T R A N S C R I P T

LEGISLATIVE COUNCIL ECONOMY AND INFRASTRUCTURE COMMITTEE

Inquiry into Expanding Melbourne's Free Tram Zone

Melbourne—Tuesday, 9 June 2020

MEMBERS

Mr Nazih Elasmar—Chair Mr Bernie Finn—Deputy Chair Mr Rodney Barton Mr Enver Erdogan Mr Mark Gepp Mrs Bev McArthur Mr Tim Quilty

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WITNESS

Ms Jackie Fristacky, President, Transport for Everyone (via videoconference).

The CHAIR: Good afternoon, Jackie. 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 the hearing is protected by law. However, any comments 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. The transcript will ultimately be made public and posted on the committee's website. Before you start, can you please state your name and allow us some time to ask questions. Thanks for coming early. Welcome.

Ms FRISTACKY: Thank you for the invitation. I am Jackie Fristacky, and I am President of the organisation that presented the submission to you or to your committee, which is Transport for Everyone. This is an alliance of transport organisations and planning organisations, and also individuals from academia and from planning and transport. Do you have a copy of our written submission? Yes. Okay. I will first of all talk about the framework for assessing submissions.

While the majority of submissions, and certainly those from students, supported extension of the free tram zone, mostly for their personal or sectional benefits, our submission sought to examine the consequences of extension. Certainly expansion of the free tram zone would be nice to have, but you have a broad responsibility to look at what is in the public interest, what is in the best interests of the transport system and for the people of Victoria as a whole. Our submission looks at the consequences of the free tram zone. There are a couple of key points I want to emphasise. First of all, the first key point is the major adverse consequences of the introduction of the free tram zone from 1 January 2015 for inner-city tram congestion. We identified in the submission, in the preliminary discussion, that one of the key aims was to reduce congestion on any city trams by not needing people to clock on and clock off on the trams. But notwithstanding that objective, the reduction of congestion on trams certainly has not improved, and you heard submissions on this from a range of submitters, including the PTUA just before, this morning.

So congestion has become increasingly worse, not just at peaks in the morning and evening, but at lunchtimes in particular as workers take breaks and rather than walking a few blocks to do their errands or to a meeting, they take a tram trip, adding to that congestion. We know from the data 44 per cent of tram trips are short trips. So that is a pretty substantial piece of data for you to look at in terms of the number of people on short trips which could be walked.

The other key point about congestion is it has contributed to reduced tram punctuality, with tram speeds reduced. In our submission we indicated the data that speeds had reduced from 15 kilometres per hour to 11. You heard that from PTUA, and that is data from Yarra Trams in a presentation that was presented to one of our groups. That is despite tram priority enhancements. So the free tram zone has increased journey times, particularly for longer trip passengers. It has increased the unreliability of tram trips, and this is exemplified by the fact that there are more tram delays and penalties on operators—that is, Yarra Trams, run by Keolis. Indeed just in mid-2015, six months after the free tram zone was introduced, I went to Bordeaux and met with Keolis. I was looking at the new Bordeaux tram system, which is excellent, and cars are banned in the inner area. And the key thing they said—even then, six months after the free tram zone was introduced—was that it was having a negative impact on tram punctuality, and that had adverse consequences for Keolis.

You have heard from the PTUA and in our submission that delayed boarding for disabled people, people with luggage and we mentioned in our own submission about backpacks—try getting on a tram at peak hour with luggage or backpacks or with your briefcase, trying to get to work or to a meeting. And another thing that we did not actually mention in our submission is that trips are increasingly uncomfortable. There are real problems, particularly for women, with touching and the risk of molestation on packed trams, and as a woman I am particularly concerned about that. And there is a problem about the spreading of infections. So congestion has been a real problem. It is pretty hard for seniors to get on a tram, or disabled people, and find a seat, because no-one can move to even offer a senior or someone disabled a seat. And this is another consequence. Overcrowding was a severe problem before COVID-19 and overcrowding on free trams involves serious risks.

Of course passenger numbers are restricted at the moment, but we say that all those problems will be exacerbated further by extending the free tram zone.

Now, the second key point apart from those adverse consequences is the range of inequities that have been created by the introduction of the free tram zone. You have heard, I think, that the inner-city workers who benefit from the free tram zone may tend to earn more per week than non-CBD workers—\$600 a week more. And you saw on a slide from PTUA that residents who live in the city tend to earn more than those in the outer suburbs, and non-CBD workers, as I said, earn less.

Tourists in the CBD—the question was asked about tourists wanting to be in the CBD and expanding outwards. But you pay a premium. It is the tourists with more money who get accommodation in the CBD because it is hotels outside the CBD that tend to be at a lesser cost. So we really need to look at that inequity for those beyond the free tram zone.

Again, students in campuses like Melbourne University tend to be more advantaged than suburban students attending other campuses across Melbourne and also in regional cities, and that applies also to postgraduate students. Many are working, and I will come to that again when we respond to your terms of reference 2 and 3, particularly 2, re full-time students. Again, RMIT students tend to be more advantaged than suburban students attending the vast majority of educational institutions across Melbourne and regional cities.

Another discrepancy we highlighted in our submission is that while you have got the free tram zone for trams, there is not a free zone for rail and bus journeys. So if your trip is by train or by bus, you do not have access to free transport—another discrepancy.

We also pointed out at page 8 of our submission that free trams made it harder for the paid bike hire scheme and that folded—in the free tram zone. Why pay for a short trip if you have got a free tram that you can take? And we have said it made it harder for the taxi industry. There are huge pressures on the car hire and taxi industry, and you know the number of taxis in the CBD—you have seen them yourselves. Free trams have made it harder as well for the taxi industry, and I highlight that in particular for Mr Barton, because of his orientation and interest.

We have emphasised that free trams, the CBD trams, subsidise higher paid workers who drive into the CBD and then catch a free tram for meetings. And another thing that I do not think you have heard much on by way of submissions but is within our submission is that 70 per cent of Melbourne is beyond the effective reach of tram or train services and they rely on bus services. Because of the inadequate public transport in those areas, driving to work has a much larger incidence—at 75, 80 per cent and up to 95 per cent in the growth suburbs. And this is a major consideration. The free tram zone benefits those more advantaged areas in the inner city as against those disadvantaged areas. So at page 9 of our submission we have submitted that instead of increasing tram subsidies by extending the free tram zone this funding would be better directed to improving public transport—and you have heard that submission too from others this morning—for those transport-deprived areas. I might point out the *Transport Integration Act*, which requires any public body dealing with or making public decisions in transport to have regard to the decision-making principles, and one of those is to encourage mode shift from sole-occupant vehicles and private vehicles to public transport. To the extent that the free tram zone benefits an area already well served by public transport *Integration Act*. So that deals with those terms of reference.

We believe there is a fundamental need to upgrade trams for disabled access, to extend routes and rationalise the routes but also to improve public transport services in particular. Given limited funds, this investment is a far higher priority for the rest of Melbourne, rather than focusing on inner Melbourne, which is well served by public transport.

Can I turn to references 2 and 3 on free fares for full-time students and seniors—is that all right? At page 10 of our submission we have pointed out a very important fact: that all public transport fares are in fact subsidised to the tune of 70 per cent—that is across the board—and fare box revenue only covers 30 per cent of operating costs. We referred the committee to the New South Wales Independent Pricing and Regulatory Tribunal report identifying that cost-sharing ratio of 30 per cent farebox recovery and 70 per cent subsidy. Now if you add these student concession fares and the seniors fare concessions on top of that, that subsidy is around 85 per cent

anyway. So that leaves a smaller payment that is made by seniors and students as part of their concession arrangements.

We also indicate that, apart from the concessions, it is the concession fare system that should be looked at. There is a need to re-examine the concession fare system, indeed all fares—student fares—in relation to the impact of COVID-19. More students are working from home; all students are working from home or online to a degree, and that will continue. An annual concession worked out on 11 months of the year—that is, for students—being reduced from the full-time fare is problematic if students are maybe attending classes two or three days a week, and that applies to part-time students of course as well.

And may I comment on the postgraduate students and overseas students. Overseas students live in a range of areas of Melbourne. Many do live in the CBD and would benefit from the free tram zone, but it is walking distance to Melbourne University or RMIT from the CBD. If you live outside the CBD and outside the free tram zone, you do not have access to the free tram zone or to being within walking distance necessarily, unless you are obviously in Fitzroy or North Carlton or parts of North Melbourne. We need to consider that. A lot of international students live outside the free tram zone, not in the CBD. They live in the Fitzroy areas, in North Melbourne, Brunswick and Carlton areas beyond the free tram zone. But they can use the free tram zone to the end of the zone and it is a short walk to the University of Melbourne or the medical precincts if they are students there.

Postgrad students was highlighted, but many postgrad students or graduate students live in International House—overseas students—or in Graduate House, or they live in digs close to the university—again, walking distance from Carlton, walking distance from places like North Melbourne, Brunswick et cetera. So there are a range of reasons why we urge you not to extend the free tram zone, and on free fares we have emphasised that students are already subsidised quite heavily, as are seniors.

We say that the mechanism exists in student concession cards and for seniors to restructure those, perhaps on a basis which does look at means testing. Many students, particularly tertiary students, do come from well-off families. Some do not. Some are on scholarships, and the scholarships often build in transport costs, so there is a double counting for some of those students. So I emphasise particularly to you that the free tram zone, we would argue, should be abolished, as was suggested by one of your MPs. Was it Tim? It should not be extended, and we invite you to ask for the concession and other fares to be re-examined, particularly these student fares, to look at the impact of COVID-19, working from home and being part time, and for full-time students actually attending university part time as well. So the concession fares need to be restructured on that basis.

So we ask the committee to very carefully consider the impacts on the operation of the tram system. We ask you to consider the adverse consequences on congestion and the operations of the tram system and ask you to look very carefully at the inequities across Melbourne that are built in by favouring tram users in the CBD area at the expense of those who do not have access to public transport.

Might I just make some comments about the University of Melbourne submission that you have received? There was some discussion about transport technologies and data. The fact that in the free tram zone people are not clocking on with their Myki or clocking off compromises data collection quite considerably, which is one of the reasons we do not have huge data available on the operation of the free tram zone. But I would invite the committee to ask Yarra Trams to provide what data they have on this—and PTV. But I would put to you that data collection is enhanced by having students and seniors clocking on and clocking off so that there is a focus to be able to analyse the operation of the tram system as regards use by students and seniors as well as others in the CBD. So I leave it at that, and I would be very pleased to answer any questions from the committee.

Mr ERDOGAN: Thank you, Jackie, for your presentation or submission. I just want to ask a question because you kind of touched on it, if you could elaborate on your point about how you believe the fare structure should be changed. You said something along the lines of maybe means tested, because currently the concession system is in a way means tested. Usually people with a low-income card can get a concession card to use public transport. What would be your suggestion as an alternative structure for fares?

Ms FRISTACKY: Well, I mentioned that it is problematic with more students working, attending university maybe two or three times a week. It might be less, it might be once a week. Certainly part-time

students do. But even full-time students, with online learning, they might go in once a week. So the concession system does not take that into account. They see a full-time student is one who attends five days a week, and that is not the case. Even secondary school students in their senior years are often working four days a week or maybe less, with online learning at school. This is going to remain as a thing in the future, as is being discussed, now we have all learned how online is very effective for learning and many students learn better. Certainly at the tertiary level it is very common. So the concession fare system does not accommodate that.

In terms of means testing, it is an added complication in terms of if you are looking at part-time students, those part-time students often have jobs. Postgrad students in particular have got jobs. And that is why you are studying part-time—because you have a job. Therefore I think it is—

Mr ERDOGAN: What I was trying to ask, Jackie, was is Transport for Everyone calling for there just to be a flat fee structure across the state?

Ms FRISTACKY: No, I am not. I think that needs to be fully examined with the metrics on how that would work, so I think that is beyond the submission that we were able to make. We just point out the issue and the problem, particularly if you are looking at extending it to part-time students, how do you distinguish between someone who is studying part-time and has no other income or is studying part-time, as many do, while they are earning income. If that is the case, there is an obligation because of the scarcity of public funds and the need to look at proper expenditure that this be looked at closely. I am not giving you any answers on that. I am just pointing it out as something that needs to be addressed.

Mr QUILTY: So it is probably fair to say that you would support abolishing the free tram zone?

Ms FRISTACKY: Yes. We did say in the submission that we in fact would support that given the adverse consequences and the inequities created. Ostensibly, yes, it sounds like a great idea, but as we have said, the system is already subsidising all users and subsidising seniors and students higher. And in the free tram zone you get a 70 per cent subsidy anyway for the operating costs of the system.

Mr QUILTY: If we had that extra \$15 million a year in fares, how would you support spending that?

Ms FRISTACKY: Well, it is not a huge amount, and I know with \$15 million you are going to only get a few extra trams. In separate submissions we have said that we need to get at least 50 new trams a year to deal with the inner-city congestion on trams. I am on the council of the City of Yarra, and many residents in the city cannot get on the trams at all, particularly when it is wet and two or three trams will sail past. I know to some extent that has been addressed with upgrading route 96 and with longer trams, but I think acquiring more trams is really critical. Extending and reviewing the trams—you probably heard this morning from Rail Futures Institute, which has proposals on extending the trams, but there are so many areas that we need to expend the resources on that it is hard to give you a single answer. I could give you a dozen things.

The bus system, for example, could be readily extended and improved with an extra \$15 million. There are routes where \$15 million could double the route capacity and vastly improve access for disadvantaged areas. There are routes as in Williamstown that could be done for next to nothing. That is not a disadvantaged area, but there are disadvantaged people in all areas. There are many things that could be done with \$15 million. A lot could be done with the bus system for \$15 million.

Mr BARTON: Thank you, Jackie. Jackie, I think it was in the media yesterday that Yarra Trams said there has been a 30 per cent increase in travelling through the CBD in the last four years. They say that without any context around that, but what we know is that there have been more than 100 000 people a year coming into Victoria, and the vast majority of them are coming into Melbourne. So what I am suggesting to you is that this evil free tram system is not so evil and that we are struggling to cope with the rapid growth because we live in the best city in the best country. We have to put some context around that, and there has been huge development. And you would know that around Southbank, our density in terms of housing and everything is, in some sections of it, as bad as anywhere in the world. So the amount of people that are now in the city and the inner city has really become dense.

This business of the free tram zone—there are two sections. Can we extend it one or two stops—and that is all we are talking about, taking a few other things in, but there is an operational side in terms of dealing with the

congestion. You have mentioned previously about the congestion. How would you manage that congestion apart from putting on bigger trams?

Ms FRISTACKY: Well, I would like to see Melbourne Metro 1 completed very rapidly. That is a \$10.9 billion project, but it is thought that it will expand to several billion more than that. That will link University of Melbourne, and there will be a stop outside RMIT for those students coming further afield. That is massive congestion busting if you can increase services by 20—

Mr BARTON: Fifty per cent or something.

Ms FRISTACKY: Yes, so that is a major investment of \$11 billion at the minimum at the moment, we think. You are absolutely right about population, but the biggest population increases have been outside the CBD when you take into account all of the population increase. The huge increase in the Brimbanks, the Whittleseas, the Wyndhams—and indeed even my municipality, the City of Yarra, has doubled, and it is predicted to expand even further. That is outside the free tram zone.

The thing is, when you have got a free tram zone, where do you stop? You take it to the Melbourne University, and people can say, 'Well, look at all the students who live in Brunswick or North Melbourne or Yarra', and pretty soon you are extending, extending, extending. I think that is the difficulty of having a free service. You have heard that it is already subsidised, the public transport system is already subsidised, and trams are heavily subsidised. So I think that while there is population increase, we have got to invest in the areas which desperately need public transport at all—not 40-minute bus services that cut out in the evenings and weekends or with no services on Sundays—

Mr BARTON: You will hear no argument from me about the buses; that is fine.

Ms FRISTACKY: Yes, and I would say, Mr Barton, that is a higher priority than benefiting inner-city residents—those who can afford to live in the city—who can walk a few stops. I used to walk to Melbourne University from Princes Bridge after catching the tram from Hawthorn. My father died when I was young, and we had to be very careful. I had to learn to cook lentils and walk down to the market and live off the smell of an oily rag, and I value that time because it taught me frugality. I know I can survive on next to nothing.

I heard the submission about students without food, but you can live very simply and frugally with some good management, and walking a few blocks is very good for you—from the CBD. If you keep the free tram zone, you can go to Victoria Street and then walk up to Melbourne University. That is a short walk. I walked all the way from Princes Bridge, which was a lot further. It is what you need to do. If you are going to be sitting down all day at lectures, you need to have the active transport. Unfortunately we lost the bike share scheme. There were the blue bikes at the University of Melbourne. There were four parking areas around there with the blue bikes. They have gone. We did have electric bikes, and we are getting Lime to take over later this year. We are negotiating.

So there is active transport—you can walk and you can cycle—and that is better for students. I heard about students with cars. You cannot park around the university. You do not drive into the CBD or the university. Some might in the evenings for evening lectures and take their luck on parking, but it is active transport. Mostly students try and live around Melbourne University if they are from overseas, and they can walk to university.

Mr BARTON: Jackie, just with your Transport for Everyone—it is an amalgamation of other groups—can you just tell me who the other groups are?

Ms FRISTACKY: Well, I cannot say it is an amalgamation; it is a new organisation that was created in 2017 to coordinate the other groups. PTUA is a member, as is the Inner Melbourne Planning Alliance, the Victorian Transport Action Group and Transport for Melbourne. Rail Futures is also a member, but there are also individuals. There is the Spotswood-Kensington residents association and the Melbourne on Transit blog on buses, which you may have seen. The author of that is a member of our committee, which meets every month. There are representatives from Swinburne, University of Melbourne planning and transport and RMIT—so a range of individuals who all have a focus on analysing the transport system and putting in submissions where we feel it is appropriate.

The free tram zone was one that we thought we should address, particularly when we read the submissions. The vast bulk of submissions you had were from people who said, 'Yeah, great idea'. The other person you will be hearing from shortly is Sally Capp as the Lord Mayor of Melbourne. It is her individual view; there are councillors at the City of Melbourne and you might ask her about what the general view is. But I would say in relation to the importance of Melbourne University and the City of Melbourne, the attractions of Melbourne are not the free tram zone. Most people do not know about it, coming to Melbourne. And indeed in any event they are more likely to know about the City Circle tram, and that already exists so why do we need the free tram zone if you have got the City Circle tram? So we ask you to take that into account. We did mention in our submission that there would be argument to extend the City Circle tram and broaden its loop. That is an option for the government to consider, but at the end of the day tourists coming into Melbourne come to Melbourne for a much broader range of reasons than the free tram zone and part of the tourist experience is in fact learning about the transport system in each country. When I travel overseas—or I used to every year; I've missed out this year; possibly next year—one of the key things is to find out about: how does the city operate? How does the transport operate? How do people get around? That is an important element of learning about a city.

Mrs McARTHUR: Thank you for your lucid reasoning as to why we should not embark on this proposal and should in fact do away with the free tram zone as it exists, but I think what is particularly important is the fact that you have highlighted the lack of published data regarding this, and if there is anything to me that has come out of today, it is the fact that we do not have the information. Nobody seems to be able to get the information, whether it is from the government departments or Yarra Trams or the transport operators, to actually make valid judgements about a cost-benefit analysis of doing anything in this area. And with scarce resources we need far better data and information to be able to make value judgements as to whether we extend free tram zones or have no tram zones or have free tram zones or expand the public service network to a far more equitable degree not only across the whole of the Melbourne metropolitan area but out into the country. So I think that is the key message I am taking from today: we need data.

Ms FRISTACKY: Well, I agree the data is missing on the users of the free tram zone because you are not clocking on and off—I guess there are those who do it by accident, and then they can be charged a zone 1 fare—but there is data and you have had some data presented from PTUA. We have given you the data in relation to CBD workers, who earn on average \$600 a week more than non-CBD workers—so why should we benefit them? You have heard data from PTUA on the disadvantage index, the SEIFA index, of those who live and work beyond the CBD. And I might add—I did not make the point earlier, but you have given me the opportunity to highlight this—at least 65 per cent of jobs are outside the CBD. The service industry, the local economies are very important. So the CBD area of Melbourne has its own dynamic, but it is those other areas that desperately need the transport mobility to help them prosper and grow.

Mrs McARTHUR: Exactly. And we should actually be looking at ways of moving people out of the city and into the outer metropolitan area and into the country and not actually making it even better for people to come into the city—surely.

Ms FRISTACKY: Well, regional cities do need public transport. I am also a member of the Rail Futures Institute, and I recommend to you the *InterCity* report, which we released and was launched by Tim Fischer, on the real importance of improving regional transport services and particularly rail. The Latrobe Valley is a really important area. It could thrive and be a Silicon Valley or a dynamo powerhouse of Victoria given all its advantages in water and agriculture and climate and beaches and snowfields. It desperately needs improved services on the Dandenong line and a good metro service between all those Gippsland cities. So there is no shortage of transport projects that we need to invest in over and above the more advantaged city students, workers and residents.

Mrs McARTHUR: And tourists.

Ms FRISTACKY: And tourists.

Mr GEPP: Jackie, you said that you listened to the previous submission from the student union and the issue that they raised about one in seven students going without food and one of the reasons is cost of public transport but generally overall their livability. Can you just take me through your thoughts about that? You have also made reference on a number of occasions to, I think you mentioned, postgraduate students and where they

reside and where they do not reside. I am wondering where that data comes from, particularly for the postgrad students.

Ms FRISTACKY: I have not given you data because I do not have access to that data.

Mr GEPP: But you made comment.

Ms FRISTACKY: But as a postgraduate student myself, getting a graduate pass, having visited international students during my university years at International House and knowing a lot of international students and where they live—many live in Yarra, they live in Carlton, I live in North Carlton; there are many around me who walk to the university or cycle to the university—I am giving you anecdotal data. Melbourne University should be able to give you a breakdown of where their postgraduate students live. They would have a database because they have to provide their addresses, regular bases. So that is the appropriate source of information. I am just indicating from my knowledge. I used to also be an advocate for the higher education industrial association for one of my clients when I had my IR practice and I taught at university, La Trobe University and Melbourne University, so I am giving you an informed opinion from my knowledge as someone who has lived in the inner area for, well, 40 years, nearly 50 years.

Mr GEPP: But you do not know all these students, surely?

Ms FRISTACKY: Obviously not, but I keep my eyes and ears open. But there is a range of students. Most students, as I have emphasised, if they have real problems, can walk to university if they are living around the university. They do not need a free tram zone. As I said, I was a poverty-stricken student myself trying to survive paying for my accommodation in Carlton and walked—I had a part-time job—

Mr GEPP: But surely the proposition is not that because we all might have done something tough back in our youth or in our younger days that should be replicated, because we did it?

Ms FRISTACKY: It is tough as a student, I agree, and it is part of growing up and learning how to deal with those things. But when you look at the capacity to walk to a place, you compare it with the cost of university fees. Somehow they have to be paid, and they are, what, 14 grand a year for international students, or more. It is more now. You get that data from the university. For those disadvantaged students who are on scholarships, often, as I have said, it is built into their scholarships. Many parents are paying for students. You would have to get some good data, I think, to look at the cost benefits on that. And are you benefiting the more privileged students at the University of Melbourne if you extend it? I can tell you, studying law at Melbourne University I do remember the attendant at the law school—and I was involved with the university for about 12 years; a double degree and then tutored and then masters, postgraduate work—the gentleman had been there for about 40 years, he said, 'In all my time I've seen the students get more and more privileged, more and more privileged'. So that has to be borne in mind, compared with students at La Trobe or other—

Mr GEPP: Well, it does, but I also remember as a very young person the political backing that went on around Gough Whitlam, the fight for free education for university students and how that was welcomed by the masses. I do not know whether you enjoyed that, but that—

Ms FRISTACKY: I did get a commonwealth scholarship and I tried to survive on that. I was on it for a while, but—

Mr GEPP: Well, there you go. Thank you.

Ms FRISTACKY: So we were very fortunate; I agree.

The CHAIR: We would like to thank you. On behalf of the committee I would like to thank you for your time and contribution. Thank you very much.

Ms FRISTACKY: Thank you for your attention.

Witness withdrew.