

Committee for Melbourne Free Tram Zone Extension Proposal

Committee for Melbourne's (the Committee) Free Tram Zone Extension proposal aims to build on its success since its introduction by the government in 2015 to include some of Melbourne's most important cultural and sporting institutions in the city's Free Tram Zone. The Free Tram Zone is a significant part of Brand Melbourne and gives us a competitive advantage as an attractive, globally relevant and distinctive city.

Committee for Melbourne believes that including the Arts Precinct, Melbourne Convention and Exhibition Centre, Melbourne Cricket Ground (MCG), Melbourne Museum, and Melbourne & Olympic Parks in the Free Tram Zone will significantly improve our city's reputation as a national and international destination, as well as its ability to attract and retain talent. It will also benefit the visitor economy, and have accessibility and participation benefits for Victorians and visitors alike.

To ensure this proposal was informed and well-considered, the Committee assembled a range of experts from our membership base to discuss the options. These experts represent some of Melbourne's most prominent cultural, visitor, and sporting institutions, including Arts Centre Melbourne, Australian Centre for the Moving Image, City of Melbourne, Federation Square, Her Majesty's Theatre, Melbourne Convention and Exhibition Centre, Melbourne Festival, Melbourne & Olympic Parks, Melbourne Recital Centre, Melbourne Theatre Company, RMIT University, Sofitel Melbourne On Collins, and Victorian Opera.

A great success

From a public perspective, the Free Tram Zone has been an enormous success. Public Transport Victoria's *Annual Report 2015-16* notes that the Free Tram Zone has improved the attractiveness of using tram travel to move around the CBD and Docklands. However, many key visitor destinations lie just outside the zone, and visitors must either get off the tram one stop early, or buy a Myki card to travel for a single stop. This can be a frustrating and confusing experience for visitors to our city, particularly for those with reduced mobility.

The Committee for Melbourne's business and civic leadership program, Future Focus Group, first proposed free tram travel in the CBD in 2009. It was designed to solve a liveability problem, to improve the visitor experience, reduce traffic congestion, and improve pedestrian and cyclist safety. In other words, to make Melbourne a more enjoyable and productive place in which to live, work, and visit. In many ways, it has achieved this goal, to the great

benefit of the city's reputation. However, in some areas it falls short of its potential.

We note the history of the Future Focus Group's original proposal demonstrates that including Melbourne's key visitor destinations in the Free Tram Zone is a consistent position for the Committee. While some of the data in the original proposal may be a little out of date, much of the content and arguments remain pertinent today, particularly regarding the ongoing complexity of the public transport system. As noted in the original proposal, the Free Tram Zone is an innovative use of existing assets for the greater benefit of Brand Melbourne.

Victoria's visitor economy

The visitor economy is a significant economic driver for Victoria, employing 206,000 people and contributing \$20 billion to the state each year. It is central to the government's plan for the state's future growth and prosperity, as outlined in the *Victorian Visitor Economy Strategy* (2016). Improving the visitor experience is one of the *Strategy's* nine priorities to help increase visitor spending to \$36.5 billion by 2025. We believe that including Melbourne's key visitor institutions in the Free Tram Zone will assist in this goal. It will remove confusion around travel in the city and increase visitor numbers at these institutions. For example, the National Gallery of Victoria estimates that inclusion in the Free Tram Zone will lead to a 3% increase in visitor numbers, amounting to an additional 75,000 visitors a year.

This change to the Free Tram Zone is unlikely to cause a significant reduction in fare box revenue. Figures on the foregone revenue are hard to find, but a *Herald Sun* article on 5 May 2017 estimates it to be around \$9.5 million per year, and notes that many people using the free trams have already paid to travel into the city¹. This view is supported by our members. For example, just over half of the visitors to Melbourne Recital Centre travel there on public transport, and the vast majority of these trips begin outside the Free Tram Zone. Likewise, there is limited parking at Melbourne & Olympic Parks and so tram travel is vital for the more than 2.5 million people who visit each year. The benefit comes from simplifying the system so that visitors tell their friends about how wonderful it is to visit Melbourne, instead of warning them about how confusing it can be to catch a tram. After all, the tram system is the 'central nervous system' that coordinates the visitor experience.

Including these institutions in the Free Tram Zone will also integrate the Arts Precinct into the CBD, lowering the barriers to enjoyment of this important

¹ Masanauskas, J & White, A (2017), 'Lord Mayor Robert Doyle is worried free Melbourne CBD trams discourage people from walking', *Herald Sun*, <http://www.heraldsun.com.au/news/victoria/lord-mayor-robert-doyle-is-worried-free-melbourne-cbd-trams-discourage-people-from-walking/news-story/be862c900ae3daff4403700b65a62cf8>, accessed 6 December 2017.

cultural infrastructure. It would encourage visitors and Melburnians to venture further into the Arts Precinct, enlivening it and helping to attract greater investment in this area. This is particularly important given the City of Melbourne's recent \$35 million investment in revitalising Southbank Boulevard. Including this area in the Free Tram Zone will incentivise public transport as the main mode for visitation, and should relieve pressure on car parks in the precinct.

Melbourne is globally recognised as a world-class destination for sporting events. We are blessed to have our major sporting facilities within easy tram travel distance from the CBD, and proximate to the Arts Precinct. Using the Free Tram Zone to encompass and connect our major sporting and arts destinations has the potential to amplify Melbourne's reputation as a city which offers a truly diverse visitor experience that most other cities will find difficult to match.

Business events are the cornerstone of the visitor economy. In the 2016-17 financial year, the Melbourne Convention and Exhibition Centre (MCEC) contributed almost \$1 billion in economic impact to the economy. The MCEC hosted 1026 events, including 25 international conventions and 50 national conventions, attracting 867,705 delegates from around the city, state, country, and the world. In total, MCEC welcomes over 2 million visitors annually, with more than 1.1 million arriving at the Clarendon Street entrance to the venue. However, many event attendees – particularly international delegates – are not aware that a Myki card is required for just the one stop, and have been fined for travelling to the MCEC. Delegate experiences such as this negatively affect Melbourne's international reputation and compromise our ability to claim a more superior visitor experience than our international competitors.

The Free Tram Zone is a significant unique selling proposition which benefits Melbourne's conference-bidding efforts. Including the MCEC in the Free Tram Zone will result in an immediate improvement in delegate satisfaction and improve our international marketing position.

Accessibility and participation

We believe that integrating the Arts Precinct, MCEC, MCG, Melbourne Museum, and Melbourne & Olympic Parks in the Free Tram Zone will have accessibility and participation benefits for all Melburnians and visitors.

Accessibility is an important priority for the Andrews Government. The *Victorian Infrastructure Plan* outlines the Government's commitment to prioritise access to key destinations and precincts within five years, and to improve the social participation of people of all abilities. As well, two of the

key pillars of Destination Melbourne's visitability program are ensuring that transport is easy to navigate and accessible. Adjusting the Free Tram Zone to include these key institutions will help the Government and Destination Melbourne achieve these accessibility goals.

Making it easier to get to Melbourne's key cultural institutions will also positively affect audience participation and engagement. One of the focus areas of Creative Victoria's *Creative State* (2016) strategy is to engage all Victorians in creative and cultural endeavours, whether it is as artists, administrators, or audience members. And, in turn, a city full of active community participants ensures that Melbourne's cultural life continues to be vibrant into the future.

Looking for solutions

We believe this is an important issue in need of an effective solution and we are happy to look at other options. There are several alternatives that each go some way towards addressing the problem. These options include:

- Creating a Melbourne Card for visitors. For example, the Copenhagen Card offers free transport and free admission to 79 museums and attractions, and discounts at selected restaurants and entertainment venues. The Copenhagen Card is available as a 24-hour card, a 48-hour card, a 72-hour card, and 120-hour card, priced from \$78.
- Free Myki card for visitors. This would be only a small saving for visitors (\$6 or \$3 concession). In comparison, Sydney's Opal card is free for everyone.
- Linking Myki to SkyBus so that one card covers travel from the airport, around the city, and then back to the airport. This solution does not address the problem of accessibility to key cultural and sporting destinations.

After much consideration and discussion with our members, the proposal to include the Arts Precinct, MCEC, MCG, Melbourne Museum, and Melbourne & Olympic Parks in the Free Tram Zone is the optimal solution. We believe that including these key institutions in the Free Tram Zone will greatly benefit Brand Melbourne, and improve our national and international reputation.