

# TRANSCRIPT

## LEGISLATIVE COUNCIL ECONOMY AND INFRASTRUCTURE COMMITTEE

### **Inquiry into Expanding Melbourne's Free Tram Zone**

Melbourne—Thursday, 9 July 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

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Dr Catherine Cumming

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Mr David Davis

Mr Gordon Rich-Phillips



## WITNESS

Mr Jeroen Weimar, Head of Transport Services, Department of Transport.

**The CHAIR:** I declare open the Economy and Infrastructure Committee's public hearing for the Inquiry into Expanding Melbourne's Free Tram Zone. We welcome any members of the public that are watching via the live broadcast.

Before I begin, I would also like to read out a witness statement. 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 this hearing is protected by law; however, any comment repeated 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 allow 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 any technical difficulties, please disconnect and contact committee staff using the contacts provided. Can you please begin by stating your name for our Hansard team and then start your presentation, Mr Weimar.

**Mr WEIMAR:** Thank you, Mr Erdogan. Jeroen Weimar, Head of Transport Services at the Department of Transport, and thank you to you and the committee for giving me time this morning.

### Visual presentation.

**Mr WEIMAR:** I will do a short presentation and obviously be pleased to take any questions that you have thereafter. As you will be aware of course, Melbourne has the world's largest and arguably most complex tram network, with over 475 trams. We run over 5000 individual tram services a day across a large network stretching all the way through the inner suburbs. It is worth highlighting of course that we have not only the world's largest tram network but also one of the oldest tram networks, and it is typified as being a traditional trolley car service which runs on shared use on the open public roadway. Over 75 per cent of our tram network runs on the roadway, runs in the same line as the rest of the general traffic, and that is one of the most significant structural challenges that we have with our trams.

We run our tram network pretty much 24 hours a day, 24 hours through the weekend from Friday all the way through to Sunday night, and we have nine depots, over 2500 staff involved in the running of the network, and here in Melbourne our Victorian model is almost unique around the world in that we rely very heavily on our commercial partners to operate the tram network, and I believe you will be hearing later on from Yarra Trams, Keolis Downer, who operate the tram network on behalf of the state of Victoria.

The strategic challenge that we have with our tram network is that it is essentially the inner-Melbourne metro network. Our train network is really a broader suburban network bringing people from the outer suburbs into the city and increasingly from beyond the outer suburbs into regional Victoria into the city. The tram does the job that many other cities' subway systems will do, which is to run people around within the CBD and within the inner suburbs. As such it really is a significant heavy lifter of people movements, with around 600 000 journeys a day in normal, non-COVID times, and I will touch on that briefly in a moment.

One of our challenges in doing so, of course, is how do we then ensure that it is actually an effective and accessible tram network. And we are really only part way through our transition from a traditional, high-floor trolley car service around the network through to a modern, level-access, light rail/tram system, with only around a quarter of our network now fully accessible to all members of our community, all members of our society, and getting to a level-access stop and a low-floor tram network is a critical priority for the state, not least because one in five Victorians faces a significant disability challenge but of course it also significantly speeds up the operation of the service, reduces dwell time and enables us to run a far more reliable and effective tram network across the city.

I think the second significant challenge—I have hinted at this already—with 75 per cent of the tram network running on shared roads, on narrow arterial roads, whether we are talking about Sydney Road or Nicholson Street or any of these other key arteries, is that Melbourne only has 50 lanes of traffic coming into the CBD in total, and many of those are shared with trams. Now, the trams on those corridors, whether we are taking Sydney Road or Nicholson Street or St Kilda Road—we will carry five to six times as many people on the tram network on those corridors as are carried in cars on the adjoining carriageways. So we need to continue our work, as we have done in places like Nicholson Street, St Kilda Road and many others, to continue to increase segregation for trams, to give them a dedicated right of way and to give them greater traffic prioritisation in order for us to meet the demand on the network. And that really, I think, is the binary challenge for us, which is that largely our tram network is a capacity-constrained system. I will talk about growth in a moment, but we are already facing situations where many of our routes for many times of our day are already at and beyond capacity, and our most significant challenge over the coming years is how to expand that capacity to a more efficient and more reliable network.

The final piece on this slide for us is that Melbourne's geographic shape is changing. I have talked about the rapid population growth in the inner suburbs, really where the tram is a dominant people mover. We are also seeing a progressive westward shift of the CBD, with the expansion of the Docklands area, and really even in the last five or six years we have seen significant growth in commercial/residential activity in the Docklands area. And we are managing that in terms of moving more and more of our tram capacity towards the west side of the city, even developments like tram route 58, putting more volume up through William Street, and we will continue to put more services into the west. So there is this whole reshaping and rebounding of the city. The tram has a significant part to play in that in the coming years.

In terms of tram patronage, over the last seven years or so—I am sure, Mr Erdogan, a key part of the inquiry's interest will be around the increase in patronage between 2014 and 15, when the current free tram zone was introduced—what we saw there is obviously a two-year significant increase in patronage on the network. If I break that down, we are now currently running at around 200 million journeys a year on the tram network, around 600 000 a day. If you look at actually within the CBD area, before the free tram zone was introduced we saw around 18.5 million trips being taken just within the current free tram zone area, that broader CBD area. That increased almost overnight to 35.5 million trips within that area—35.5 million free trips, I should add. So we have seen a doubling of activity, a doubling of tram trips within the CBD area within the existing free tram zone. And it is worth I think the committee just bearing in mind we are taking 18.5 million trips that were being taken by fare-paying passengers prior to the introduction of the free tram zone. We have essentially made all those 18.5 million trips free; we have added another 17 million trips—of course, also for no cost—so 35 million trips being taken every year which cost nothing, which also make no financial contribution to the running and operation of the tram network.

Since then patronage has been pretty stable at around 205 million a year, the drop in the 2019 numbers, of course, heavily influenced by COVID—I will come to that. As I said earlier, I think the reason we have seen growth in the tram network sort of top out at around the 205 million mark is largely around the capacity constraints we see, particularly in the morning and the afternoon peaks, but even in between the peaks. The tram network is actually much more consistently busy during the entire operating day, compared to the suburban train network.

Tram performance has been, I would say, reasonably consistent. We saw some longer term improvements predating 2015 that brought us up to sort of a mid-80 per cent punctuality performance—83 to 84 per cent punctuality performance. What drives tram performance is, primarily, performance of the road network and the amount of prioritisation we receive to get trams through an increasingly congested roadway, and there are a number of programs afoot to drive that further forward; and secondly, how you improve dwell time and the efficiency of people loading on and off trams and where that demand is distributed. Clearly the busier that your trams get the harder it is to enable more people to board and for people to disembark. That adds to waiting time at the stop. So there is a sweet spot in terms of the volume of activity use in the tram network. You will see of course the rapid improvement in recent performance, which I am afraid is only down to the fact that of course the vast majority of people are staying at home rather than travelling in on the tram network or on the road network.

I will touch briefly on COVID of course. As I have said a number of times, we normally carry around 600 000 people every day on our tram network on a working day. Yesterday we carried 130 000, so less than a

quarter of our normal patronage levels. That of course is entirely down to the COVID restrictions we have seen since the end of March. I appreciate the committee's challenge will be similar to mine. We are in a slightly artificial environment at the moment where we are dealing with an exceptionally quiet CBD and exceptionally quiet city. We are maintaining a full public transport service and a full tram service to enable those essential journeys to continue for people who need to get access to health, to food and to critical jobs, but clearly we are not dealing with a normal environment. With respect to the committee's time and our late start, I will not go through the various things we are doing around protecting our passengers and our staff from COVID, but there is a whole program in place of course to ensure we can maintain safe and reliable tram services.

I am sure the committee is familiar with the existing free tram zone. It is very much based around the core CBD area with extensions into the Docklands space, and I think that has stood the test of time pretty well. Of course the committee's inquiry scope is around the extended free tram zone, and of course numerous conversations have been had by various interest groups and interested organisations around expanding it down towards the exhibition centre, which is actually not on this particular map, down towards the south-west, extending it to the MCG complex, the sporting complex, the Olympic park complex, extending it down St Kilda Road and up into the north to cover the university and hospitals precinct—all key activity zones right outside our CBD.

If we then go to the implications of what that would be, and I will give a few remarks before we go to questions. I think, firstly, of course is the sheer financials of this. The revenue loss of the current free tram zone is around \$10 million to \$13 million a year. We currently allocate around \$240 million a year of revenue to the tram network. So 30 per cent of the state's fare box is allocated to the tram network, so around \$240 million is the revenue take. That number is shy by \$10 million to \$13 million from the journeys that are taken within the free tram zone: there are 35 million journeys that do not make a contribution. We estimate then that the extension of the free tram zone would take a further \$15 million—14.8—out of the existing fare box. So we are then looking at an environment where we are looking at probably around \$28 million coming out of the fare box—that is an over 10 per cent reduction of fare box—to support an extended free tram zone.

Also of course we would expect it to continue to drive up some patronage, around 13 700 a day, so around a 2 per cent increase a day. But I think what that number masks is some quite interesting behaviours. As I have said before, the current free tram zone already provides a very congested experience for people, particularly in the afternoon peak—people who are leaving the CBD and are going back to their homes in the suburbs. Frankly, there is a significant displacement of people who are travelling home into the inner suburbs by tram, who are being displaced by people who are taking a free trip within the CBD. We know we are at beyond capacity at particularly a number of times a day.

That also applies to people travelling in the morning peak, travelling either from the CBD or through the CBD, who are then unable to board on their preferred service and have to wait additional time. There would be an additional net patronage. It would also be a significant reduction in patronage, particularly in the inner suburbs. So in areas outside of the extended free tram zone we think we would see a drop in patronage from people who are just not physically able to board the service given the additional number of people boarding in the extended zone as well as people who just choose to avoid such a congested form of transport.

Certainly of course that customer experience I have touched on, it would of course potentially lead to a busier tram service. We would generate new patronage. People who are currently either walking or cycling or taking alternative transport modes are now choosing to use a tram and displacing therefore people who are relying upon the normal tram service. I think that we will see an increase in congested and busy travel.

We know from the initial free tram zone there was a significant modal shift, particularly walking trips within the CBD—people taking short tram journeys to avoid the walking trips—so we saw a significant increase in tram mode share within the CBD/Docklands between 2011 and 2016 as we saw more people shifting towards a free tram service, and walking mode falling by an equivalent amount. Now I am not a health policymaker, but clearly there are some implications from removing relatively short walking trips and replacing them with a public transport service. My more significant concern would be the knock-on implications. In a sense what we are doing is we are shifting people from short, alternative forms of travel—walking and cycling—into a tram mode; thereby we are displacing people from trams to other modes as they are no longer able to make longer journeys on the tram because they are being displaced by shorter journey makers.

We have obviously done a number of bits of modelling around this. This is an example of the Elizabeth Street corridor in the morning peak, and I apologise for the complexity of this presentation. If I look at the blue line as essentially our northbound service on the Elizabeth Street corridor in the morning peak—so this is people travelling from Flinders Street station to Queen Vic Market—it shows over the course of the route what the level of loading is. The light blue line is the current level of loading against the capacity. So you can see we are already breaching existing capacity limits for a significant part of that journey at this point in time. In the morning peak our projection is it will see a significant increase in those breaches as a result of an extended free tram zone. So this is part of the challenge. It is a similar pattern on the southbound service, but slightly less. But we would have significant concerns around how do we accommodate all these people on our network? This is part of the complexity of this, so we are talking about the revenue loss implications of \$14 million, \$15 million. It will also of course cause a significant additional pressure for putting more services out there, which is an additional operating cost, whether it is additional trams, additional rolling stock, additional investments in the network, to maintain that higher level of activity.

Other corridors—we would be particularly concerned. If I look at the remit around this in the free tram zone, it seemed to be really to the two busiest parts of our network outside of the CBD. The Swanston-St Kilda Road corridor is the world's busiest tram corridor by far; there is a tram along there every single minute or so. It is a hugely intensely used corridor. Extending the free tram zone all the way down the St Kilda Road corridor would we think generate even more demand on what is already our busiest corridor and one that is very hard for us to service. Similarly, the university and hospital precincts—critical things for people to access on the tram network. Our focus for those zones is to ensure we create more capacity and more accessible capacity in those areas. We would have some concerns around generating low-value demand in those areas with a free tram service.

I have talked about this. We of course run a dizzying array of different tram types on our network, which reflects the evolving historical nature of the network. Our older Z- and A- and B-class trams are small, high floor. They are very picturesque and very iconic, but they are not well suited to moving large numbers of people up and down corridors. The more modern E-class tram fleet—we have 85 or so of those at the moment. We are continuing to transform that part of the network. But over the last few years we have continued to struggle to meet the demand that we have already got on our network and we need to continue with that investment program to manage the ongoing growth of the city post the COVID era.

If I then talk briefly again just around the other scopes of the committee's reference around expanding free travel to students and to seniors, again we think that would generate significant extra travel journeys from those groups. Our estimates of I guess the financial implications of all that—maybe I could just list them out for the committee's benefit. At the moment the free tram zone costs us around \$10 million to \$13 million a year in revenue. The addition of the extended area would add a further \$15 million to that. The expansion of free seniors travel—recognising that seniors already receive half-price travel but extending that to free travel—would add a further \$30 million to that. Extending free travel to schoolchildren would add another \$60 million to that, and extending that to tertiary students, university students, would add a further \$90 million to that. If I add up those numbers very quickly, that is just shy of \$200 million of revenue losses that start to get generated out of the state's fare box, so it is a significant number that starts to get generated that, yes, ultimately would require both government and the state to make some drastic choices about alternative ways of supplementing that revenue.

Thank you for your time this morning. I hope that has been helpful, and I look forward to any questions you may have for me.

**The CHAIR:** Thank you, Jeroen. I have a few questions, but I might go a bit later.

**Mr GEPP:** Thanks, Jeroen, for that very comprehensive presentation. I think you made very clear the impacts of extending the free tram zone and the statistics. It has been a very thorough presentation, so thank you for that. We have heard from other witnesses around the issue of dynamic pricing, or differential pricing however you want to call it, and whether DOT has given any thought to that issue and where you think that whole issue is starting to head in terms of public transport here in Victoria.

**Mr WEIMAR:** Yes, thank you, Mr Gepp. It is a subject that from a cost point of view we review and look at from time to time. Of course here in Melbourne we already have one element—although it is not very

dynamic—of differential pricing with the free travel on the Metro train network, the Metro network, before 7 in the morning. I think if you look at our passenger behaviours around that, when that was introduced, before my time, it did lead to a significant one-off shift in behaviour, but that shift has remained fairly static since then.

Although I would love to think that public transport is something that people would enjoy using as much as I do, I think for most people it is a necessary thing in order for them to get from A to B, and what drives the timing of their trip and the nature of their trip is when they need to get to work, when they need to get to school or when they have to get to an appointment. So people's ability to make discretionary decisions about timing is not sometimes as great as we might think, and in that sense it is very different, say, to the airline industry. With the airline industry largely if you are travelling for leisure, you can choose the timing and people start to make more discretionary decisions: 'I'll leave on a Tuesday if I'm going on holiday; if I'm travelling for work, I'm just going to travel on a Monday morning at 6 o'clock, because that is when I need to get into Canberra'.

Our view is that public transport demand generally is much more inelastic. It is less susceptible to pricing stimuli unless you really make those pricing stimuli pretty aggressive and you really start to talk about multiple loadings of journeys, and I would have some concerns. We know that for many people public transport is an economic lifeline for them. Many of our community members who do not have huge discretionary incomes are relying on public transport as their lifeline service, so hitting them with marginal increases can be really quite a challenging thing to go and do.

That is a bit of a waffly answer, I am afraid. We do not have any proposals that are moving around. Experience internationally is that people are pretty inelastic in terms of how they move around. There are some opportunities, but then you have to get into quite severe pricing stimuli, and then I think the social implications of that need to be thought about quite carefully.

**The CHAIR:** Thank you. Good question and good answer.

**Mr QUILTY:** This probably follows on from Mr Gepp's question. We have heard about micro-pricing, so if we were, for example, to replace the free tram zone or hourly extension with very low fares but nevertheless fares, do you think that would make a difference? How would that affect transport numbers and so on?

**Mr WEIMAR:** Yes, look, Mr Quilty, I think it absolutely would. Look, the beauty, if I can put it this way, of a free system is it is beautifully simple, and for the passenger it means, 'I don't have to think about it. I can just wander on. I don't need anything to—there is no barrier to entry whatsoever'. As soon as you introduce even a 10-cent fare, just to be ridiculous, and you therefore require people to have a valid Myki and you require them to touch on, it introduces quite a significant barrier. So if I am walking down Collins Street thinking, 'Oh, there's a tram. I might as well take it', or, 'Now I need to have a Myki and I've got to have it loaded up and I've got to touch it on', that first step is a very significant step. As soon as you get to the 10-cent, 50-cent—a transaction cost and that barrier, the pricing levels beyond that become increasingly less important. It is that first step that I think becomes the biggest shift to people's behaviour. And I think what I would suggest, having the experience internationally of free, particularly in a busy urban area—now, there are certainly places in the United States where they do things for free because there are no demands for public transport, so you cannot even sell it. In our environment we are normally dealing with a demand challenge, so having some elements of making people take a decision and judge their marginal value I think is quite an important step to make. And that is the biggest change in behaviour, I believe.

**Mr BARTON:** Thank you, Jeroen. My first question is just on the impact of Metro Tunnel. Have you got any data—this is going to be game changer for Melbourne, and this is going to free up some of the complaints where people are trying to mount an argument, 'We shouldn't increase the free tram zone because it's already crowded'. I see that as an operational issue. It is separate to the principle of what we are trying to discuss, so I do not think that is the argument. What data have you got and what information can you give us about the impact the Metro Tunnel will have on the tram network through the CBD?

**Mr WEIMAR:** It is a really good question, Mr Barton, and I do not have any data to share right now—but happy to maybe take some of that on notice. As I said before, Swanston Street-St Kilda Road is our most heavily used corridor. We have 200 000 people a day going up and down that corridor. That is a third of our entire tram demand across the entire network. So clearly Metro Tunnel will have a huge impact on that corridor, given the Anzac station up to the north alignment. And that will give us a huge pressure relief and will

really open up the lower end of St Kilda Road for commercial and residential development. So I think it is a really positive development. So, yes, strategically that gives us a way forward.

What we are doing is looking at options as to therefore, how do you—to your point—re-use that capacity that that then frees up? I am just saying there are huge areas to the west of the CBD that are relatively underserved by the current tram network. We introduced tram route 58 by connecting essentially Toorak Road through Domain and then up through Williams Street around to Southbank. That has been a hugely popular route because there are so many businesses that are emerging in that Southbank–west of Southbank area. So we are actively looking to redraw the tram network to take advantage of that. That will be incremental rather than overnight, but we will see more activity on Elizabeth Street, more on William and more on Spencer Street. So we will see that.

I think in terms of the numbers on that, I do not have them to hand, but I would expect a significant modal shift of a large number of those journeys. To my earlier comment, having said that, if you are at Flinders Street and you want to get to Melbourne Central, the tram I think will continue to be the line of least resistance, because you are not going to have to go into a station, you do not have to go downstairs and you do not have to wait for a train and do all those other things. The tram is on the surface, it is visible, it is easy and you can just take it three or four stops. So I think the tram will continue to be that local distribution network within the CBD. I do not think Metro Tunnel will take away the cross-CBD journey so much; it will deal with people who live near Domain or Anzac station and who want to go to the university precinct. It will deal with those; it will be a fantastic thing.

**Mr BARTON:** When you are doing the costings for this, are we building costings in to make it attractive so we can have a public-private partnership? The question I am going to ask is: are we setting a set of criteria so it is attractive for an operator to come in? And do you take into account the economic benefit if we extend the free tram zone say to the MCG or down St Kilda Road, so taking in the arts precinct and all that sort of stuff?

**Mr WEIMAR:** Sure. Let me answer maybe the second part first. I think absolutely if government were to be asked or the state were to be asked, ‘What does an extended free tram zone do?’, then you are right, the economic implications for the city will be an important part of that overall policy decision of course. Now, my narrow little operational world and my narrow revenue constraints will not be the only things that make the decision, so there would be some economic assessment done of that.

I would suggest that the decision that people would need to make would be about what is the role the tram service is trying to play and, as you say, how do you operationally manage that and optimise that. And if I am going to create yet more demand within the inner area, within the CBD area, for short, low-value trips, if I can put it that way—or low economic value trips—then how do I optimise my network to manage that as well as manage my longer trips, my 3- to 5-km trips that are moving people in and out of the suburbs, that are higher value trips that we need to accommodate? Given the radial nature of the tram network and given that everything runs through the centre, I appreciate that is my problem to fix. It is a very challenging problem to fix because we have got people who live in Coburg and Abbotsford coming out of the CBD at 4, 5, 6 o’clock who want to get home who are being displaced at the moment by people who want to go a much shorter journey, which then forces my longer journey passengers to walk to Spring Street or beyond in order to then get onto a tram which is now depopulating because the free tram zone has ended.

So wherever you put a price boundary people change their behaviours around that price boundary, and the role of a tram as a service to get people in and out of education and work and to all those other things needs to be maintained if it is also going to do it in a distribution phase. The best example we have got of that I think in Melbourne is actually dear old route 35, the tourist route, the City Circle route. That plays a classic economic/tourism kind of role. It runs around the sites, it gives people a nice free journey. It does not, frankly, do an awful lot of work for us as a transport network, but it is like the San Francisco cable car, which costs a lot of money; it is a nice thing to have and it is important to do. That is an economic play. I would argue that route 96 is an economic play because it gets people in and out of work, and that is a different beast altogether.

**The CHAIR:** I might just ask you a couple of quick questions myself, Jeroen. I noticed in the document you forwarded that we are close to people being able to touch on to Mykis at tram platforms around the city. When is that going to happen? Because I think that is a barrier—

**Mr WEIMAR:** Yes, it is a barrier. It is something we are developing as an option. We do not have a commitment to implement it yet at this point, but it is an option we are looking at. It would significantly simplify the use of the tram network if we were to do that. What you would like to do with a contact-less card is you would also like to be able to price the journey based on the length of the journey, and I go back to the earlier question from Mr Quilty and Mr Gepp around what is the right pricing structure that you want to adopt.

What a card system also should allow you to do is to get very rich data about where people are travelling to and from, so it gives you a better understanding of what your customers are doing and therefore you can optimise your demand and your supply to meet what your customers actually need you to go and do. One of our challenges with the tram network's current pricing approach or current ticketing approach is that it is a one-touch system. It tells you a lot about where people are getting on; it does not tell you where they are getting off. So our detailed knowledge of where people are going and how we support them better on their journeys is not as fine-grained as I would like it to be. Moving the Myki system to the platforms would introduce yet other challenges. So, yes, it would simplify the boarding process. It would generate some challenges around compliance, which is people will say, 'I rushed to get on the tram, I didn't have time to go to the single touch-on point on the stop', 'It took too long', dah-dah dah-dah dah. So you will get into another little economy around that, so there are some conversations and things that we would need to think quite carefully about before we go down that kind of route.

**The CHAIR:** Thank you for that. I have also got another question actually about how the department operates in terms of what the internal process is for determining whether we prioritise trams or buses over cars.

**Mr WEIMAR:** That is a good question. I will tell you the way the department is organised. My area of the department, the Transport Services wing, we are responsible for the operation and the management of the current public transport network, and, as Mr Barton's questions alluded to, which I did not really answer as good as I might have done, we operate a series of franchisees and a series of contracts to run different transport services. We also manage the road network across the whole state of Victoria, so the old VicRoads responsibilities now sit within my team, and the work of our regional team—so we have two regional teams in the Melbourne metropolitan area—their job is to optimise the level of flow of demand on those arterials.

So if I go to arterials like Nicholson Street or Sydney Road or any of the other ones—St Kilda Road—their job is to both make sure that we provide safe and accessible networks to cars and freight and cyclists and pedestrians and tram users and bus users. We will look at the demand on those networks. We will look at accident data. We will look at any other incidents, and from time to time we will develop and implement engineering solutions or changes to traffic light timings or change prioritisation depending on where the congestion is going and where the constraints are.

At a technical level, that is how we do that. The decisions are made ultimately—the traffic light systems and the optimisation of whether north gets priority versus east and west—by my traffic signal engineers based on the modelling we do around our network and based on where we see the congestion patterns emerging. Clearly ultimately government has an important role to play in terms of setting the policy frame. If you look at maybe the Melbourne City Council example where the city is pushing for greater prioritisation for walking and cycling and public transport modes versus car modes, that provides us with a bit of a policy lens that we will then try to reflect in our management, and the same at the state government level. If the state government pushes hard on prioritisation, we will reflect that.

**The CHAIR:** Thank you. I have got one last question. I also want to acknowledge that Dr Catherine Cumming has come online, so she is here. Thank you, Catherine, for saying hello. One last question, and then I will pass on if anyone has got any additional questions. I notice that you did state the cost of extending the tram zone, but my issue is that it seems to be with transport there is a cost to every action. So the alternative is if you do not extend the tram zone, then people will be more reliant on cars and other modes of transport, and there is a cost to that too. So has there been some modelling of not extending the free tram zone and people having to go that extra little bit, people changing their behaviour to use cars instead and that leading to this whole traffic jam that we are experiencing?

**Mr WEIMAR:** I think that is a very fair point, Mr Erdogan. Absolutely. I am often accused of everything I am asked to do costing more money somehow. I think that absolutely in the transport space we tend to operate from the status quo and any change on the status quo, and maybe I can just bend to the current COVID

situation. We will now have to contemplate over the coming years a very different demand profile for the way the city is going to work. I mean, the whole nature of why people are making journeys in and out of the CBD will change significantly regardless of what mode they use, and we are already starting to see that now. We have just done some work to support some local councils in extending temporary bike lanes, because we now think that is a pragmatic thing to do in this current environment as we clearly cannot accept that people would shift entirely towards car use, given the capacity of trains we have got within the city, so we want to enable walking and cycling as a more attractive option.

So I think we will be asked to make more radical adjustments over the coming months and years around how the city is going to operate. I would suggest that transport is not an isolated issue in that it has to be a supporting player saying—and I am making this up—‘If we expect the CBD to have a very different employment profile and a very different kind of generation of work trips, how do we then work with local councils and employers to reflect that in the transport network?’. What I would suggest is that the Melbourne road network is heavily constrained, and although we are doing a lot of really good work in the outer suburbs to improve road capacity using technology and various other means we now need to also look at how we reconfigure the inner area transport network to reflect a post-COVID environment. I think your challenge is very fair, which says that that may lead us to do some things differently and accepting that certainly, if I look at corridors like Sydney Road, we may configure that differently in the future than we would have done only six months ago.

**Mr BARTON:** Just two things: I think post COVID now we probably will get a shift; I do not think everyone is going to be jumping on the tram every 5 minutes just to go one block and stuff. I think people will choose to walk and use bikes. That will come, and obviously we are thinking about how we do that. Just on the original free tram zone, was it a much larger footprint originally?

**Mr WEIMAR:** I am afraid I was not here at the time, so I do not know. I do not think there was. I think it was fairly swiftly developed in 2014, and I think it was pretty rapidly established around the core boundaries. There were at the time I know and in the subsequent period there have always been debates around those border issues—Melbourne exhibition centre, the sports complex, the universities—for understandable reasons. And I think wherever one draws a line—and we are seeing this right now in the New South Wales-Victoria situation with COVID—and says things are different on one side of the line versus the other it causes a whole series of unintended consequences. To some extent I think all one can do with either the existing free trams or any future free trams is get it as right as one possibly can.

And to your earlier question, I think one needs to be very clear about both the economic rationale for that but also how you want the city to work and what kind of behaviour you are trying to encourage or discourage. I think that is the lens you need to have over this.

**Mr BARTON:** Yes, it is a little bit difficult at the moment, isn't it, because we do have our COVID lens on everything we are doing. But we are going to get through this; this will move on at some stage.

**Mr WEIMAR:** That is right.

**Mr BARTON:** But certainly from the tourism sector, from the business sector, they are all telling us—well, certainly telling me—the economic activity would offset the cost of extending these few stops.

**Mr WEIMAR:** Yes, and I think that economic case would need to be looked at very closely, and it would be great if the committee could obviously contribute towards that work; that would be very helpful for all of us. I think that is a very important lens to all of this. Just on the COVID piece, I think there is a huge opportunity for Melbourne and for the state around how do we succeed in a post-COVID environment. Suddenly all these things that were previously impossible to achieve now look possible. As an urban planner or as a transport manager, it is a very exciting time to think what that might look like over the coming years.

**Dr CUMMING:** My question is, just going on from Mr Barton's former question and looking at expanding it into the west—the inner west of Melbourne being Footscray—seeing that Maribyrnong City Council and that section in Footscray is obviously part of IMAP, do you have any thoughts on the expansion into the west and obviously the forgotten part of inner-western Melbourne, which is inner-western metro?

**Mr WEIMAR:** Thank you, Dr Cumming. The general thrust of my remarks would be as a transport manager I would rather constrain the tram zone rather than extend it, and that is a bit of a bias. I accept that. I

think I would maybe go back to the rationale for the inner west, again one would need to be really clear about why we are trying to expand it. What are we trying to do with a free tram zone and why are we trying to expand it? As I understand it, the argument from the sports and tourism lobby around the MCG complex is we have got all these out-of-state fans who do not have Myki who want to come and watch games and it will be a good thing for the economy. The argument around the exhibition centre is we have got all these international visitors who want to go to the exhibition centre and it makes a lot easier to get them in and out without having to get a Myki—they can forget all that. I would suggest the argument around the inner west is very different. It is around an economic regeneration zone. You have got key marginalised communities. You want to connect them into the city. One could make the argument—

**Dr CUMMING:** I guess to jump in there the argument is obviously there is a new hospital being built in Footscray, so obviously that is an extension of the Melbourne hospital network, as well as Victoria University. So if we are looking at Melbourne University and the inner-city universities, we have got Victoria University. So when you look at Footscray and the university city and you look at European models, it would make sense to include Footscray and that small part from the Footscray train station, and obviously the Footscray train station is the gateway to all of the transport networks for the west. You cannot get into the city if you do not go via Footscray, from western Melbourne.

**Mr WEIMAR:** Absolutely, and I accept that, and I suppose my plea to the committee would be that in a sense it illustrates the slippery slope we are on with a free tram zone, which is that—

**Dr CUMMING:** Or the wonderful hill that we could go up.

**Mr WEIMAR:** Maybe, but there will always be another horizon. There will always be another critically important social piece of infrastructure for us to connect now that we have connected everywhere else.

**Dr CUMMING:** Correct, because we are expanding—as Melbourne.

**Mr WEIMAR:** Correct, and my plea would be we also need to build and sustain and manage a reliable, high-quality, clean and efficient public transport network to enable people to get around, and the more revenue we take away from the transport network, the more we fail to differentiate between high-value journeys and lower value journeys, the less money there is to sustain it and the more that the thing starts to run out of cash, and I think that is a—

**Dr CUMMING:** And I guess my argument is you cannot rob Peter to pay Paul.

**Mr WEIMAR:** No, but I think what we would be doing is we would be robbing the public transport user to pay everybody else, and I do not think that is right. I think that would be an unhelpful move for us to make.

**Dr CUMMING:** I guess mine is looking after the vulnerable.

**The CHAIR:** Thank you, Catherine. I think we have looked at a few different social aspects. If any of the committee members have further questions, Jeroen, can we contact you or write to you?

**Mr WEIMAR:** Absolutely, please do, and if I have failed to answer any questions, I apologise, but I am happy to provide further information.

**The CHAIR:** No, not a problem. It has been quite informative, and I allowed a bit of extra time because we started a bit later than usual, but thank you very much for your contribution today. We have really enjoyed it. On behalf of the whole committee, can I say thank you for your contribution and presentation. It was very informative. Do we have the slides actually?

**Mr WEIMAR:** You should do; I think your support team has it, because they are the ones running the slide show.

**The CHAIR:** That is right. I think it was in my inbox this morning. Thank you.

**Mr WEIMAR:** Thank you all.

**Witness withdrew.**