

CREATION OF A STATE ELECTRICITY COMMISSION

The creation of this Authority in 1919 gave indication of the ultimate plan for a State-wide scheme for publicly owned electricity supply and distribution and, to a certain extent, resolved the ultimate destiny of the privately owned local supply undertakings. The provisions of the State Electricity Commission Act 3265 - 1922, however, provided some security for those undertakings, with tramway commitments, in that the Act authorised the Commission to also acquire those assets when negotiating the purchase of the Electricity Supply Undertakings. The Act, however, specifically did not grant any authority to the Commission to operate a tramway system, probably by reason of an opinion at that time that tramways should be a locally owned and operated concern, and the delegation of authority to the companies provided for municipal acquirements. This provision in the State Electricity Commission Act caused some disquiet in the councils of the three provincial cities in that the electricity supply would probably be merged in the State scheme, but there was no provision for the continuance of the tramways which at that time were an integral part of the Supply Undertaking; there was apparently no desire on the part of the municipalities to take the tramways themselves. To placate the councils, however, the Hogan Government in 1927 gave unequivocal assurance that the tramways would be continued, if desired, by the councils after the Electricity Supply Undertakings became merged in the State scheme.

Tramways were operated by private companies in conjunction with Electric Supply Undertakings at Ballarat, Bendigo and Geelong. The Orders in Council granted to these companies were of limited duration and the State Electricity Commission Act No. 3265 - 1922, had authorised the Commission to acquire such undertakings. This Act expressly authorised the Commission to acquire tramways where operated in conjunction with Electric Supply, but specifically refrained from providing authority to the Commission to operate such tramway. In view of the ultimate acquirement of the three provincial undertakings by the Commission, the immediate future of the tramway systems had to be resolved. Records show that seven alternatives received consideration, and were as follows: -

1. Tramways could be scrapped.
2. Tramways could be handed over to the municipal authorities.
3. Tramways could be operated by a specially appointed provincial tramway board.
4. Tramways might be disposed of to private enterprise.
5. Tramways could be operated by the Melbourne and Metropolitan Tramways Board.
6. Tramways could be operated by the Victorian Railways.
7. Tramways could be operated by the State Electricity Commission in conjunction with the local electricity supply.

Under private ownership, the tramways had (and especially since the development of motor transport) become an uneconomic factor in the undertakings and in Ballarat and Bendigo had, by reason of this condition, been allowed to deteriorate to a scrap condition.

The Commission did not seek the responsibility of operating the tramway systems and more so from the fact that the small systems were economically unsound and, therefore, the loss would, of necessity, have to be made up by the consumers of electricity. The Council, however, desired the retention of tramways but refused to accept the responsibility themselves even when the systems were offered by the Commission free of charge.

The councils placed the responsibility for continuance of the tramway systems upon the Government by reason of "unequivocal assurances" given by the Hogan Ministry in December, 1927; the Commission eventually and reluctantly agreed to operate the tramways when it became clear that the extension of the State scheme would be jeopardised by the councils allowing the tramway question to dominate the matter of transmitted supply.

Agreements with Municipal Councils:

Since the Commission was not desirous of operating the tramways, but had undertaken to do so at the expressed desire of the combined councils, and in order to afford protection to the electricity consumers, upon whom the loss from tramway operations would fall, the agreement provided certain safeguards to the tramway undertakings. In respect of urban omnibus services this is contained in Clause 19, which reads as follows:

"19. The councils and each of them will assist the Commission in every lawful and reasonable way to restrict, prevent and/or overcome competition by omnibus or other vehicles in the carriage of passengers for gain or reward in the areas served by the Commission and will enact and enforce such by-laws and regulations as may from time to time be within their powers to ensure the rendering of such assistance or if the same be necessary amend or revoke by-laws or regulations already made, and in particular, will not aid or encourage the establishment or continuance of any such competition or voluntarily grant facilities to the owners or undertakers of any undertaking which may be competitive as aforesaid. The councils and each of them will consult the Commission before prescribing, as a route for motor omnibus traffic, any route which or part of which may be competitive."

The city councils at Ballarat, Bendigo and Geelong were the licensing authorities in respect of urban omnibus services under the Motor Omnibus Act, 1928, and there had been considerable friction between companies and the councils with regard to the licensing of competitive services. The Commission was not prepared to undertake

the responsibility of tramway operations under the conditions experienced by its predecessors and gave the councils to understand this quite plainly. It was by reason of this that the provisions required by the Commission in the agreement, Clause 19, and later covered in the Act No. 3845, were incorporated. Agreements were entered into between the Commission and the councils concerned, after which the Act No. 3845 was passed by Parliament.

After completion of agreements, the revision of municipal by-laws with regard to urban omnibus services necessitated conferences between the various councils and the Commission. The Commission did not desire to adopt an arrogant attitude with regard to the bus services and submitted a policy that the tramways should be protected by keeping omnibus services at least $\frac{1}{4}$ mile from the tramway routes. This was accepted as reasonable, although in practice it could be seen that if the bus services were allowed to operate to the business centres of the three cities, this policy could not be completely practised. The Commission also acknowledged the influence of railway reserves, creeks and other topographical features which would tend to impede access from certain districts to adjacent tramway routes. Where conflict between the tramways and the only reasonably available route for an omnibus service could not be avoided, the Commission accepted restrictive provisions in the $\frac{1}{4}$ mile area of the tramways rather than veto the service.

Supervision by Municipal Councils of Omnibus Services:

In general, the councils did not provide for any real supervision of the urban omnibus services until traffic officers were appointed immediately prior to 1950. The policing of the restrictive provisions in the omnibus licences throughout, devolved largely upon the Commission. Councils in general were not traffic minded. The officers delegated to supervise the licencing and operation of bus services were usually more specifically engaged in such duties as health or building inspectors. Complaints from the Commission to the councils were forwarded from time to time, but to our knowledge no strong action in the form of prosecution or the withdrawal of a licence was ever contemplated by a council. The Commission's attitude was also somewhat restrained by reason that conflict between

the Commission and local Government authorities would be a most undesirable state of affairs. The Commission did not regard itself as the permanent authority in respect of passenger transport services, especially at Ballarat and Bendigo where a limited 15 years' operation was envisaged in the Government's financial stipulation of 1934.

Transport Act 1951, No. 5559 Part III, Section 14, Clause 5A

The anticipations that the Act would provide for the determination of the future of the uneconomic provincial tramways group, after the reports to the Minister by Mr. H. H. Bell Jnr., did not materialise. The transfer of licensing authority in respect of the provincial urban omnibus services from the municipal authorities to the control of the Transport Regulation Board was considered, however, to be a desirable provision. This view was, by reason of our past experiences and the fact that the Board was a specialist authority with an impersonal outlook, quite distinct from the characteristics inseparable from local Government bodies.

In view, however, of the provisions of the Transport Regulation Act 1933, No. 4198, Section II, and by reason that the Commission, as primarily an electricity production and distribution authority, could not reasonably be placed on the same plane in respect of its unsought traffic responsibilities as the Tramways Board and the Railways Department, it was recommended that the provisions in Act No. 3845, II (B), should be continued; this was granted by Parliament.