point—that not everyone is as mobile and so they might need to use the tram zone. Have you done any modelling regarding the cost of these proposals to extend the tram zone to the precincts you have suggested—so to the MCG, arts centre et cetera?

Ms LETTS: We spoke to some of our members about that. We as a committee, I should note, by the way, are quite small; we have 10 full-time staff, and a lot of the work that we do and that we publish is actually done by our members. I am just looking here. While we did not do any specific modelling on the costs, we looked at it in a different way.

We looked at the fact that it is very difficult to get parking, for example, at the MCG or at some of the sporting destinations, so a lot of people are already using the tram service to get there anyhow. Similarly, to visit the arts centre people get on public transport before the free tram zone. So many of them will already have paid by the time they get into that free tram zone area, and then for visitors the impact on the visitor dollar, whether they spend an extra \$4.80 or whatever it is to get from Flinders Street station to the arts centre, is also not likely to have a big impact on the fare box. So looking at the way in which people currently travel and the money that is spent within that area, our view was that the impact would not be very great and that the benefits to the visitor economy and building the visitor economy and the income that would come from Melbourne being an attractive visitor destination for Victorians and for international visitors were likely to outstrip the costs.

We have also looked at some visitor numbers. The arts centre gave us calculations of visitor numbers, and they believe that they would get at least a 3 to 5 per cent uplift in visitor numbers by the free tram zone being extended to include the arts centre. Similarly Melbourne Convention and Exhibition Centre also gave us a dollar figure about how they thought they would improve their income in visitor numbers. I can provide those to the committee.

The CHAIR: That would be helpful, thank you.

Mr TARLAMIS: Thank you for presenting to the inquiry today. You mentioned in your introductory remarks that you had been doing some work with Infrastructure Victoria with regard to dynamic public transport pricing. I am just wondering if you could tell us a little bit more about that.

Ms LETTS: Yes. You will be aware that Infrastructure Victoria published a report a couple of months ago now called *Good Move*. In fact, actually going back a step, Infrastructure Victoria, in its 30-year plan, which was published in about 2016, their brief was to first of all see how you could maximise your assets. You did not need to necessarily build new infrastructure in order to improve Melbourne's livability and efficiency as a city, but they also were looking at what were the kind of big strategies for Victoria to build the economy and to also help prepare Melbourne to better deal with its massive growth. Among the top three priorities that they identified was affordable housing, there was one other, and one of them was looking at dynamic road user pricing as a way of helping reduce congestion, and so they expanded on it.

The Committee for Melbourne at the time—this was quite early on—said, 'This is a really interesting idea that has been explored in other cities and that has made a significant impact on other cities, such as Stockholm, London and other places and is something worth exploring'. So we actually hosted a workshop building on Infrastructure Victoria's most recent report, *Good Move*, which discusses what are the avenues open to policymakers and particularly what are the opportunities now, given that we now know what a less congested Melbourne looks like in the post-COVID environment and the fact that people's reluctance to travel on public transport now might actually increase congestion in the short term. How can we prepare to regulate the traffic flows without actually causing a significant impact on the economy or in fact requiring extra infrastructure to be built, like extra roads or extra transport systems? We have been working very closely with them in socialising that idea with our members. We ran a workshop on 25 May, which I can also share the outcomes of with the committee. That is ongoing work. We also have a standing transport committee, which is about to

publish a report calling for an integrated transport plan for greater Melbourne, where we also advocate for consideration of dynamic transport pricing as one of the elements in developing and expanding the integrated transport plan for Melbourne.

Mr QUILTY: Now, one of the major issues with extending the free tram zone is crowding. Do you think extending it will increase the crowding? Will that have an impact? Secondly, would pricing the whole area during peak periods coupled with an expanded free tram zone during the non-peak periods be a thing you would consider? Could you comment on that?

Ms LETTS: Look, I will start with the last one first. We have not actually considered it, but it is an interesting idea and it will be interesting to have a look at it. It depends on the reason you are arguing for the expansion of the free tram zone. Going back to our proposal, which is the five iconic stops, it is true that probably a lot of the activity that we are talking about is weekend activity or after-hours activity, including for major sporting events—maybe not as applicable to international conferencing, which is something where the centre is busy all day. If you were to have different types of pricing depending on the time of day, you would have to be clear that it was very clear and not causing more confusion, because one of the major problems at the moment for the free tram zone is that there is a lot of confusion. There is a lot of confusion for, particularly, the visitors who are using the convention centre and the arts centre. So if you could design something that makes sense and that also helps with the crowding issue, it is something you would have to consider, for sure. We have not specifically thought about that at the committee, but it would be interesting to look at whatever there is in terms of what might be proposed.

The only other observation I would make about crowding is, I do not live too far from the Melbourne CBD but I do use public transport to get to work. The trams that I use are already crowded and full and people are falling out of them at peak times long before they get to the free tram zone area. So as I understand it the problem—apart from the fact that, yes, a lot more people in the CBD use the free tram—is that the reason that the trams are overcrowded is that you cannot have as many trams on the tracks as you would like, and that is partly because of traffic and the fact that a lot of cars are travelling on the tram tracks, which makes the trams slower and also makes it more difficult to put more trams on the line, which would then ease the overcrowding in trams. So the crowding question, to the best of my knowledge, is one that is always brought up as one of the reasons why this is such a terrible idea. But the reasons for the overcrowding of trams cannot be ascribed solely to the fact that people are using the trams in the free tram zone.

Mr BARTON: Thank you, Ms Letts. I certainly want to acknowledge the Committee for Melbourne's work right back to 2009, when they first proposed the free tram zone, and one of the reasons you did so at the time was about livability in Melbourne itself. Now, we have had a massive increase of population within Melbourne. In your view, in terms of the population, how important is this to maintain it? Because one of the arguments that is being put forward at the moment by certain groups is that we should not only not extend the free tram zone but in fact we should get rid of it. It is certainly not my view that we should be doing that, and I think the economic damage that would be done to Melbourne would be enormous. What would your view be on that?

Ms LETTS: I guess you have to look at who is actually advocating for the abolition of the free tram zone, and there would be some that would have a far more direct commercial interest in that than others, and I saw that from some of the submissions that have been tabled at the inquiry. I will not name any names, but you would say, 'They would say that, wouldn't they?'. Then there are also the arguments about the fact that people are not walking as much and that there are detrimental effects on health because people are not walking. I cannot imagine anyone wanting to walk from Spring Street to Docklands, frankly speaking, apart from the fact that I think that fizzy drinks and processed food are far greater contributors to obesity than not walking from Spring Street to Docklands. But seriously, 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.

Now, if you look at the fact that the CBD is practically dead at the moment for reasons that we fully understand, if there is anything that we can now do to slowly rebuild the economy of the area that is covered by the free tram zone and the surrounding areas of the arts and sporting precincts, it is going to be absolutely key to Melbourne's economic recovery—fully appreciating that social distancing makes, of course, the crowding an issue. But this is a temporary issue. Committee for Melbourne have always looked at the longer term. We understand that the urgent is outstripping the important, but what we focus on is the important. We certainly

think that the free tram zone has been a great asset to Melbourne as a city—to its reputation, to the visitor economy—and that in fact it is falling short of expectations because it stops too early.

What we are calling for is something that will include the facilities but will not actually include any residential areas. You can understand the argument that you do not want to give more free trips to people who are already living in the inner city—who therefore by definition can afford to live in the inner city—and that this is discriminating against people who are not as well-off as those that live in the inner city, but that is not what the free tram zone is serving. It is not serving the people who can afford to live in the city. It is looking after visitors and it is bringing people in to take part in our arts, culture and sporting economy. That is what it is there for, and therefore it is a very important asset that should not be lost. It would be a loss to Melbourne, in our opinion, if it were no longer to exist.

Mr MEDDICK: Thank you so much for your presentation today and for your submission. Look, I just wanted to draw you to part of the terms of reference for the inquiry. I guess they do not really address the economic benefits of having the free tram zone, therefore the extension of that, and what you are talking about with visitors, tourists et cetera to these iconic precincts. Where I am coming from is I want to know if as part of the Committee for Melbourne's deliberations on this they looked at the social licensing aspect of all of this? Because part of the terms of reference are to extend these services as free transport to students, for instance, and to pensioners, and also to places like the Royal Children's Hospital, for instance, so that there is access to essential services as part of the social licence of extending the free tram network. Did any of those things come into the committee's deliberations at all?

Ms LETTS: No, they did not. We saw the terms of reference, and as I think I might have said in my opening remarks, this is not to say that we would oppose or take a stand against a further expansion of the free tram zone to include the things that you have referred to. But [Zoom dropout] I am not actually qualified to comment about it, because we did not actually discuss it in any kind of detail. [Zoom dropout] The further you expand it, the more you make it look like you are kind of including certain groups and not including others or that it is a bit of a thin end of the wedge, if you like. How far do you go? Given the fact that we focused very much on the contribution that the free tram zone would make to the inner part of Melbourne and also the arts and culture and the visitor economy, we decided to focus on that, because that is where our focus as an arts and culture committee was. But the original 2009 proposal was a little bit broader than that, so it might be worthwhile the committee having another look at that 2009 FFG proposal, where the remit was a little bit broader, to get a clue as to what some of the previous thinking was. But we decided, having discussed it within the committee, that we would focus on one particular area because that is also where we could get the greatest input from our members, because they knew how the free tram zone's extension would affect them.

The CHAIR: If no-one has any further questions, I would just like to say thank you for your presentation on behalf of the Committee for Melbourne. It has been a pleasure, and it has been very informative to everyone. Thank you very much for your contribution.

Ms LETTS: Thanks, Chair. Thanks to the committee, and good luck with your deliberations.

Witness withdrew.