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HEAD OFFICE
MONASH HOUSE
15 WILLIAM STREET,
MELBOURNE, 3000

10th September, 1970.

Dear Mr. Minister,

I am instructed by the State Electricity Commission of Victoria pursuant to a resolution made by it on the 10th day of September, 1970, to give you this notice formally of its intention to abandon, on such date or dates as may be determined by agreement between the State Electricity Commission and the Transport Regulation Board, each and all of the tramways conducted by it within the municipal districts of the City of Ballarat, the Borough of Sebastopol, the City of Bendigo and the Borough of Eaglehawk.

The Transport Regulation Board, following public enquiries held at Ballarat and Bendigo in 1968, recommended in a report to the Minister of Transport dated 11th June, 1968, that the tramway systems in both cities be discontinued as soon as alternative motor omnibus services could be provided.

As you are aware, following the presentation of a similar notice of intention to Parliament in September, 1968, a motion that the proposed abandonment of the tramways be not allowed was passed by the Legislative Council. Since then, following discussions with the Transport Regulation Board, additional information, which is incorporated in the attached statement, has been obtained which should assure Parliament that a high standard bus service could be provided in each city if the obsolete tram services were abandoned.

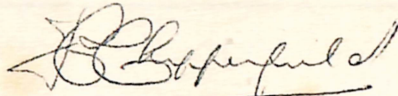
Section 74 of the State Electricity Commission Act 1958, No. 6377, provides that before any tramway route operated by the Commission may be abandoned the Commission shall give to the Minister notice in writing thereof, together with a statement specifying the tramway or part proposed to be abandoned and giving the reasons and detailed particulars in respect of the proposal and such further information as the Minister requires. It is further provided that the Minister shall, as soon as practicable, lay a copy of this notice and statement before both Houses of Parliament

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and unless either House of Parliament within twenty-four days next following on which the Legislative Assembly sits resolves otherwise, the Commission may abandon the tramway or part thereof to which the notice relates.

Appended is a statement giving reasons for the proposal and detailed particulars in respect thereto.

Yours sincerely,



F.P. Chipperfield
SECRETARY

The Hon. J.C.M. Balfour,
M.L.A.,
Minister for Fuel and Power,
Princes Gate West,
171 Flinders Street,
MELBOURNE. 3000

10th September, 1970.

STATE ELECTRICITY COMMISSION OF VICTORIA -

STATEMENT REGARDING PROPOSAL TO ABANDON

TRAMWAYS IN -

(i) CITY OF BALLARAT AND BOROUGH OF SEBASTOPOL

(ii) CITY OF BENDIGO AND BOROUGH OF EAGLEHAWK

1. Tramways Proposed to be Abandoned

Each and all of the tramways conducted by the State Electricity Commission within the municipal districts of the City of Ballarat, the Borough of Sebastopol, the City of Bendigo and the Borough of Eaglehawk, and which operate along routes as follows:

(A) City of Ballarat and Borough of Sebastopol

(A1) Victoria Street Route

Commencing at the intersection of Sturt Street and Lydiard Street, thence easterly along Sturt Street, Bridge Street and Victoria Street to the intersection of Victoria Street and Stawell Street.

Mount Pleasant Branch

Commencing from the intersection of Bridge Street and Main Street, thence southerly along Main Street to the intersection of Main Street and Barkly Street and thence south-westerly along Barkly Street to the intersection of Barkly Street and Cobden Street.

(A2) Gardens Route

Commencing at the intersection of Sturt Street and Lydiard Street, then westerly along Sturt Street to the intersection of Sturt Street and Hamilton Avenue, thence northerly along Hamilton Avenue and Wendouree Parade to the Botanical Gardens, thence northerly, easterly and southerly along Wendouree Parade to the intersection of Wendouree Parade and Ripon Street, then southerly along Ripon Street to the intersection of Ripon Street and Sturt Street, thence easterly along Sturt Street to the intersection of Sturt Street and Lydiard Street.

Drummond Street Branch

Commencing from the intersection of Sturt Street and Drummond Street north, northerly along Drummond Street north to the intersection of Drummond Street north and Macarthur Street, thence westerly along Macarthur Street to the intersection of Macarthur Street and Wendouree Parade.

Sebastopol Route Branch

Commencing at the intersection of Drummond Street south and Sturt Street, thence southerly along Drummond Street south, Skipton Street and Albert Street to the intersection of Albert Street and Queen Street.

(A3) Lydiard Street Route

Commencing at the intersection of Sturt Street and Lydiard Street, thence northerly along Lydiard Street to the intersection of Lydiard Street and Norman Street.

(B) City of Bendigo and Borough of Eaglehawk(B1) Eaglehawk Route

Commencing at the intersection of High Street, View Street, Mitchell Street and Pall Mall, thence north-westerly along View Street to the intersection of View Street and Barnard Street, thence south-westerly along Barnard Street to the intersection of Barnard Street and Mount Korong Road, thence westerly along Mount Korong Road, north-westerly along McIntyre Street, northerly along Bond Street and Bacchus Street and generally northerly along Mount Korong Road and High Street, Eaglehawk, to the junction of High Street and Mount Korong Road.

(B2) Golden Square Route

Commencing at the intersection of High Street, View Street, Mitchell Street and Pall Mall, thence south-westerly along High Street to the intersection of High Street and Maple Street.

(B3) North Bendigo Route

Commencing at the intersection of High Street, View Street, Mitchell Street and Pall Mall, thence north-easterly along Pall Mall and McCrae Street to the intersection of McCrae Street and Nolan Street, thence north-westerly along Nolan Street to the intersection of Nolan Street and Bridge Street, thence northerly along Bridge Street to the intersection of Bridge Street, White Hills Road and Lucan Street, thence north-easterly along White Hills Road to the intersection of White Hills

Road and Caledonia Street, thence northerly along Caledonia Street to the intersection of Caledonia Street and Thunder Street, thence north-easterly along Thunder Street to the Railway reservation.

(B4) Quarry Hill Route

Commencing at the intersection of High Street, View Street, Mitchell Street and Pall Mall, thence south-easterly along Mitchell Street and southerly along Carpenter Street to the intersection of Carpenter Street and Carolin Street.

2. History of the Acquisition of Provincial Tramway Systems by the State Electricity Commission

At the end of 1929 when negotiating the acquisition of the assets of the private companies conducting combined electricity supply and tramways' undertakings at Geelong, Ballarat and Bendigo, the Commission reluctantly agreed to assume responsibility for the continuation of the tramways' services. Before accepting this responsibility, the Commission explored the following alternatives for the operation of public passenger street transport:

- (a) the Victorian Railways Department;
- (b) the Melbourne and Metropolitan Tramways Board;
- (c) a Government Authority to be constituted by the State;
- (d) the Municipal Councils concerned;
- (e) Tramway Authorities to be created within the cities themselves;
- (f) private enterprise bus services.

Proposal (f) was not nearly so attractive in 1929 as it is today following the great development of motorised public road transport, and of road construction.

The Commission, therefore, had no alternative but to agree with the Councils to operate the tramway systems, but it stated quite clearly and unequivocally:

(i) That the four Councils concerned would agree to enter into a formal agreement with the Commission, such agreement to include provision that -

- (a) since any loss on the tramway systems would have to be met by electricity supply consumers, the Commission would not be prepared to extend any service at the expense of the public;
- (b) to prevent an entirely static condition in the face of any local desire that might develop for an extension to be made, the municipal councils concerned would, upon the requisition of one or more of the Councils that an extension be made, reimburse the Commission any loss on the operation of a service on the extension. (Statutory provision for this was inserted in the State Electricity Commission Act 1929 - No. 3845.)

(No requisition under this clause has been received. However, at Ballarat, the Lydiard Street route was extended in 1937 to the New Cemetery comprising 0.69 single track miles financed by an additional grant from the State Unemployment Relief Fund and the Commission.

At Bendigo the erection of the Commonwealth Ordnance Factory at North Bendigo during World War II created a problem of transport facilities for workers. Eventually an extension of the Lake Weeroona tram route by 0.8 miles of single track was installed at the cost of the Commonwealth Government under agreement that the track should revert to the ownership of the Commission after ten years and that any profit arising from the operation of a service on the extension in that period should be paid to the Commonwealth. Other than at change of shifts, traffic on the extension was negligible, and since the War all traffic has steadily declined. This extension has throughout served only to increase the annual loss of the Bendigo system.)

(c) the Councils would do everything in their power to prevent competitive transport services with the Commission's tramways. This was supported in the Commission's Act (3845) and subsequently confirmed in Transport Regulation Acts.

(Nevertheless, inroads have been made from time to time into tramway passenger traffic by competitive forms of transport. All such agreements will, of course, terminate with the cessation of the Commission's authority to conduct tramways.)

(ii) When acquired by the Commission, both the Ballarat and Bendigo systems were in a deplorable condition with no book value whatever and could only be regarded as scrap.

(Thorough investigations were made by the Commission as to the best way to meet the conditions that existed, and an expert committee was set up to investigate alternatives available. Modernisation of either system proved to be entirely beyond the capacity of the Commission or of the State to finance. Subsequently, a scheme was developed which provided for the rehabilitation of both systems, sufficient only to cover an equivalent period comparable with the life of the

longest alternative (15 years). Most of the expenditure was directed to the absorption of local unemployed labour and was financed from the State Unemployment Relief Funds.

A sum of \$348,000 eventually was provided, made up of \$208,000 from the Unemployment Relief Fund, \$100,000 from the State Government, and \$40,000 by the Commission (Ballarat \$212,000; Bendigo \$136,000). The rehabilitation was carried out between November, 1934, and the end of 1937. However, as most of the original installation had to be retained, and the only fresh rolling stock acquired consisted of obsolete trams from the Melbourne and Metropolitan Tramways Board, it was estimated that the systems would again be completely debilitated by about 1950, by which time it was considered that the trams would be replaced by a more modern and satisfactory transport system.)

(iii) The system at Geelong which was installed much later (1912 onwards) was not rehabilitated at the same time as the Ballarat and Bendigo systems. It became inadequate to the growth of the community and was closed down in 1956.

The Bendigo Electric system was inaugurated in April, 1903, and the Ballarat Electric system in August, 1905, and both were largely a conversion of earlier services (Steam - Bendigo, and Horse - Ballarat).

3. Reasons for Abandonment

(i) General

In its reports to succeeding Governments, the Commission has expressed grave concern at the extremely adverse financial results with respect to the provincial tramway systems; it has emphasised from time to time that these services have at no time been economically justified.

The Commission's conclusions have been confirmed in general by the progressive superseding of obsolescent tramways' installations throughout Australia and overseas and there are now no other provincial city tramways' systems in Australia. Installations removed comprise Freemantle and Kalgoorlie in Western Australia, Port Adelaide in South Australia, Launceston in Tasmania, Newcastle in New South Wales, and Geelong in Victoria, and the capital city installations at Perth, Adelaide, Hobart, Brisbane and Sydney. The tramways in Brisbane were finally closed down last year. The only trams left running in Australia are in Melbourne, Ballarat and Bendigo, with a single street railway running out of Adelaide to Glenelg.

As a tramway authority, the Commission has discharged the responsibilities vested in it when it acquired the combined electricity and tramway undertakings at Ballarat and Bendigo and has operated these systems for 20 years in excess of that visualised at the time. Supported by the experience and the expert knowledge

of its officers who have been associated with tramways and transport over a large number of years, it is confirmed in its outlook that the establishment of integrated and well organised omnibus services is long overdue.

At the request of the Minister of Transport, the Transport Regulation Board, in April and May, 1968, respectively, conducted enquiries into public passenger transport facilities in urban districts of Ballarat and Bendigo and in particular to ascertain whether the existing tramway services could be adequately replaced by buses. After hearing evidence of all interested parties comprising a wide cross-section of the public - and after considerable investigation had been undertaken locally by the Board and its officers - the Transport Regulation Board - under date 11th June, 1968 - reported to the Honourable the Minister of Transport that -

"The present form of street passenger transport in both urban areas is not in the best interests of the local communities. The electric tramway systems are limited in their area of operation and cannot cater for developments which have occurred. Their rehabilitation is not practicable. The outer areas are served by motor omnibus but, because of relevant provisions in the State Electricity Commission Act 1958, No. 6377, these services have had to be designed in

such a way as to avoid competition with the tramway services. The net result has been that they have been forced to operate to some degree in an unnatural manner and have developed under multiple small scale ownership, particularly in the Bendigo urban area. Nevertheless, in the Board's experience, only bus services can provide the flexibility which is needed in low or comparatively low density areas, and be tailored readily to meet development as it occurs."

In the light of these conclusions, the Board recommended to the Minister of Transport -

"(1) that the electric tramway system in both cities at present operated by the State Electricity Commission of Victoria should be discontinued as soon as alternative motor omnibus service can be provided;

and

(2) that the Board should be given approval to call for applications by public advertisement from persons interested in providing the alternative road transport facilities."

(ii) Financial

Each of the two provincial tramways services is carried on at a heavy loss and neither system is capable of paying its way. The combined loss on the two systems (which have not borne any capital charges for the last 14 years) has been almost \$500,000 per annum for the past five years, and in 1969/70 was \$499,303. From 1935 to the present the aggregate loss exceeds \$8 million (for details see Appendix 'A'). The position is that the revenue is insufficient to cover the cost of wages paid to the tramway employees, much less the costs of supervision, electricity used, and the high cost of maintenance of installations and equipment, much of which has seen half a century of service.

There are no means open to the Commission to rectify this condition. The short distances and alternatives of personal private transport facilities in relatively small population centres, together with the expansion of these communities to areas not directly served by the tramways, has made the retention of a fixed rail system completely untenable. Their existence is seriously obstructive to the development and efficiency of many of the existing urban bus services.

The absurd position remains that the cost per passenger carried averages over 22c at Ballarat and 33.5c at Bendigo, whereas the average fare is just under 9c. The Commission has proved conclusively that neither

low nor high fares would improve the finances of these tramways. For many years fares were kept at a low level in an effort to maintain patronage, but in spite of this the number of passengers steadily declined. Fares were increased by 60% in March, 1963, but were still, and still are, at a level lower than comparable fares in Melbourne. As from 1st August, 1963, special concession fares were introduced for city sections. Fares were again increased in 1965 by 23%, in 1966 by 27%, and in January, 1969, by 23%.

The revenue during the financial year 1969/70 was 1.3% (\$3,381) less than in the previous financial year. In the last 10 years the number of passengers carried has declined by 53.2% - this includes a loss of passengers last year of 10.4%.

While patronage continues to decline, costs are increasing. The increase in salaries and wages paid in 1969/70 has added over \$15,000 to operating expenditure.

As mentioned, the tramways services incurred a loss of nearly \$500,000 last financial year, and the loss is certain to increase.

The Commission's principal responsibility is related to the generation, transmission and distribution of electricity to the whole of the State of Victoria, and the operation of tramways in the provincial centres has rested upon it more as a matter of expediency. It has created a heavy and unjustifiable burden on electricity consumers throughout the State and the present assets

generally are nearing the end of their useful life.

As referred to earlier in this statement, the systems were reconstructed shortly after acquisition with the object of extending their life until 1950, by which time it was anticipated that a more appropriate means of street transport would be fully developed to take their place.

To reconstruct the permanent way of the two systems to modern standards but leaving the single tracks in position as at present and without any extensions to the system would cost over \$3,000,000. To provide modern tramcars would cost an additional \$1,800,000.

The Commission is not justified in incurring this heavy expenditure while huge losses are being sustained, nor could it provide the funds without retarding urgent electricity projects.

4. Proposals for Alternative Transport Services

In its report to the Minister of Transport, the Transport Regulation Board stated that it had no doubt that both urban areas - Ballarat and Bendigo - could be well served by motor omnibus and it is satisfied that adequate facilities could be provided in both areas by private enterprise bus services. In fact, as mentioned earlier, the Board has recommended that it be given approval to call by public advertisement for applications from persons interested in providing the alternative road transport facilities.

The changeover to privately operated buses would be similar to that at Geelong in 1956 which was satisfactorily accomplished. However, the Transport Regulation Board has indicated that it would wish to take the opportunity to undertake some replanning of services in consultation with local authorities and the transport industry. In both cities the Board has an established Regional Office which can be expanded, as found necessary, to provide adequate supervision of the road services and constant contact would be maintained with the local municipal authorities and other representative local bodies interested in the problem of providing adequate facilities.

Tramway services would be discontinued by stages as the alternative services are organised. The Commission would not abandon any route until an omnibus service to the satisfaction of the Transport Regulation Board was available.

So that Parliament may be properly informed in considering the Commission's intention to abandon the Ballarat and Bendigo tramways systems, the Transport Regulation Board has had some discussions with bus operators who might be in a position to make application to the Board for authority to provide omnibus services in the two cities.

While the Board, in accordance with the provisions of the Transport Regulation Act, will call

for applications from parties interested in providing a service, the discussions so far held indicate that local bus operators are interested and that private bus services of high standard can be provided to replace the tram services in these two city areas. It is proposed that fares be the same level as those applying to bus services in the metropolitan and Geelong areas, and would be a lower level than the tram fares.

5. Pensioner Concessions

The tramway undertakings in Ballarat and Bendigo have provided concession fares for pensioners since June, 1958, but no concessions are available on private bus lines. To cushion the effect of the transfer from trams to buses, the Commission is prepared to make a regular payment to the Transport Regulation Board so that this concession can continue for a period of five years, in a form decided by the Board. The concession would be available not only to pensioners now using trams, but to all pensioners travelling by bus in the urban areas of Ballarat and Bendigo and for journeys between Sebastopol and Eaglehawk and the city centres.

6. Obligations of the State Electricity Commission following the Abandonment

Major aspects of obligations which will devolve on the Commission in the transition period of changeover to omnibus service are:

(A) Future of Tramways' Employees

Staff

The small number of staff concerned would be retained in the Commission's service, but with different duties and responsibilities.

Award Employees

The Commission is concerned with the future of its tramway employees, of whom there are 71 at Bendigo and 84 at Ballarat.

Each employee has seen details of the provisions which will apply to future employment and conditions under which retrenchments will be made. These are:

- (a) The Commission alone will determine when retrenchments are to take place and who is to be retrenched.
- (b) Employees to be retrenched shall be given between three (3) to six (6) months' notice of retrenchment, and at this time Unions having members under notice of retrenchment will also be informed;
- (c) All employees having notice of retrenchment will be individually interviewed with regard to possible transfers, retraining, etc. Any matter they or their Unions raise in connection with the retrenchments will receive consideration.

- (d) An employee retrenched by the Commission will be paid the sum of the following payments:

Separation Payment - at the rate of two (2) weeks' ordinary rate of pay for each completed year of service.

Long Service Leave Payment - Provided the employee has completed three (3) years' service he will be entitled to 1.3 weeks of long service leave for each completed year of service, less any long service leave already taken. On retrenchment, payment will be made in lieu of leave.

Retirement Benefits - Prior to 1st May, 1970, wages employees were entitled to receive a retiring gratuity at the rate of \$45 for each completed year of adult service subject to a qualifying period of three years. After that date the employee had the alternative of continuing to receive that benefit or to contribute to a retirement and benefit fund with greatly improved benefits.

Tramways employees on retrenchment will receive retirement benefits as follows:

- (i) if they had not joined the retirement and benefit fund - \$45 for each completed year of service (subject to the three year qualifying period);
 - (ii) if they had joined the fund - the amount of the retiring gratuity up to the date of joining plus 2½ times the contributions they had made to the fund, i.e. their own plus the employer's contributions.
- (e) An employee will not be entitled to a retrenchment payment -
 - (i) if, while under notice of retrenchment, he is offered a transfer to another post which does not materially differ in capacity, place, terms and conditions of employment or which is otherwise suitable, and this offer is unreasonably refused;
 - (ii) if, while under notice of retrenchment, he is offered suitable retraining and engagement in a new capacity and this offer is unreasonably refused;
 - (iii) if, while under notice of retrenchment, he terminates his employment before the date of retrenchment without Commission approval;

- (iv) if an employee dies while under notice of retrenchment; (This will not take away any entitlement under long service leave and retiring gratuity regulations.)
- (v) if, while undertaking a course of retraining and where his rate of pay has been sustained, he abandons the retraining course without the approval of the Commission.
- (f) Each employee will be given a statement showing the calculation of the retrenchment payment at least fourteen (14) days before retrenchment.
- (g) No retrenched employee can receive a greater credit in weeks for separation payment than he would have earned in weeks had he continued in the employment of the Commission until age 65.
- (h) The Commission will endeavour to place as many employees as possible in alternative employment but because of the number which could be involved and the limited area for appropriate employment most men will be retrenched.
- (i) Employees may be offered posts at lesser rate of pay in lieu of retrenchment and will have the right to reject the offer without affecting the retrenchment payment.

- (j) The Commission, in conjunction with the Commonwealth Employment Service, will assist in every way possible with the placement outside the Commission of retrenched employees who cannot be placed by the Commission in suitable employment.
- (k) In locations where retrenchments are to be made, employees will co-operate with the Commission should manning problems arise and agree to limited under-manning for short periods where this is necessary and possible, subject to consultation with the Union concerned.
- (l) Where a vacant position has been reserved for a surplus employee following consultation with the Union concerned, employees at that location will co-operate fully to cover the vacant post until the employee takes up duty in the vacant post.
- (m) The Commission will assist as far as possible married employees transferring to a new location to obtain a house.
- (n) Married employees transferring to a location involving a change in residence will -

- (i) have fare paid for the transferee and family to the new location and will be paid for any time lost during ordinary hours of duty in travelling to the new location;
- (ii) if the transferee travels ahead of his family, be provided with single accommodation free of charge up to three months or until he takes up residence in the new location, whichever is the shorter, and be provided with a rail warrant to travel home on the weekend every second week and, on returning to his residence to effect removal to the new location, he will have his fair paid to and from the new location and be paid for any time lost during ordinary hours spent in travelling;
- (iii) be paid furniture removal expenses;
- (iv) be granted up to two days' leave with pay for packing and unpacking furniture and effects and travelling to the new location;
- (v) be paid a transfer allowance of \$50.00.

- (o) Single personnel will be provided with a rail voucher to travel to the new location and will be paid any ordinary working time lost in travel to that location.

(B) Road Reconstruction

Although not obliged under its legislation to accept responsibility for the removal of tramway tracks and the restoration of the roadways, the Commission is prepared to provide a substantial measure of assistance for this purpose as well as for the provision of run-offs at bus stops.

Discussions have taken place with the Country Roads Board and the councils and they have been advised of the contributions which would be made to them in respect of roads within their respective authorities. The Board and three of the four councils have indicated their agreement in principle to the proposal. Payments for track removal and road reinstatement would be spread over a period of eight years, at a rate commensurate with the authority's expected expenditure. Payments for bus run-offs would be made over three years.

(C) Town Planning

Elimination of the tram lines from the thoroughfares does have the additional advantage of allowing greater flexibility in the use of such thoroughfares. Councils, municipalities and other town planning bodies can overcome, to some extent, the problems

of the narrowness of many of the streets, such as Bridge Street, Ballarat, and Calder Highway (High Street), Bendigo. With a constantly changing pattern of population and business centres within both cities, a bus service can change and extend its routes much more readily than a tram service to cater for these changing town planning needs. In fact with this in mind the Ballarat City Council in a letter dated 30th September, 1969, requested the Government to abandon the tramway system in that city and to replace it with a privately owned and operated bus system.

(D) Future of Tramway Assets

Tram Depots

The property on which the car barn is situated at Ballarat is not required by the Commission. The site is a valuable one and would be sold for other purposes.

The car barn at Bendigo is incorporated in the Commission's Works Area, and the building would provide a valuable extension to the main stores for the Northern Electricity Supply Branch.

Tram Tracks

As at Geelong, the Commission proposes to assign all tracks (including rails, points, crossings, etc.) to the Municipal Authorities or the Country Roads Board - as the case may be - (leaving it to those authorities to determine whether they should be removed).

The cost of these ancillary works would be included in the amounts paid for road reconstruction (see Paragraph 6 (b) above).

Overhead Equipment

This would be removed and materials not required by the Commission would be sold. Poles not required by the Commission for its electricity supply reticulation would be removed.

Tram Cars

All rolling stock comprising some 46 units has had service life of 40 to 50 years and is obsolete. A complete tram car has been offered to the Bendigo and Eaglehawk Councils jointly and a similar offer has been made to the Ballarat and Sebastopol Councils. One tram car at Bendigo also has been promised as a donation to an Australian Tramway Museum and the remainder would be disposed of.

(E) Contracts

Contracts for service are of a minor nature only. Scholars' concession tickets are issued on a monthly basis, and sales would be regulated to accord with cessation of route services. Advertising contracts provide for earlier determination by the Commission should the need arise, and rentals being paid by monthly instalments are readily adjustable.

(F) Claims

Any claims on the Commission for injury or damage occurring before the abandonment would not be affected in any way.