WHY MELBOURNE'S FREE TRAM ZONE MUST BE EXTENDED

IN MY OPINION

MARTINE LETTS

THE case for a small extension of Melbourne's Free Tram Zone to five stops — the Arts Precinct, the Melbourne Convention and Exhibition Centre, the Melbourne Cricket Ground, the Melbourne Museum and Melbourne & Olympic Parks — is compelling for Melbourne's cultural and tourism experiences and accessibility to our civic assets.

These are all unique "Brand Melbourne" experiences, just outside the zone and away from residential areas.

The Free Tram Zone, or FTZ, has been a popular initiative which has achieved its goal of encouraging tram travel in the heart of the CBD and Docklands. It is now recognised around the world as a tourism icon and allows access to our unique assets.

However, it continues to fall short of its potential as key iconic experience destinations lie just outside the zone, meaning visitors must either get off the tram one stop earlier or buy a Myki card to travel for a single stop.

Including some of Melbourne's most important cultural and sporting institutions will significantly improve our city's offering and reputation as an international destination and is unlikely to cause a significant reduction in fare box revenue or crowding.

These are not residential zones but unique assets for locals and visitors to experience.

The visitor economy is a major economic driver for Victoria and the tram is the "central nervous system" that coordinates the visitor experience.

Including Melbourne's key visitor institutions in the FTZ 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 an additional 75,000 visitors a year.

Business events are the cornerstone of the visitor economy. Welcoming over 2 million visitors from all around the world annually, last financial year, the Melbourne Convention and Exhibition Centre contributed $969 million to the economy.

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

Melbourne is now globally recognised as a world-class destination for sporting events. Connecting our major sporting and arts destinations through an extension of the FTZ has the potential to position Melbourne as a city which offers a truly diverse visitor experience that most other cities globally will find difficult to match.

Including these institutions in the FTZ will also integrate the Arts Precinct into the CBD, lowering the barriers to enjoyment of this important cultural infrastructure and enlivening it.

It will provide participation benefits for the community and provide accessibility benefits by ensuring transport is easier to navigate.

Implemented in 2015, it is time to strategically extend the Free Tram Zone to these destinations — especially as it is already extended during major events.

The Committee for Melbourne submitted this case for extension in December last year.

It is now time for government to come out in support of the proposal or explain its position.

MARTINE LETTS IS THE COMMITTEE FOR MELBOURNE CHIEF EXECUTIVE.

Origin targets 'noble' vision

PERRY WILLIAMS
ENERGY

CONFIDENCE in big business has sunk to an all-time low as the impact of the banking royal commission spreads across corporate Australia, according to Origin Energy's chair.

Gordon Cairns, who is also a director of investment bank Macquarie and former Westpac board member, said it was critical for the energy supplier to have the right culture, including a "noble purpose", a vision and appropriate values.

"At a time when confidence in big business is at an all-time low and when the keynote message coming out of the royal commission into banking is 'dishonesty', this is an imperative," Mr Cairns said at Origin's annual meeting in Sydney yesterday.

New Federal Energy Minister Angus Taylor has accused the energy heavyweights of acting like the big four banks in breaching the trust of Australian consumers.

He warned in August the government was prepared to "wield a big stick" to reduce high power prices if needed. That sparked speculation the government might replicate the banking royal commission with a similar examination of the energy sector.

However, Mr Taylor struck a more conciliatory tone last week, saying electricity prices had declined and the big power companies were starting to listen to consumer concerns and note the threat of government action.

"Work with me to deliver and the big stick can go back into the bag," Mr Taylor said.

Origin chief Frank Calabria yesterday reiterated the company's financial outlook but warned the sector also faced a combative debate over energy and climate policy.

"We are facing pressures in our operating environment, in particular the threat of increasing regulatory intervention," Mr Calabria said.

"We will continue to actively engage with governments to inform the development of sensible policy that does not distort the market."

Origin shares closed 0.4 per cent, or 3c, higher at $8.15.

THE AUSTRALIAN

SUPER FUNDS BATTERED IN MARKET MAYHEM

KARINA BARRYMORE
PERSONAL FINANCE

Traders on the floor of the New York Stock Exchange.

SUPERANNUATION funds are taking a battering this month as share market falls around the world take their toll on retirement savings.

The average balanced super fund is estimated to be down about 2.3 per cent so far this month after breaking even last month.

According to super research house Chant West, the median fund earned nothing in September as share market falls wiped out positive returns from other investments, including property, infrastructure and fixed-interest investments.

Share prices have broadly continued to fall this month and most funds appeared to be facing a loss for October, Chant West research manager Mano Mohankumar said.

"It's at times like this that the benefits of diversification are most evident," Mr Mohankumar said.

Most super funds have about 50 to 55 per cent of their money invested in shares, leaving a further 45 to 50 per cent in less volatile assets.

"This helps cushion the blow when there are sharp market falls like those we've seen this month," Mr Mohankumar said.

"While Australian shares and hedged international shares are down 5.4 per cent and 4.2 per cent respectively in October so far, we estimate that the medium growth fund is only down 2.3 per cent."

SuperRatings executive director Kirby Rappell said the falls would impact super balances in the short term.

"The market pullback is another timely reminder to members that good times should not be taken for granted," Mr Rappell said.

"We do not believe that recent selling will translate into a bear market for shares, but it certainly presents a clear message to super funds and other investment managers to be wary of holding too much risk."

Such market movements would "inevitably impact superannuation account balances in the short term", Mr Rappell said.

"However, over longer periods, as well as over the past 12 months, super returns are holding up well," he said.

"The challenge for super funds in this environment will be to maintain discipline and stick to their long-term investment strategy."

Chant West also warned investors to be careful if they decided to move to a less risky investment option in this environment.

"Trying to time the market by moving to a more conservative option can be detrimental because not only do you crystallise your losses but you also risk missing out on the subsequent rebound when markets recover," Mr Mohankumar said.

MARKET WRAP

THE Australian share market delivered its best performance in four months yesterday, buoyed by banking stocks and a surge on Wall Street.

The ASX 200 rose 69.2 points, or 1.2 per cent, to close at 5939.1 points, while the broader All Ordinaries gained 69.3 points, also 1.2 per cent, to 6047.1 points.

The **Commonwealth Bank** led the gains among the major banks, rising 1.7 per cent to $66.90.

Westpac put on 1.6 per cent to $26.61, **ANZ** added 1 per cent to $25.81 and **National Australia Bank** lifted 0.1 per cent to $25.66.

Shareholder services provider **Computershare** gained 2.8 per cent to $20.21 while rival **Link Administration** jumped 6 per cent to $7.75.

Accounting software provider **Xero** gained 5.6 per cent to $44.18.

Payment provider **Afterpay Touch**, however, fell 18.9 per cent to $11.35 after it emerged buy-now, pay-later providers would be subject of a new Senate inquiry into parts of the financial sector that have not been probed in the banking royal commission.

Healthcare shares climbed: **Ramsay Health Care** gained 3.6 per cent to $54.18, **Cochlear** put on 3.4 per cent to $192.25 and **CSL** rose 2.5 per cent to $193.

A2 Milk jumped 8.5 per cent to $9.80 after forecasting further growth in nutritional products locally and in China, and liquid milk products in the US.

Shares in the **Reject Shop** plummeted 38.9 per cent to $2.73 after the discount retailer slashed its profit forecast due to slowing sales.

The materials sector was also drag. Notably, **BHP Billiton** closed down 0.7 per cent at $33.66.