

STATE ELECTRICITY COMMISSION OF VICTORIA

EVIDENCE TO BE GIVEN AT THE PUBLIC INQUIRY

INTO

TRANSPORT FACILITIES

AT BALLARAT

BALLARAT

2nd April, 1968.

1. EARLY HISTORY OF BALLARAT TRAMWAYS SYSTEM

(a) Origin of the Tramways System in Ballarat

The Ballarat Electric Tramways System was inaugurated in August, 1905, as a conversion and development of earlier horse tram services. The electric tramway was conducted by the Electric Supply Company of Victoria as an adjunct of the electricity supply business in the city. Besides providing a suitable base load for the power station while the use of electricity in homes, and in commercial and industrial premises was being promoted, the electric tramway was the only appropriate public transport in the rapidly growing city at that time.

Under legislation which created the State Electricity Commission of Victoria, the Commission was charged with the task of the ultimately expanding electricity distribution on a State wide basis and it was clear that a basic requirement for this task would be the inclusion of the provincial city electricity supply undertakings in the State system.

(b) Assumption of Responsibility by the State Electricity Commission of Victoria

At the end of 1929 when negotiating the acquisitions of the assets of the Electric Supply Company of Victoria, the Commission reluctantly agreed to assume responsibility for the continuation of the tramways services. Even at that time it was obvious that tramways in such relatively small communities were not economical and were entirely incapable of ever becoming self-supporting. Before accepting this responsibility, the Commission explored the following alternatives for the operation of public passenger street transport:-

- (i) The Victorian Railways Department.
- (ii) The Melbourne and Metropolitan Tramways Board.
- (iii) A Government Authority to be constituted by the State.
- (iv) The Municipal Councils concerned.
- (v) Tramways Authorities to be created within the cities themselves.
- (vi) Private enterprise bus services.

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

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

- (1) That since any loss on the tramways systems would have to be met by electricity supply consumers, the Commission would not be prepared to extend any tramways service at public expense.
- (2) However, to prevent an entirely static condition in the face of any local desire that might develop for an extension to

be made, the Commission's Agreement under Seal which was completed between the Councils of the City of Ballarat and the Borough of Sebastopol provided that extensions would be made upon the requisition of one or more of the Councils, on the condition that the Councils undertook to 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, 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.

(3) The Commission stipulated, and the Councils concerned agreed and this was included in the formal agreement, that they 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. The agreement with the Councils would, of course, terminate with the cessation of the Commission's authority to conduct tramways.

(4) When acquired by the Commission in 1934, both the Ballarat and Bendigo systems were in a deplorable condition with no book value whatever and they 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 - namely modernisation of the trams or motor bus or trolley bus services. Modernisation of either the Bendigo or Ballarat 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 to be directed to the absorption of local unemployment labour and was financed by 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 (allocated Ballarat \$212,000 and 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 additional rolling stock acquired consisted of obsolete trams from the Melbourne and Metropolitan Tramways Board, it was estimated that the system would again be completely debilitated by about 1950.

A sub-committee of the Cabinet of the day which conferred with the Ballarat and Bendigo Councils during the investigation made it clear that the financial assistance from the Unemployment Relief Fund, plus the gift of \$100,000 from the Government, to enable continuance of the trams of both systems for a further 15 years, completely fulfilled any Government obligations for the carrying out of the tramways services. This was accepted by the Councils.

2. FINANCIAL LOSSES INCURRED IN CONDUCTING THE TRAMWAYS SYSTEM

(a) Extent of Losses

From the outset in 1935, except on two occasions, a loss on each year's operations at Ballarat was incurred. The loss in the first year (1935) was \$3,614 and by the end of the 1966/67 financial year, the loss on the previous 12 months' operations had reached \$230,860. The prospect of a financial loss inevitably reaching and growing beyond \$1m. a year is in itself a sufficiently compelling reason for the Commission to divest itself of this responsibility. The accumulated loss over the 33 years of operation is \$3,219,273.

(b) Attempts to Minimise Losses

(i) There was a small capital sum standing to tramways accounts, which was finally written out in 1957. Since then no capital charges whatever had been debited to tramways accounts.

(ii) Fares received are insufficient to even pay the wages of the tramways employees. For the year 1959/60, traffic receipts were \$120,170, with labour expenditure of \$162,542. By 1966/67 the figures applying were revenue from fares \$172,754 and operating expenditure of \$201,851.

Following a 22% rise above the level of fares existing prior to November, 1955, the fare structure for the tramways was not changed for a period of more than seven years (from 1st November, 1955, to 1st March, 1963).

Despite this stability in a period of generally rising prices, the number of passengers progressively declined - from 4,516,485 in 1954/55 to 3,747,845 in 1961/62 a decrease of 17%. Such reductions in patronage occurred notwithstanding the fact that the Commission's fare structure was substantially below

that of the Melbourne and Metropolitan Tramways Board.

On 1st March, 1963, due to the continual increase in losses above revenue - for 1961/62 gross revenue was \$118,204, whereas the loss was \$192,282 - fares were increased, but were still below those of the Melbourne and Metropolitan Tramways Board. This involved a rise of 60% on the existing fare structure.

The present type of city section concessions were adopted with effect from 1st August, 1963, Average fare paid dropped from 4.78 cents in 1963/64 to 4.72 cents in 1964/65.

Although the city section concession was not as successful in attracting passengers as was hoped, and this in spite of an advertising campaign which will be mentioned later, the generally higher fares over the ensuing period effected a small increase in revenue, but the total number of passengers carried further declined, the cost of running the service increased and losses accumulated even faster. For example in 1964/65 only 2,998,252 passengers were carried, revenue was \$143,146, whilst a loss of \$205,116 was incurred.

Further fare increases were made on 1st October, 1965, and 1st September, 1966; however, the passenger decline still continued and losses increased.

The conclusion is inescapable that price action will not succeed in even slowing down the rate at which losses grow larger. With the trend of passengers clearly downward, it seems likely that further price increases may even tend to greater divergencies of revenue and losses. Having regard to the nature of the demand for tram service, the reduction of prices would not appear to be a feasible means of overcoming the problem.

In the last full year of operation - that is the 12 months ended June, 1967, the loss of passengers was 10% compared with the previous year.

Appropriate graphs and a table of figures are written evidence. These show, on single sheets, the trends which have occurred over the last 33 years. In addition, the routes, section destinations and a plan of the system are shown with the present day fare table.

(c) Reasons for losses

Loss of passengers - partly due to preference for other forms of transport and development of shopping centres away from centre of city.

Inability to increase fares any higher because of possibility of higher passenger loss. Tramways, as they exist, do not provide a complete or satisfactory transport service for Ballarat as it has developed.

3. DECLINE IN PASSENGERS USING TRAMWAYS

Patronage by the public has constantly decreased, especially in more recent years. As already mentioned, in the last full year - that is in the 12 months ended June, 1967 - compared with the 12 months ended June, 1966, passengers reduced by 10%. In the five years ended June, 1967, they reduced by 35%.

The number of passengers has been declining since 1949, regardless of alterations to the fare structure. After the August, 1963, introduction of the city fare concessions, the Commission undertook an extensive advertising campaign with a view to encouraging people to travel by tram. A copy of an advertisement is with this evidence. The downward trend in passengers carried is clearly irreversible.

4. INADEQUACY OF TRAMWAYS SYSTEM

(a) Unsuitability of Tramways Layout to Serve Transport Needs of Ballarat

Allied to the extremely uneconomical operation of the Ballarat tramways system is its inability to adequately serve the requirements of the city. There has been no extension to cater for the growth that has occurred in the outskirts of the city, with the result that the trams serve only a portion of the population. An estimate made in recent times indicated that some 62% of the population lives more than a $\frac{1}{4}$ mile from a tram service, and, as already mentioned, their transport preferences have changed over the years.

The tramway layout at Ballarat suffers because there are several main thoroughfares radiating from the business centres providing relatively short cuts to residential districts by comparison with the routes followed by the existing tramways. Peel Street South is the route that any passenger transport serving in the Mt. Pleasant area should follow: Creswick Road short-circuits the Drummond Street North route and Skipton Street affects the Sebastopol route. The routes to the Gardens do not serve any substantially populated area and the railway line separates the tramways from the rapidly developing area of Ballarat North and Wendouree. These areas, together with the Redan, Canadian and Brown Hill areas, rely on private omnibuses for their transport. Private buses also serve most of Ballarat's extensive secondary industries.

(b) Impossibility of Alteration or Extension of Tramways System

It is submitted that the Commission is in no position to extend the system to the extent necessary to serve Ballarat's needs and, quite clearly, as results indicate, the existing system is patently deficient.

5. CONDITION OF PERMANENT WAY, ROLLING STOCK AND OVERLOAD INSTALLATIONS MSD

(a) Present Conditions

Permanent Way

With the possible exception of the Sebastopol route, the rails are capable of some further service. They are, however, well worn in most places. Their condition is partly the cause of the comparatively rough-riding qualities of the cars. The railway crossing at Lydiard Street is in poor condition. The road surface adjacent to the rails is in relatively good order.

Maintenance of track, largely the replacement of sleepers, is continuous, but many sleepers are 30 years old.

The Sebastopol track is mostly open ballast and some of it is 75 years old. It is said that there are still some rails remaining from the horse tram days. The rails are virtually worn out and although the foundations are relatively good in the open ballast sections, the rest are in poor condition. A 12 m.p.h. speed limit applies in the open ballast section from Rubicon Street to the terminus. The track is safe but may not remain so for much longer.

Overhead

Generally satisfactory.

Ancillary Buildings and Equipment

Satisfactory.

Rolling Stock

The rolling stock is very old - all cars are over 50 years old. Thus the cost of maintenance can be expected to make an ever-increasing contribution to the annual tramways deficit.

At Ballarat there are 25 cars and a scrubber car. Sixteen were purchased from the Melbourne and Metropolitan Tramways Board, 7 were brought from Geelong, one was brought from Bendigo and one was purchased from the Adelaide Tramways Undertaking.

There are 15 single truck cars and 10 double bogie cars (known as maximum traction).

15 are suitable for one-man operation and 10 require two men.

The trams are well maintained, clean and have a pleasant appearance. Their mechanical and electrical components are in a satisfactory condition. They are, however, obsolete, uncomfortable and very noisy.

The Commission's traffic personnel are well trained in their duties, skilful, neat in appearance and courteous. The Commission is proud of its tramways men.

Trams run accurately to timetable.

(b) Impracticability of Improvement or Modernization

It is clear that if the Ballarat Undertakings were to be rehabilitated the entire permanent way would have to be replaced. Some of it would need to be re-routed entirely to meet passenger needs of Ballarat as it has developed since the original routes were selected. In many places it should be moved sideways to a more suitable location on the roadway.

To re-lay the permanent way to Melbourne and Metropolitan Tramways Board standards would cost approximately \$115,000 per single track mile. There are 16.17 miles of equivalent single track and thus the cost of re-laying as the system exists at present would be approximately \$1,860,000. Because most single tracks would need to be re-laid as double tracks to reduce the traffic hazard (but not some of the Sebastopol route), the actual cost would be much more than this.

The cars would all need replacing. New cars for one-man operation have not been built in Australia for very many years.

There are no modern designs available and no construction standards. It would thus be necessary to start on the drawing board and have the cars constructed either in M.M.T.B. Workshops or by contract.

It is considered that each new car would cost in the order of \$40,000. If 25 were purchased for Ballarat, the cost would be \$1,000,000.

Some alteration would be necessary to overhead - where the permanent way is re-routed and where it is moved so that trams travel on the correct side of the road. Some worn conductor and auxiliaries such as section isolators would need replacing.

The cost of a complete face-lift to the tramways undertaking but leaving tracks along routes where they are at present and with no extensions, would be in the order of \$2,860,000.

(c) Unsuitability to Provide Efficient Transport

Even if such improvements were effected, it is clear that tram services in the city could not be an economic proposition. The short distances and the alternative of the ever-growing usage of personal private transport facilities in the relatively small population centre, 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.

6. TRAFFIC HAZARD CREATED BY TRAMWAYS SYSTEM

With the constantly increasing number of motor vehicles on the road, trams - particularly in the area where tracks are laid so that the trams move along the centre or on the incorrect side of the roadway - are a traffic hazard.

7. EFFECT OF ABANDONMENT OF SIMILAR TRAMWAYS SYSTEM IN GEELONG

With this evidence is a plan of Geelong, where the electric tramways were finally abandoned in March 1956. The plan shows -

- the routes originally covered by the trams,
- the routes at present covered by buses.

It is clear that the extent of the tramways system was inadequate to cover the transport needs of the city and that the buses now have a very wide cover of the whole area.

8. ABILITY OF PRIVATE TRANSPORT OPERATORS TO SERVE NEEDS OF BALLARAT

It is understood, that private transport operators who are at present operating in the Ballarat area could far more adequately and effectively provide for Ballarat transport needs.

9. FUTURE OF TRAMWAYS EMPLOYEESStaff

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

Employees (Wages)

The Commission is concerned with the future of its tramways employees. No doubt a number would desire to take positions with the new transport services.

The tramways employees in Ballarat total just over 100. Some have been in the Commission's service for a long time and these include four with over 30 years' service.

In recent months each employee has seen details of the provisions which would apply to future employment and conditions under which retrenchments would be made in the event of abandonment. These are as follows:-

- (i) The Commission alone will determine when retrenchments are to take place and who is to be retrenched.
- (ii) 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.
- (iii) 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.

(iv) Any 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.

Retiring Gratuity Payment - Provided the employee has completed three (3) years' adult service he will be entitled to \$45.00 for each completed year of adult service.

"Ordinary rate of pay" means total wage originally comprising the basic wage and margin, plus appropriate allowance and Service Grant where applicable, received by the employee at the date notified for retrenchment or when services are terminated, whichever is the higher.

"Service" means continuous employment with the Commission without a termination of the engagement.

(v) An employee will not be entitled to a retrenchment payment -

A. 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;

B. if, while under notice of retrenchment, he is offered suitable retraining and engagement in new capacity and this offer is unreasonably refused;

C. if, while under notice of retrenchment, he terminates his employment before the date of retrenchment without Commission approval;

D. if an employee dies while under notice of retrenchment; (This will not take away any entitlement he may have under long service leave and retiring gratuity regulations.)

E. 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.

(vi) Each employee will be given a statement showing the calculation of the retrenchment payment at least fourteen (14) days before retrenchment.

(vii) 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.

(viii) 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.

(ix) 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.

(x) 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.

(xi) 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.

(xii) 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.

(xiii) The Commission will assist as far as possible married employees transferring to a new location to obtain a house.

(xiv) Married employees transferring to a location involving a change in residence will -

A. 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;

B. 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 he shall be provided with a rail warrant to travel home on the weekend every second week, and on returning to his residence to arrange removal to the new location, he will have his fare paid to and from the new location and be paid for any time lost during ordinary hours spent in travelling;

C. be paid furniture removal expenses;

D. be granted up to two days' leave with pay for packing and unpacking furniture and effects and travelling to the new location;

E. be paid a Transfer Allowance of \$50.00.

(xv) 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.

(xvi) The agreement negotiated between the State Electricity Commission and the Trades Hall Council will not be used in negotiations for a similar agreement with any other employer whether a Government Department, Instrumentality or private industry.