

AVH/SM

ELECTRICITY SUPPLY DEPARTMENT

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B/M. Ballarat

ENGINEER AND MANAGER

SECRETARY

25th January, 1962

TRAMWAYS - BALLARAT/BENDIGO ABANDONMENT

In the matter of the statement to accompany the Commission's formal notice to the Minister, it is presumed that this will follow somewhat on the same lines as was presented in the case of Geelong.

Accordingly, we have prepared a preliminary draft to incorporate relevant details and additions which appear to be necessitated in the present instance.

This is forwarded herewith, and you will appreciate that the ultimate form of paragraph 4(a) will have to be decided between the Transport Regulation Board Chairman and ourselves.

Encl.

D R A F T

Statement regarding proposal to abandon tramways services in the cities of Ballarat and Bendigo and the Boroughs of Sebastopol and Eaglehawk authorised in S.E.C. Act 1958, No. 6377 (Third Schedule).

1. Tramways Proposed to be Abandoned

Each and all of the tramways conducted by the State Electricity Commission and which operate along routes as follows:-

(A) Third Schedule Part A (City of Bendigo and Borough of Eaglehawk)

(A1) 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 Bachus Street and generally northerly along Mt. Korong Road and High Street, Eaglehawk to the junction of High Street and Mount Korong Road.

(A2) 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.

(A3) 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 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

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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.

(A4) 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.

(B) Third Schedule Part B (City of Ballarat and Borough of Sebastopol)

(B1) 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.

(B2) Gardens Route

Commencing at the intersection of Sturt Street and Lydiard Street, thence 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, thence 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 Wendouree Parade and Macarthur Street, thence easterly along Macarthur Street to the intersection of Macarthur Street and Drummond Street north,

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thence southerly along Drummond Street north to the intersection of Drummond Street north and Sturt Street.

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.

(B3) 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.

Reasons for Abandonment

1. General

In its report 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 independent authorities. As a tramway authority the Commission has discharged the responsibilities vested upon it when it acquired the combined Electricity and Tramway undertakings at Ballarat and Bendigo and for a period more than ten years in excess of that visualised at the time. It is confirmed in its outlook that the establishment of integrated and well organised road services is long overdue.

2. Financial

Each of the two provincial tramways services is carried on at a heavy loss on operations account and neither system is capable of paying its way. The combined loss on the two systems is now £180,000 per annum and from 1935 to 1961 the aggregate loss exceeds one million pounds in each centre. 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 equipments which have seen well over half a century of service. There is no means open to the Commission to rectify

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this condition. The short distances and alternatives of personal private transport facilities in small provincial 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.

The Commission's principle 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 was vested upon it as a matter of expediency. It has created a heavy financial burden to the electricity consumers and should be now terminated.

3. History of the Acquisition of Provincial Tramway

Systems by the State Electricity Commission

The Commission reluctantly assumed responsibility for the continuation of the tramways services at Geelong, Ballarat and Bendigo at the end of 1929 when negotiating the acquirement of the assets of the private companies conducting combined electricity supply and tramways undertakings. 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 as attractive in 1929 as it is today following the great development of motorised road transport, and of road construction.

When it acquired the tramway systems the Commission stated quite clearly and unequivocally:-

- (1) That, 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 public's expense.

(ii) 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 with the Municipal Councils concerned provided that extensions would be made upon Council requisition, provided such Council undertook to reimburse the Commission any loss on the operation of a service on the extension. (Statutory provision for this was provided in the Act 3845.)

No requisition under this clause has been received. At Ballarat, the Lydiard Street route was extended to the New Cemetery comprising 0.69 single track miles financed by an additional grant from the State Unemployment Relief fund and the Commission in 1937 in that it displaced a competitive private bus service and facilitated economic working of a through routed service to Sebastopol.

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 10 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 it has steadily declined. This extension has throughout served only to increase the annual loss of the Bendigo system.

(iii) The Commission stipulated and all Councils concerned agreed and entered into 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. All such agreements will, of

course, terminate with the cessation of the Commission's Authority to conduct tramways.

(iv) 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. This would probably have eventuated had not the Hogan Ministry given the municipalities an earlier assurance that the trams would be retained when the electricity supply assets passed into State ownership.

Thorough investigations were made by the Commission as to the best way to meet the conditions that existed and to honour the Government's promise. An expert committee was set up to investigate all alternatives available. Modernisation of either system was entirely beyond the capacity of the Commission or of the State to finance. At that time the petrol bus was regarded as having a useful life of about eight years and the trolley bus an economic life of about fifteen years. Substantial capital expenditure would be necessary for either of these systems due to importation of the vehicles and this was precluded by the industrial depression of that period. 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) with most of the expenditure directed to the absorption of local unemployed labour, and consequently the bulk of the money could be provided from the State Unemployment Relief Funds. It was a condition of the Government's financial aid that its contribution completely discharged the obligations given in 1927 by the Hogan Ministry covering the continuance of tramways operations at Ballarat and Bendigo.

For the works involved a sum of £174,000 was eventually provided, made up of £104,000 from the Unemployment Relief Fund, £50,000 from the State Government and £20,000 by the Commission (Ballarat £106,000, Bendigo £68,000). The rehabilitation was carried out between November, 1934, and the end of 1937, and providing as it did for the retention of most of the original

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installation and the acquirement of obsolete rolling stock from the Melbourne and Metropolitan Tramways Board, it was considered that the systems would be completely debilitated by about 1950.

(v) The system at Geelong which was a much later installation (1912 extended 1922-1927 and 1928) was not rehabilitated by the Commission and became debilitated and inadequate to the growth of the community resulting in its close down under authority in 1956. The Bendigo Electric system was inaugurated in April, 1903, and the Ballarat Electric system in August, 1905, and were largely a conversion of earlier services (Steam - Bendigo and Horse - Ballarat) in which the electrification obviously had in view the provision of a desirable base load for the Power Stations to be constructed. Having regard to the fact that both Ballarat and Bendigo were gold mining centres with the associated uncertainties, the electric tramway installations might now be said to have had their origin more from optimism than from prudent foresight.

(vi) The successful changeover from trams and buses to a completely integrated bus service at Geelong has provided a pattern which can most readily be followed in the smaller urban districts of Bendigo and Ballarat.

4. Detailed Particulars of Proposal

(a) The Transport Regulation Board is taking all preparatory steps to institute alternative omnibus services to take the place of the existing tramways and is confident of its ability to establish services at satisfactory standards in order to commence the conversion of services on _____ and complete same by _____

(b) Proposals of the State Electricity Commission regarding Changeover from Tramway to Omnibus Service

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

(1) Future of Tramways Employees

As at Geelong, the Commission is concerned with the future of its tramways employees. No doubt a number would

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desire to take positions with the new transport services; however, the Commission is prepared to place in other positions those at present in its employment who desire to remain in its service. Although as many as possible would be given work at Ballarat or Bendigo, the Commission could not necessarily guarantee to find them suitable employment locally.

(ii) 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 an appropriate measure of assistance to the municipalities and to the Country Roads Board spread over a period of the next eight years. The amount payable would be negotiated between the Commission and the authorities concerned.

As at Geelong, the Commission would assign all tracks (including rails, points, crossings, etc.) to the Municipal Authorities and the Country Roads Board.

(iii) Future of Tramway Assets

Tram Depots

The car barn at Ballarat in Wendouree Parade North would be dismantled and all materials not required by the Commission would be sold. The site would be subdivided and sold for residential purposes.

The car barn at Bendigo is incorporated in the Commission's Works area, and the building would be converted to provide a valuable extension to the main stores for its North Western Region.

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, except as may be desired to be retained by the municipal authorities.

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Tram Cars

All rolling stock comprising some 49 units have had a service life of more than 50 years and are obsolete. One tram-car at Bendigo has been promised as a donation to an Australian Tramway Museum and the remainder would be dismantled and sold or burnt.

(iv) 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 and rentals being by monthly instalments are readily adjustable.

(v) Claims

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

(vi) Electricity Supply Capacity

The abandonment of the Ballarat, Bendigo tramways will not have an adverse effect upon the State system. The relatively small quantity of just over 2 million kilowatt-hours per annum (Ballarat, 1,168,000, Bendigo, 980,000) now used by its tramways will be diverted to other electricity consumers throughout the State.

Buildings and 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 requirements would be removed, except as may be desired to be retained by the municipal authorities.

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