

TRANSCRIPT

LEGISLATIVE COUNCIL ECONOMY AND INFRASTRUCTURE COMMITTEE

Inquiry into Expanding Melbourne's Free Tram Zone

Melbourne—Tuesday, 30 June 2020

(via videoconference)

MEMBERS

Mr Enver Erdogan—Chair

Mrs Bev McArthur

Mr Bernie Finn—Deputy Chair

Mr Tim Quilty

Mr Rodney Barton

Mr Lee Tarlamis

Mr Mark Gepp

PARTICIPATING MEMBERS

Dr Matthew Bach

Mr David Limbrick

Ms Melina Bath

Mr Andy Meddick

Dr Catherine Cumming

Mr Craig Ondarchie

Mr David Davis

Mr Gordon Rich-Phillips

WITNESS

Mr Liam Davies, Senior Transport Analyst, Institute for Sensible Transport.

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 also welcome any members of the public watching via the live broadcast online. Welcome to you, Mr Davies.

Before I start I will just read out a brief statement that I make to all witnesses. All evidence taken at this hearing is protected by parliamentary privilege as provided by the *Constitution Act 1975* and further subject to the provisions of the Legislative Council standing orders. Therefore the information you provide during this hearing is protected by law. However, any comment you make outside the hearing may not be protected. Any deliberately false evidence or misleading evidence to the committee may be considered a contempt of Parliament. All evidence is being recorded. You will be provided 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 I ask that they be kept to a maximum of 5 to 10 minutes to ensure that we have time for a discussion. I also remind members and witnesses to mute their microphones when not speaking, to minimise any interference. If you have any technical difficulties at any stage, please disconnect and contact committee staff on the number provided. Could you please give your name for the benefit of the Hansard team and then begin your presentation? Thank you.

Mr DAVIES: Thank you. My name is Liam Davies. I am a Senior Transport Analyst with the Institute for Sensible Transport, and I thank the committee for its invitation to present today. I would like to give a brief introduction of some of the work that we have been doing around public transport in the context of the COVID-19 pandemic and then talk briefly about our thoughts at the institute on the free tram zone and potential expansion.

As I am sure everyone is painfully aware at the moment, the COVID-19 pandemic has radically changed the way we live and the way we move around our cities, this hearing being one prime example of that. For public transport this poses a very interesting challenge—that usually when we operate mass transit we try to fit the most amount of people into a vehicle at any one time to maximise efficiency, and during peak hour that means that there can often be two people per square metre on a public transport vehicle. That is what is considered in Victoria generally a safe loading capacity. Unfortunately with chief medical officer advice we now need to move to 4 square metres per person. That means we need to reduce our peak hour public transport occupancy to about one-eighth of what it was. We did some work to look at what that would mean outside of a vehicle. So there has already been work done by consultancies such as WSP on how many people you can fit into a vehicle. We were looking more at how you would reduce those passenger loads. So we looked at a combination of datasets from the Australian Bureau of Statistics, looking at journey-to-work data, and from the VISTA data, which is travel diary data done by the Victorian government, to see how many people travel during peak hour on public transport and where they are going. And we tried to look at the occupations that people hold to try to look at how many people could work from home following government advice that if you can work from home, you must, and how many people live a shorter distance—that is, under 7 kilometres or under 10 kilometres—and could ride to work. And then we tried to extrapolate out from the journey-to-work data for the entire population.

What we have found is that we estimate there were approximately 380 000 trips made on public transport during peak hours on a normal workday pre-COVID-19 and that this is well above the safe carrying capacity of the public transport system, which really, under our estimates, could carry about 58 000 for those trips. What that means is that we need basically everyone that can work from home to work from home, and if they do, we estimate that around 132 000 people could be removed from the public transport system; that everyone that could ride to work should ride and that could remove another 55 000 people from the public transport system; and, really importantly, people could travel outside of peak hours. Interestingly, about one-third of trips made during peak hour on public transport are not actually work related. They are shopping related, they are education, they are visiting people—and those trips really need to happen outside of peak hour or just be avoided entirely or on another mode.

So we have got some pretty high-level recommendations on what we think needs to be happen. Ultimately public transport operating frequencies need to be increased—so we need more public transport operating more frequently throughout the day so that you can spread that peak hour over the day and still have safe carrying capacity. There need to be incentives for people to travel outside of peak hour; there needs to be encouragement and support of working from home, such as a government directive; there need to be other innovative techniques, such as rolling out pop-up bike lanes to facilitate more cycling through the city and wider footpaths so that people can walk more easily through Melbourne; and ultimately also raising awareness of alternatives to peak hour travel and some of the disbenefits of peak hour travel on public transport.

I guess this is tangentially connected to the free tram zone because the free tram zone occurs within the city centre, where public transport loadings on trams are already fairly high. So having more public transport trips on trams in the city centre is probably against the desires of physical safe distancing at the moment. But we have some broader concerns about the free tram zone. One of them is that many of the trips within the free tram zone, because the zone is so small, are actually walking trips that are converted to public transport, so you convert an active mode of transport to a passive mode of transport. This also increases congestion on trams within the city core, which seems quite inefficient, because it means that it reduces space on vehicles for people that need to travel further, because people that are making very short trips that could probably be done by walking are using them.

It also has implications for fare evasion. If you cannot put your authorised officers at stops within the city centre, such as Melbourne Central station or on Bourke Street Mall, you cannot actually check the tickets of people getting off the trams. So it means that anyone catching a tram into the city centre can fare evade and get away with it more easily, especially because when trams are quite packed you cannot have authorised officers roaming through the vehicles as easily as you could have them checking everyone getting off the vehicle, which is how we do it at railway stations and bus stops. It also causes a lot of confusion. People do not always know where the free tram zone ends or starts. You see some people on trams that think that they have to touch off when they enter the free tram zone and touch on again when they exit and some people that think they can save money doing this, and some people inadvertently just make a mistake and get fined from it.

Lastly, we are quite concerned about the equity of the free tram zone. There is one group that benefits primarily from the free tram zone on a daily basis—and they are office workers that live in Docklands. They live in Docklands and then they catch a tram for free to their local workplace, say at the top end of the city, every day. This seems inequitable, considering these office workers generally earn more than the average Victorian. They already have access to incredibly good-quality public transport whereas the person living in an outer suburb that has a bus every hour has to pay for a trip of the same distance. So we would ask that the committee consider these issues when considering the future of the free tram zone and potential expansion, to consider alternatives that could be implemented. I thank the committee for its time.

The CHAIR: Thank you, Mr Davies, for your contribution. Who wants to go first in asking a question? Mr Barton or Mr Quilty?

Mr BARTON: Thank you, Liam; thanks for coming in. I do not think there is any dispute about what we need to do right here, right now. We have to listen to what the government is saying—and that is, ‘If you can work from home, you must’—and obviously we should be practising social distancing. I did work in Parliament last week and I was around the trams and all that sort of stuff, and the trams are empty. People are working at home, so it is not an issue right now. I think in moving forward—I will be interested in your view on this—if people can walk, they will. There are time constraints. I certainly jump on the free tram from Spring Street if I am going down to the other end of Collins Street and stuff like that, because we do not always have the benefit of having time up our sleeve and it is quicker to jump on the tram, and it is not crowded in the middle of the day and those things. So I think if people have an ability to walk, they will, post COVID.

COVID is not going to last forever—it will pass—and we will go back to doing things the way we have always done it. I am interested in your view. I accept what you are saying right now about what we have got to do, and we must pay attention to what the government’s instructions are—‘Work from home; if you can, you must’—but also I think the public will have a change of view and they will manage their own way of doing it. I think it is a little bit—how do I say this in the nicest possible way?—arrogant of us to say ‘You must walk’ or ‘You must ride a bike’. I will give you the heads up, Liam: I ain’t jumping on a bike, mate.

Mr DAVIES: I acknowledge what you are saying. I think the issue is that for many people such as yourself and such as myself—I already pay to catch public transport into the city, so for me the free tram zone has never given me a free tram ride, because I have already paid for my 2-hour ticket to get in, and then when I pay for my 2-hour ticket to get back out, I convert it to a daily. So the only people that actually benefit from the free tram zone that actually get a free tram trip are those whose only journeys of the day start and finish in the free tram zone. So I think that is where it comes back to an equity issue. Sure, some people will catch public transport because it is more convenient and it is quicker than walking, but we do know that public transport did congest along Swanston Street. I am a reasonably fast walker, admittedly, but I can walk at about the same speed as the trams during peak hour because it is so congested down that corridor. One of the reasons they are so congested is because of heavy loadings, and heavy loadings increase travel times—they slow the vehicles down. So it is a bit of a chicken and egg. I think ultimately the solution to this is to operate more trams.

Mr BARTON: Yes, there is an operational issue; that is right.

Mr DAVIES: If the tram zone is retained and/or extended, I think that it needs to be accommodated by having larger vehicles more frequently through the city centre, even if that is shuttles. We can run a shuttle between Melbourne University and the arts centre, and that would actually help a lot during the day. There are terminating facilities at both locations. We can also run shuttles between the museum and Crown Casino. These types of ideas could then alleviate some of the congestion issues that are occurring within the city.

Mr BARTON: Yes. There are certainly options, aren't there, Liam? That is good.

Mr GEPP: I have not so much a question but, I guess, an observation. Thanks for coming along today, Liam, and giving us your presentation. We are hearing from many, many witnesses now about this need for flexibility in the system, expanding or trying to shift behaviours and get people away from peak travel times to off-peak times. I think in your submission, Liam, you quote senior planner Mr Outhred from the RACV, who said it was crucial that employers offer flexible working arrangements to ease congestion et cetera. The thing that I am starting to find a little bit disturbing about all of this is that, in the notion of spreading the load, we are talking about people who are time-poor. And I do not accept the proposition that everyone who is working in the CBD is a Richie Rich—I just do not accept that proposition. I do not accept it because 80 per cent of this country's economy is a services industry economy. We know that they are the lower paid people in our economy, and we are trying to force those people into travel times that are outside the norm at a time where we have got federal governments that are cutting penalty rates and where we have got tightening of overtime rates. I would love a witness to come forward in this inquiry—and sorry, this is not a shot at you, Liam, so please do not take it as that—and say, 'Yes, we want employers to offer flexible working arrangements, and what that means is a contraction of the working day so that in the off-peak times between 9.00 am and 4.00 pm perhaps we might have more people that are working reduced numbers of hours rather than when the sun is going down and the night air starts to [inaudible]. So that is a bit of a rant—

The CHAIR: Thank you, Mr Gepp. I will remind all committee members: I understand that preambles are important, but please in future can we ask questions? Because obviously Mr Davis is giving us his precious time. I have a brief—

Mr DAVIES: May I respond to that?

The CHAIR: Yes, please go for it.

Mr DAVIES: I think you raise a good point. I think that it is a privilege to be able to say that people can work outside of normal hours, and I think that it forgets the fact that people want to be home to see their kids and not after their kids have gone to bed. They want to be up in the morning and have breakfast with their kids and not leave before the crack of dawn. And you are incredibly right: if we worked a 4-hour week, that would actually reduce one-fifth of travel. That is another way of doing it. Sometimes flexibility might be working a bit less and it might be coming in to work a little bit later and leaving a little bit earlier. I think these are important considerations, and we do have to think about the way we work and about the way we interact with work. Working from home one day a fortnight might also be part of it. I think that it is not one size fits all. I think we need a lot of little things to lighten the load. But many of the service workers do not live in the CBD; they come from outside of the CBD. They are not actually benefiting from the free tram zone. I think this goes back to what I am saying. We have to be very careful about the way that we think about the free tram zone and about

the way that we implement it. And if we are going to implement it, we need other things such as increased services within that core zone to make space for people so that everyone can use public transport.

The CHAIR: Thank you. That is a great explanation.

Mr QUILTY: You talked earlier about how if we expanded it the only way to fix the free tram zone would be to spend more money on investment in trams. If you had a choice of money to spend, would you be spending it on more trams or would you spend it on buses or something—on other forms of public transport—if you had free choice?

Mr DAVIES: [inaudible] I think that we need more public transport across the city, and I think that we need more buses and we need more trams. We are seeing quite heavy loadings in the inner city. If you go back to PTV annual reports from about three or four years back, they were saying that they see patronage growth when they put new, larger trams online, then they hit the capacity constraint, then they see stagnation and then they see growth. I think that at the moment there is limited capacity on trams, and we are talking especially of the single vehicles—so the Z-class and A-class vehicles. They have very limited capacity compared to a B-class or even E-class. They are also becoming quite old. Some of these vehicles are over 40 years old, and they are going to have to be retired at some stage soon. If we can retire them and replace them with new vehicles and if we can run those new vehicles more frequently, then I think that that is a very good bang-for-buck proposition. But that does not mean we do not need to invest in buses; we need that as well.

The CHAIR: Thank you, Mr Davies. You have been helpful in that you have expressed the view that you believe we need more trams overall regardless of whether it is free or not—that is a different question—obviously understanding that the whole system is subsidised regardless to an extent.

I do have one question. What is your position on the current ticketing system, and what change would you like to see to that? We have heard from previous speakers about dynamic pricing. What is your view on dynamic pricing?

Mr DAVIES: I am ambivalent towards dynamic pricing. I think one of the great advantages of our public transport ticketing system is that it is quite simple. You have one journey, and that journey can last 2 hours, and when you have another journey you can travel as much as you want for the day. That means that we have a flat price that comes in very easily and that is quite legible and quite understandable. There is the ability to have dynamic pricing, but often with these dynamic pricing elements what happens is you also move to a distance-based pricing system, and I think that can be quite harmful, especially for lower income households that are living in the outer edges. They already have a long time commitment in transport they have to make, especially if they are working in the city centre, and to then make them pay more for that at the same time I think is inequitable. So I think that the simplicity of our system is a charm and a redeeming feature of it.

But Myki is quite an adaptive system, so one implementation that would be quite nice that we do not have that other cities have is contactless credit card payments—that you could tap your credit card on and it would charge a flat fee for that one journey, and then you tap it off at the end. The London tube does this, and it is quite user-friendly. I have used it; it is very useful. Sydney is also moving towards it or has moved towards it. So that is one change that I would make. The problem is I am one of the odd people in transport planning that actually thinks Myki is a pretty good system now a lot of the bugs have been ironed out. I know, I know—it is a controversial statement!

The CHAIR: I appreciate your clear and concise answer to that. It is interesting that it may lead to distance-based pricing, and the simplicity of our current system is something we take for granted.

Mr TARLAMIS: I think this is probably just more of a statement. It was touched on, obviously, the current situation and the changes that people have made in terms of that. It will be interesting to see how or if those numbers change that were done in terms of the research that was undertaken, now that people have taken up other options at the moment in terms of whether people are working from home, using different modes of transport to get to work, whether it is bikes and things like those, or working different hours and things like that, how many of those figures actually change as people have changed their patterns and sort of realised there are alternative ways to do things and whether they will actually adopt some of those practices in the longer term and make them a feature in some ways—maybe not entirely the same way as they are at the moment, but keep aspects of that. That may have a dramatic impact on those figures that you saw in that research that you did. So

it may be a body of work that needs to actually be revisited post the pandemic situation to see whether there has been that change, because there may actually be a correction already that the circumstances we find ourselves in have actually managed to address.

Mr DAVIES: I think that is right. I think that what we were looking at was kind of an ambitious scenario of what could happen and that looking afterwards in a kind of reflective way at what did happen will be important. Also you are right that people, when they form a travel habit, stick with that travel habit until they are forced to change, and COVID-19 has meant that many have had to change. When the restrictions ease and slowly lift away, they may continue that habit and they may not go back, and this is going to be—it is—an exciting time. It is horrifying, but it is also quite interesting.

The CHAIR: Mr Davies, thank you very much for your presentation. It has been very engaging and very informative to us all. I really enjoyed it. On behalf of the committee I would like to thank you for coming today.

Mr DAVIES: Thanks for the opportunity to participate.

Witness withdrew.