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MELBOURNE & METROPOLITAN TRAMWAYS BOARD.
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5th February, 1963.

The Melbourne and Metropolitan Tramways Board came into being by Act of Parliament (No. 2995) on 2nd July, 1919.

The history of organised public transport in Melbourne is much older than this and it is necessary to look back into the earlier history to appreciate some of the reasons for the Boards present position.

The first organised public transport in Melbourne was provided by the Melbourne Omnibus Company which was formed in 1869 and went into liquidation in 1872.

In 1872 the Melbourne Tramways and Omnibus Company was formed and after 2 years of discussion about the best means of transport a decision to install a cable tramway system was made.

The Act authorising the Company to construct a tramway gave it the power to install tramways in the City and Suburbs if it obtained the consent of the Municipalities concerned. All of the Municipalities decided to avail themselves of an option in the Act to build their own tramways and formed a Tramway Trust.

The Trust undertook to raise sufficient funds to pay for the construction of the tramways tracks and the engine houses and to complete this work by the end of 1893. The Company agreed to supply the rolling stock, the engine house equipment and driving cables and lease the tracks for 32 years from 1884.

The Company paid to the Trust annually the interest on its loans plus a sinking fund payment and undertook to return the tramways to the Trust in good working order in July, 1916.

The first cable tram ran on the Richmond Route on November 11th, 1885 and by 1891 there were 41 miles of cable tracks in service.

The cable tramways prospered from the start and provided excellent transport for some years.

It was realised that there were limitations to the area which could be served by cable trams and installation of electric trams was discussed.

In 1906 The North Melbourne - Essendon Electric Tramway Company commenced operations and was followed by The Prahran and Malvern Tramways Trust in 1910. The Melbourne, Brunswick and Coburg, Hawthorn, Fitzroy Northcote and Preston, and Footscray Trusts also had tramways under construction by 1915 and it was obvious that a public transport system controlled by seven separate authorities could not be permitted.

The stage was set for the formation of a Metropolitan Tramway Board but one more step was taken before the final move. An Act passed in 1915 placed the control of the cable trams under a temporary Cable Tramway Board. That Board operated the Cable Tramways from 30th June, 1916 to 31st October, 1919, when it was dissolved.

During the period of its administration the Cable Tramway Board accumulated surplus funds amounting to £866,319. These profits of course really belonged to the 12 Municipalities who had raised the necessary money for the construction of the cable tracks on the security of their rates. 20 p 3

The Act setting up the new Board provided that £100,000 of the estimated profits of the Cable Board be paid to the new Tramways Board and the balance then estimated at £827,000 be paid into a fund called the Municipalities Loan Redemption Fund. This was to be applied to write off part of the Councils Debentures which were due for repayment by 1936.

The reason for this complex financial arrangement was that the Government had a £4,000,000 Loan due for repayment in London. If the Government repaid £1,000,000 it was possible that the balance could be converted but unfortunately the Government did not have £1,000,000. The £827,000 from the Cable Tramway Board Profits appeared to be a reasonable start for the fund. When the final accounts of the Cable Tramway Board were available the Government was dismayed to find that the profits were £60,000 below the estimated amount. This problem was overcome by an Act (3023) requiring the Melbourne and Metropolitan Tramways Board to pay £60,000 from its first years revenue into the Loan Redemption Fund.

The Act (2995) which set up the Melbourne and Metropolitan Tramways Board required the Board to provide from its revenue each year the Governments annual contribution to the Metropolitan Fire Brigades Board, Infectious Diseases Hospital and the Licensing Fund. These payments were estimated to be not more than £70,000 per annum but in practice the payments were under £100,000 per annum on only 4 occasions and by the time the last payment was made in 1958 the Board had paid over £4,000,000.

The Act also set limitations on the Boards use of its funds which required the setting up of reserves and the investment of these reserves.

Finally it provided that, if the Board had surplus revenue, after all liabilities properly chargeable to a year had been met, all that surplus revenue over £10,000 should be distributed among the Municipalities.

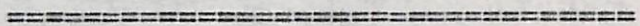
The first Melbourne and Metropolitan Tramways Board consisted of a full time Chairman and 6 part time Members. They were appointed for 5 years and were required to prepare a scheme for the co-ordination of public transport in Melbourne.

This scheme, prepared in 1922, set the pattern for the development of the tramways, and was quite a sound proposal. It proposed the gradual conversion of the whole of cable system to electric trams and for the extension of the electric tram system. The Scheme was accepted by the Government and was carried forward until the depression when expansion stopped from 1929-1935. The conversion of cable tracks resumed again in 1935 and after further stopping^{ages} during the war was completed in 1956.

The Board has had some problems in its short life. The Cable Tramways Board had little opposition as the suburban railways provided infrequent *dirty* steam trains but electrification started in 1918 and was completed in 1923. This attracted passengers from the cable tram to the railways (estimated 35,000,000 per annum switched over).

In 1923 private bus companies ran in opposition to the cable trams and also took away passengers. These buses were faster than the trams and also too fast for the roads which broke up. The Municipalities received no funds from the buses for road repairs and conditions became chaotic. In 1925 a seat tax* was imposed on buses and the tax was to be paid to the Municipalities for road repairs. Within a few weeks of the passing of the Act the bus companies went into liquidation.

The original Act required that the constitution of the Board be reconsidered after 6 years and the original Chairman was appointed for 5 years and the Members for 3 years. After this time they were reappointed for 1 year terms until 1929 when a new Act was passed.



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* £3-7-6 per seat per annum for pneumatic *Aired* vehicles within 3 miles of GPO
 £1-5-0 outside