

Handwritten: "Melbourne Tramways Board" 5/11/48

1. The Melbourne and Metropolitan Tramways Board was brought into existence by the Melbourne and Metropolitan Tramways Act of 1918 and was formed in order to take over the Cable Tramways (the property of a group of municipalities in the inner Metropolitan area), the various Municipal Tramway Trusts operating electric tramways or about to do so, the tramway portion of the North Melbourne and Essendon Electric Light and Tramway Company, and the small cable system of the Northcote Council. The Cable tramways came under the control of the Board on the 1st November, 1919, and the Electric tramways on the 2nd February, 1920. The Board took over all assets and liabilities, and as the various concerns were the property of the municipalities, who had borrowed money for the construction of the lines and depots and for the purchase of rolling stock, the Tramways Act provided that the profit in any one year in excess of £10,000 should be divided between the municipalities within the tramway area as defined by the Act. The Board, appointed by the Governor-in-Council, consists of a whole-time Chairman, who receives £1,750 per annum, and six members, who receive £250 per annum. It reports annually to Parliament through the Minister of Public Works, who also acts as the vehicle of communication between the Board and the Government in connection with legislation required for new works. Like all other Public Authorities in Victoria, no new work ~~can~~ costing more than £20,000 can be started without first obtaining the approval of the Public Works Committee of Parliament and a Special Bill. This provision, however, does not apply to the conversion of the old cable routes to electric traction, which were specifically authorised by Parliament in the Act of 1918. As to finance, the Board was given certain borrowing powers, and at the 30th June last the unexercised power stood at £150,000, plus the amount repaid on loans raised by the Board, £1,572,646, a total of £1,722,646. On the same date, the net

loan indebtedness of the Board was £3,910,734 as against the capital cost of the undertaking, £10,045,972. The Board must, in accordance with the Act, set aside not less than 4, nor more than 9, per cent of the capital cost to Reserves ; but the total amount so appropriated is divided between the various Reserve Funds at the discretion of the Board. As they exist at present, those Reserve Funds consist of the Renewals Reserve (which is in credit to the extent of £5,811,422), General Reserve, Maintenance Reserve, Public Risk Insurance Reserve and Fire Insurance Reserve Funds, while in addition there are the Loan Redemption and Loan Sinking Funds, all with healthy balances at their credit. If certain of these Funds contain more than is necessary, then the Board can borrow from them, ^{crediting} ~~making~~ the particular Fund concerned ~~for~~ with interest. Such an internal loan, one for £132,000, was made last year, for instance. The balance of a loan raised in 1938 was paid off, and the Board loaned itself the sum mentioned for 15 years at 3 per cent. There is no political interference. The Minister of Public Works can ^{direct} ~~ask~~ the Board to prepare a Special Scheme for an electric tramway in a particular district--just as a Municipality can do so under the Municipal Guarantee provisions of the Act--but that Special Scheme must be investigated by the Parliamentary Works Committee, who can either reject it or recommend it to Parliament. If recommended, then the Government introduces a Special Bill authorising the work ; but the Board is not compelled to proceed with the construction. It may take the view that a tramway in the locality concerned would be in advance of its time, and that any traffic offering could well be served by buses. On the administrative side, all Departmental heads report direct to the Chairman every morning, who has other conferences during the day with his executive officers as occasion demands. The Preston Workshops of the Board, which with plant are worth more than £500,000,

constructs and maintains all trams and in addition deals with major bus repairs. Numerous spare parts and other articles for use throughout the service are also made in the Workshops, which includes a Testing and Chemical Laboratory for testing and research. The most of the bus bodies now being procured by the Board are also made at Preston. The Central Bus Garage deals with the servicing, maintenance and repair work of the buses, and also turns out spare parts. The Uniform Dept. at Hawthorn not only makes all the uniforms and overalls required, but makes uniforms for the Police and Railways. The Board runs Wattle Park as a recreation reserve and as a sanctuary for local fauna and flora. There are tennis courts, a putting green, a golf course which brought in last year a revenue of over £6,000, cricket and football pitches and childrens' playgrounds and pic-nic sites. In connection with the Municipal Guarantee Sections of the Act, the Board prepares, as requested by the Municipality concerned, a Special Schem, which goes before the Public Works Committee and, if recommended, to Parliament for the Special Bill. On the passage of the Bill, the Board is not bound to carry out the work. If it does so, however, then the losses for the first five years operation, if any, are refunded to the Board by the Municipality. During the existence of the Board the Caulfield and Camberwell Councils in particular have not hesitated to guarantee losses in order to get tramways. The extra revenue in rates from the new buildings erected because of the additional transport facility has paid the Councils over and over again all monies paid to the Tramways Board.

2. At the 30th June last the Board had 746 trams and 322 buses. *in 1938-39, 670 electric trams, 98 cable trams and 113 buses. Cable trams were discontinued in October, 1940.*

(b) In the period between 1938-39 and 1947-48, the net gain in rolling stock was 76 electric trams and 199 buses, the latter increase being due to the necessity to run buses in Bourke Street pending electrification and to provide buses for the many industrial establishments in the Fisherman's Bend and Maribyrnong area which were erected there from 1940 onwards. To-day, in the peak period, 66 buses are required for the Fisherman's Bend service alone. In all 113 new electric trams were built at Preston in the nine years. The difference between the net gain of 76 and the 113 new vehicles is that 37 replaced trams of the old type, most of which were sold to Bendigo, Ballarat and Geelong.

(c) Discarding 11 maxim. traction cars, which are not now used, 85.9 per cent of the trams are more than 10 years old, while 51.3 per cent are more than 20 years old. Regarding buses, 56.8 per cent are over 8 years old, 7.7 per cent are 9 years, 7.7 are 11 years, 4.9 per 12 years, and 3.4 per cent are 13 years old. The remainder are less than 8 years old.

(d) The maintenance costs vary from 2d. to 3d. per mile for trams, according to type and age ; buses, 3½d. up to as high as 5d. per mile. After seven years buses are most expensive to maintain, as the figure of 5d. per mile shows; the replacement position has been very difficult, however, and much against its will the Board has been forced to keep in service buses which have long passed their effective life. Chassis from Britain is now arriving, and it is hoped that all the old buses will be scrapped by the end of 1949. Bodies for the new chassis are now being made in Sydney and in the Preston Workshops.

5,271 employees are used on the tramway section of the undertaking and 1,525 on the bus section.

(e) In the nine years ending 30th June, 1939, miles of new electric tramway added to the system totalled 12.934, while bus route mileage increased by 43.272. For the nine years ending the 30th June

last, 6.748 miles of double track were added to the tramway system and 25.330 miles to the bus system, the latter due principally to the services provided to the munition-making areas. The bus route mileage since the end of the year has been decreased through the withdrawal of services no longer required for war purposes.

(f) See statement supplied to Mr. McKenna.

(g) The policy of the Board is to withdraw all buses from the city and to extend the tramway system, using buses as feeders and for developmental purposes, as well as for cross-city routes. One of the latter, that from Point Ormond to Clifton Hill, has been in operation for some years. While it runs at a loss, the Board feels justified in continuing its operation as it provides a straight north-south run between the two points which have no other direct means of communication. But for the inability of the municipalities concerned to agree on a route, another cross-country service between Essendon and Heidelberg would have been commenced many years ago.

(h) Sections are on the average one mile in length, and the fare are :--

1st section	2 sections	3 sections	4 sections	5 sections and
2d.	3d.	3d.	5d.	over
				6d.

Inside the city, there is a concession for short-distance passengers, 8 tickets being sold for 1/. Children up to 12 years of age travel at fares varying from 1d. to 3d., for school children there are books of tickets which ~~enable~~ give travel to and from school at a cost of one-third of a penny per mile, merely nominal fares are charged for children attending swimming classes and going for dental treatment or to a Central School for special instruction, visiting nurses travel on children's fares as well as Boy Scouts and Girl Guides when in uniform, there is a

family ticket of 2/6 on Sundays which enable a family of five to go to and from the beaches or Wattle Park, and for 1/ a visitor can make a complete tour of the metropolitan area by tram.

The only piece of political skulduggery affecting the Tramways Board is the Section of the Act which makes the Board liable for the Government's payments to the Fire Brigades Board, the Infectious Diseases Hospital and the Licensing Fund. The latter Fund had so much money at its credit that successive Treasurers contracted the yearly habit of taking the contribution for the benefit of the Consolidated Revenue until the procedure became such a scandal that in 1938 the Tramways Act was amended and the Licensing Fund payment was deleted. By that date, however, the Licensing Fund had had £435,291 of the Board's revenue. Since the Board was constituted, the Government has received no less than £3,192,766, of which, apart from the Licensing Fund, £1,688,440 has been for the Fire Brigades Board and £1,069,074 for the Infectious Diseases Hospital. During the 29 years successive Leaders of the Opposition have denounced these provisions under which the payments are made the first charge on the revenues of the Board, and have spoken scathingly of the iniquity of tram and bus passengers alone among road users having to pay higher fares in order to give fire policy holders cheaper premiums and provide hospital treatment for patients suffering from infectious diseases ; but when in due course they have become Premiers and Treasurers they have all exhibited the same reluctance to dispense with those payments from the Tramways Board, which never sink below £100,000 a year and which last year reached the record of £137,424.

Recently the Board reviewed the financial position of the undertaking in relation to the increased cost of operation due to the

5-day 40-hour week. Looking to the emphatically-expressed opinion of the State Auditor-General that the Board's Reserve Funds had now reached a total which is much in excess of the actual requirements of the undertaking--probably the first time in Australian history that an Auditor-General has ever found occasion to make such a remark--the Board decided to maintain fares at their existing levels provided the sections of the Tramways Act dealing with Reserve Funds and internal loans are amended. Briefly, the Board desires legislative authority to finance any deficit that may be recorded by drawing the necessary sum from the Renewals Reserve Fund, which just now has a credit balance of nearly £6,000,000, and to reduce the interest payable on monies borrowed from certain of the other Reserve Funds. If the interest on such internal loans was reduced, the difference between the lower rate and that which is specified in the Tramways Act would, of course, lessen the sum which would have to be taken from the Renewals Reserve Fund. The Government has approved of the Board's suggestions, and an amending Bill will be introduced in the present session. By this procedure, then, the public of Melbourne will have fares at their present low level for some years to come, and the undertaking will enjoy the unique distinction of being the only transport authority in Australia which is operating at fares fractionally level then they were in 1936, the year when the maximum fare was reduced from 9d. to 6d. in order to encourage settlement in the outer suburban areas.

Towards the end of next year the Board hopes to be able to commence the Bourke Street conversion to electric trams at a cost of £1,050,000 approximately, which is the complete estimate for the tracks, rolling stock, overhead, depots and automatic sub-stations. The Port Melbourne conversion will follow, and the Board would like to think

that within the not-too-distant future the authorities concerned will construct a proper bridge over the Yarra at Johnston Street, Collingwood, and so enable it to construct an electric track over the old cable route to Collingwood and continue the line over the bridge up Studley Park Road to North Kew. When that is done, the Board will have a completely unified electric tramway system reaching out from the city proper to every suburb within the metropolitan tramway area.

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