THE OUTER CIRCLE RAILWAY LINE:
Its origins and historical significance

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There can be few stretches of Victorian railway line that are as well known by reputation, if not by actual use, as 'the Outer Circle.' Long regarded as a 'white elephant' symbol of Victoria's railway spree of the boom decade of the 1880s, this stretch of line was built as a trunk connection from the Gippsland line, up around the settled metropolitan area, to enter the city terminus at Spencer Street from the north. Part of its attraction has always been the fact of its economic failure. Perhaps more than any other single piece of railway hardware the Outer Circle has always seemed to express the excessive ambitions of the boom decade of the 1880s. Yet if the Outer Circle has been one of the best remembered, if now fading, legacies of the boom-era it is also one of the most widely misunderstood.

Constructing the Flinders Street Viaduct (Vicrail).

Outer Circle Railway Bridge over the River Yarra, Fairfield (Vicrail).
The Outer Circle is not so much a legacy of the 1880s as the 1870s, when it was devised as a solution to a specific set of problems. By the time of the boom decade those problems had ceased to exist, but the idea having gained momentum and the faith of whole communities - not just a few conniving politicians - it was carried ahead. The depression of the 1890s meant the curtailment of optimistic visions of Melbourne’s development, and put paid to any anticipations of economic viability for the outer circle. The twentieth century saw the progressive dismantling of the line and its fixtures, and when suburbia did finally encroach on the broad acres formerly traversed by the line, its residents were more automobile than railway conscious.

The interest in the Outer Circle is paradoxical. It is not a line that has fallen on hard times, for at no stage in its history has it been successful. It was made redundant even before it was constructed by the direct linkage of the Gippsland line into Flinders Street and the viaduct connection of Flinders and Spencer Street stations. But the Outer Circle is remembered in a typically Australian - some might say cynical - way as a failure on a grand scale; and all the more fondly so for having remained visible, with its derelict components - linear open space and ordered vegetation - a deliberate embarrassment to all-powerful public authority.

Surviving elements of the Outer Circle line are interesting in other ways as well. They form an important marker of where the boundaries of the metropolis once stood, and are expressive of the development of the suburban frontier over successive generations. Such features are important if we are to retain a sense of the city as anything other than an undifferentiated mass of suburbia. Nineteenth century railway technology actually helped the city to grow, and in recreating a sense of the Outer Circle line we have an opportunity to remember this in a complex and interesting way, and not just in surviving - and necessarily changing - utilitarian public transport services. Perhaps most important of all is the inspirational link that surviving elements of the railway line can offer us to seek knowledge of the past and, in this particular instance, the political clash of interests of the 1870s.

The development of railway transport technology in the nineteenth century transformed the world’s advanced and developing societies. After about 1830, railways changed the appearance of Britain and were the means as well as the expression of new social and economic relationships. Hitherto insignificant regions and settlements came to the fore, and a new class of professional engineers and entrepreneurs assumed positions of power and influence as the demand for railway travel increased. The new technology of steam and rail emerged to become one of the most potent and enduring expressions of the Victorian age. As with later technological revolutions, the rise of the railways did not occur in a political and social vacuum and their story in Victoria is necessarily an important part of our history.

The enthusiasm for railway development quickly took root in the newly established Colony of Victoria. The gold discoveries of the 1850s attracted a flood of immigrants to swell the population as well as providing a source of wealth and economic impetus that was to help sustain a high degree of well-being for at least the next four decades. The expectations of these immigrants were high; just as they had seen the railways transform the parent society in the years immediately prior to their departure, so they expected that they would also transform the wilderness.

Railway transport technology shaped the new society in its making, encouraging a high degree of urbanization, which was already a colonial trend. Railways made for a more complex society and offered many practical advantages. Transport was made less difficult and travelling times were cut. People could be carried in larger groups, and food, building supplies and other community sustaining materials moved with greater speed. Railways encouraged economic specialization and commuter suburbs as well as generating trade. In particular, they were sought after by those citizens and men of political influence who were concerned to bring economic and social progress to their areas; and although private enterprise was initially the means by which Victoria was provided with railways, the power of the State was soon harnessed to this end. Finally, it was favoured exclusively, leaving us with the tradition of public ownership of the railways that endures to this day.

So extensive was the spread of railways throughout Victoria in the nineteenth century that the system survived largely unchanged to serve a more populous society in the twentieth century. Only with the coming of mass private automobile ownership in the years after 1950 was the pattern of public transport changed markedly. The radial system of lines centering on Melbourne that was established last century can still be seen on a map today. Within the metropolis a similar radial core of suburban routes is in evidence, although Melbourne has long since burst its nineteenth century boundaries.

It is interesting that many features of the built environment that are significant from a heritage point of view can be seen to relate in some way to the nineteenth century railway system. This is true of many elements of the railway system itself, such as stations, bridges and even whole lines. Of course, many nineteenth century railway lines have not survived intact. They have been altered with the continued development of the transport system. In some cases whole lines and railway stations, as well as their rolling stock, have simply vanished, leaving only a curious stretch of unco-ordinated open space or a run of trees to mark a former transport artery. Yet these may be expressive reminders of and a key to events central to the history of whole communities and the society in general.

Melbourne’s first railway - and Australia’s as well - was established by the privately owned Hobson’s Bay Rail-
way Company in 1854. It ran from a station at Flinders Street to the bay at Sandridge where the company constructed a pier. This line was later extended to St. Kilda in 1857. Another privately owned concern established additional lines to the nearby southern and eastern suburbs of Melbourne in the years that followed. In 1865 the interests of these companies were amalgamated in the Melbourne and Hobson's Bay United Company.

Government owned and operated railways followed soon after the first private initiative, notably with a line from a station to the west of the city proper at Spencer Street to the bay at Williamstown in 1859. In the years that followed the government railways led the way, outstripping the ambitions of private entrepreneurs as they penetrated into the interior, linking provincial cities and towns with the capital. In doing so they laid the foundations of an extensive railway system centered on Melbourne.1 The involvement of the State came to be seen as logical of and was approved of by the society at large. Paradoxically, this was in spite of a strong commitment to individualistic free enterprise values. Because of its greater financial and administrative capacity of the State was seen as better placed to bear the burden of railway development in a new country. Also, State ownership left the risks, problems and cost of maintenance to the central government while leaving local municipalities, property holders and business committees free to exploit the benefits.2 By the 1870s Government had well and truly established itself in this field.

Nevertheless, the Melbourne and Hobson's Bay Company still controlled the important suburban railways, and also a large territory of land adjacent to the central Melbourne area. East of the Yarra, and from Flinders Street and Princes Bridge Station, its lines ran to...
Sandridge (Port Melbourne), St. Kilda via Emerald Hill (South Melbourne), Hawthorn via Richmond, and from Richmond through South Yarra, Prahran, Windsor and Elsternwick. These suburban communities derived a considerable benefit from their connection to the central city by rail which had encouraged their development as commuter suburbs; and it is interesting that Melbourne's wealthier professional, trading and commercial classes were all well represented in their populations. The exception was Sandridge, the original line, where a working class community had sprung up around the Company's pier, and where maritime functions characterised much social activity.

This division of control led to problems, and by the 1870s it was clear that the Company's lines to the inner southern and eastern suburbs of Melbourne were an obstacle to a united Victorian system centered on the metropolis. This combined with the political divisions of the period to create a climate in which questions of railway development for Melbourne suburbs became questions of major political moment and a factor in political and constitutional conflict. The Company in particular came to be seen as the preserve of a privileged elite of owners and the clients it served. Although it satisfied those communities, it was resented by the citizens of those other communities not so well served by transport facilities, and not at all by railways. It was in this climate that the outer circle was first proposed.

Initially, the line was seen as a solution to a specific problem, that of connecting the Gippsland line to the city proper, but the need to develop the core of the system to cope with increasing suburbanization and the incoming traffic made the situation more complex. The Company's lines were an obstacle to this. The Gippsland line was one of those included in the Railways Construction Bill introduced into Parliament in 1873, but a problem was encountered in linking it with the centre, particularly so from the south-east where the Company's lines lay. Although part of the Gippsland line from Sale to Oakleigh was authorized in 1873, final agreement over the suburban connection to Melbourne proper was not reached until 1878, the same year in which the Government finally established its complete control over railway development in Victoria with the purchase of the Melbourne and Hobson's Bay United Company.

In the intervening period, however, the route to be taken by the Gippsland line was an issue of some considerable interest and debate as far as railway administrators, suburban developers and local and parliamentary representatives were concerned. It was in this context that the Engineer-in-Chief of the Victorian Railways, Thomas Higinbotham, proposed the idea of the outer circle route in 1873. Higinbotham had been asked to report on the best possible means by which the Gippsland line could be brought into Melbourne. The most obvious route was a short extension from Oakleigh to the nearest point on the Company's system at Elsternwick. This, however, would have required the Government to negotiate 'running rights' for its trains over the Company's lines to Flinders Street, or else to purchase the Company's assets outright. Higinbotham had, in fact, recommended the direct route and purchase option as early as January, 1873.

Although this was the course of action that was finally adopted (together with the subsequent viaduct connection of Flinders and Spencer Street Stations), it did not appear easily achievable in 1873. Higinbotham, on reflection, considered the difficulties involved in feeding Gippsland traffic into the then inadequate facilities at Flinders Street; and the prospect of extending a line along the river front and around to Spencer Street did not appeal to him either. In his view, the Spencer Street site was cramped and inadequate.

Higinbotham took up the idea of an unsuccessful private company that had intended a line to encircle the city via the eastern and northern suburbs, which were inadequately served by railway facilities. This line would terminate at a station at the top end of Elizabeth. He also envisaged a grand new central passenger station. While the Outer Circle (as Higinbotham himself called it) involved an extra six miles on the journey from Oakleigh to Melbourne, with an estimated cost of £292,455 if made with double tracks, this was only one third of the Audit Commissioner's valuation of the Company's assets, which was £800,000. Company directors were obviously well aware of the appeal of their lines to the Government, and their asking price was £1,300,000. In this light the outer circle link from the City to the Gippsland line at Oakleigh was an entirely economic proposition (assuming the absence of any other connection). It was also a useful card to play in any negotiations to purchase the Company's assets as the development of the outer circle would restrict the Company's expansion and confine it to the eastern shores of Port Phillip Bay. The Company would not then be in any position to monopolize suburban railway transport and the diminishing value of its system would enable a Government takeover at a more attractive price.

This, however, was not just a railway management strategy, it was also a political strategy. In order to understand why the Outer Circle became such a contentious political issue it is necessary to understand the important role the railways were understood to have in the development of the society and something of the nature of political conflict during the 1870s. Also, the extent to which municipal and local elites were able to exert influence through the Parliament to achieve their ends.

The advantage of the State-owned railway system to Victoria's 'new men' of the 1870s was that it was open to political control by the Legislative Assembly. In these years the 'liberal' forces strongest in the pro-outer circle municipalities were never far from political power. These groups dominated the Duffy
According to historian, Geoffrey Curr:

Strong sections of the liberal faction Berry led to power in 1877 believed the outer-circle would strengthen the classes supporting them by promoting development in their areas, diverting it around the Hobson's Bay Company and the basically conservative municipalities it served. Outlying districts, such as Heidelberg, Lilydale and Plenty, anticipated branch lines off the Outer Circle and they also supported the proposal.

The volatility of Parliament and the instability of political alliances on which governments were formed, contributed to a situation where such an issue could have a vital influence on the success or failure of a government. By the same token, the decision of an individual Minister of Railways was not necessarily the last word in a climate such as that of the 1870s, which saw numerous changes of Government as well as parliamentary deadlock and constitutional crisis. These decisions were effected as much by local issues as wider party considerations. Indeed, the skilful management of a parliamentary majority depended entirely on a successful balancing of the two.

Political support for an Outer Circle scheme took an identifiable form in the Outer Circle League, formed in 1873. Its membership included representatives from the municipal areas expecting to benefit from it - Booroondara, Jika, Collingwood, Fitzroy, Carlton, Brunswick and North Melbourne. This year was 'the real start of the political wrangling over the choice of the route by which the Gippsland route was to come to Melbourne.'  

However, Outer Circle aspirants had their opponents. The formation of the Outer Circle League led to the formation of the Southern Railway League, and opposing group who wanted a direct connection for the Gippsland line. Most members of this group wanted the Government to buy out the Company and build the connecting line from Oakleigh to South Yarra via Caulfield, Malvern and Prahran. Some members of this group (notably from Emerald Hill and Sandridge) wanted the line to pass south and west of the Company's system, while others wanted the Gippsland line to run from Oakleigh to Elsternwick where it would join the Company's system.  

By July 1873 the then Minister for Railways, Duncan Gillies, informed the Company that the Government had decided not to make an offer to purchase. However, he also decided against the outer circle idea, preferring instead the cheapest option of all, which was a connection from Oakleigh to Elsternwick with running rights over the Company's line. Opposition to this came from supporters of the Outer Circle (the Engineer-in-Chief of the Victorian Railways, Thomas Higinbotham, among them). This forced Gillies to drop the proposed Oakleigh to Elsternwick connection from his Bill, which was passed with the Gippsland line terminating at Oakleigh with the connecting route to Melbourne still unresolved. The extensive political conflict between liberal and conservative forces over the following four years did nothing to help resolve this uncertainty.

In 1874 Gillies moved to adopt Higinbotham's outer circle proposal. A survey was undertaken, but the Kerferd Administration of which he was a member was voted out of office in August the following year. Little resulted from the short-lived Berry administration of 1875, and in 1876 the conservative McCulloch administration introduced a railway construction bill that included, amongst many other new lines, the Oakleigh to Elsternwick Proposal. Purchase of the Company's assets remained a contentious issue and the Outer Circle League remained active in this climate of intense political conflict.

In May 1877 Berry's liberals had their sweeping electoral victory, but while this gave them control of the Assembly, the composition of the Legislative Council remained virtually unaltered and still wedded to the conservative cause. In July the new Minister for Railways introduced a Railway Bill which proposed the continuation of a direct line from Oakleigh to Spencer Street via Caulfield and Prahran, which would by-pass the Company's lines and make them redundant. This proposal failed in the Upper House. The protracted conflict that followed, with outer circle advocates still active and the Gippsland line nearing completion, was finally brought to an end with the agreement of the Government to purchase the Company in July, 1878, for a sum of £1,320,820. This opened the way for the decision as to the final route of the railway link from Oakleigh to South Yarra and with the approval of this direct route the rationale for the Outer Circle line disappeared.

The idea of the outer circle was kept alive even though the Outer Circle League went into recess for some years. In 1882 it revived itself, partly owing to the sympathy extended to its cause by Thomas Bent in his term as Commissioner for Railways from 1881 to 1883. Representatives from the League met Bent in 1882, who declared his intention to include the Outer Circle in his new proposals. However, Bent was removed from office and in 1883 a new Government led by James Service and Graham Berry, a coalition of moderate liberal and conservative elements, came to power and through their successors, Duncan Gillies and Alfred Deakin, continued in office for virtually the rest of the decade.

The Outer Circle League continued to lobby the new Government which had established railway commissioners, supposedly to remove railway matters from direct political interference. It was during their regime, and that of the Service-Berry Administration, that the most extravagant of all nineteenth century railway legislation was passed, the so-called 'Octopus Act' of 1884. It was this Act that finally authorized the construction of the Outer Circle line.

Traditionally, historians have seen the Outer Circle line as one of the worst excesses of the boom decade.
of the 1880s. Michael Cannon, for example, has described it as "a ludicrous exercise":

The Outer Circle, built at a cost of £292,000, was opened in 1890 and closed three years later. It meandered for nineteen miles around Melbourne's northern suburbs, from North Melbourne through to Brunswick, across empty paddocks to Fairfield, thence to East Kew, then to Hartwell, finally joining the main Gippsland line near Oakleigh. The land boomers inside and outside Parliament saw it as a speculators' paradise and invested heavily in broad acres along the route. They were caught with their signals down. No sane passenger would use the line, when it took them 4 hours 20 minutes to travel from Oakleigh to the City by this route. 9

Cannon singles out the outer circle as a notorious example of extravagance which typified the attitudes of a generation. Yet, as we have seen, the Outer Circle made quite good sense in the context of the 1870s. What then caused its revival? It seems possible that Duncan Gillies may himself have been converted, having introduced an unsuccessful Outer Circle proposal in 1874. This may explain its success in 1884, when he once again found himself in charge of the railways.

A more plausible explanation is the likely desire of the Service-Berry Coalition to cement its position by placating all possible supporters. In this light the passage of the Outer Circle measure makes sense, it having survived as one of the unresolved war horses of the 1870s. The proposal would certainly have appealed to Graham Berry who had long derived political support from solidly liberal, pro-Outer Circle electorates to the north and west of the city and which he had not rewarded as he might have, following his 1877 triumph. Approval of the Outer Circle line in 1884 enabled him to make amends with some of his staunchest supporters and to ensure that opponents, like Thomas Bent, did not cut the ground from under his feet. 10

The fluid growth of the society in the 1880s also provided a basis for believing that the new lines would eventually prove viable. Indeed, steady growth since the gold rush decade of the 1850s gave every indication that forward planning was required and by 1884 the metropolitan and Victorian economies were certainly buoyant. Many of the lines proposed by the 1884 Act undoubtedly made economic sense in this light. The attitudes that supported the passage of such legislation were the product of an expanding society and widespread faith in its continuing expansion.

Cannon's suggestion that the Outer Circle was concocted to serve the needs of corrupt financier-politicians at the expense of the community in general (and without its support), has been severely criticised in recent years, notably by historians Geoffrey Curr and Graeme Davison, who have suggested that his view is too simplistic. 11 Whilst the Outer Circle was supported in Parliament by such figures as James Munro, one of the most notorious boomsters of the era, Munro's motives are not simply reducible to a quest for personal gain, as Geoffrey Curr observes. For one thing, Munro's interests were varied. As the Parliamentary representative of North Melbourne, with landed interests in North Prahran and Caulfield municipalities he stood to benefit from whatever scheme was finally adopted and as a spokesman for the Outer Circle it might be claimed that he undermined his Prahran assets.

The reality was that key individuals like Munro or Thomas Bent found themselves both courted and enthusiastically supported by a number of local communities hoping to benefit from their activities. 12 According to Davison, 'the boom was not a conspiracy but a contagion, not the sinister design of a few financial buccaneers but the ebullition of a popular desire for suburbanism as a way of life.' 13

In the nineteenth century the railway was acknowledged as the harbinger of suburbs and suburban development. In this context railway engineers and land developers were acknowledged entrepreneurs whose previous exploits had been crowned with success. The Outer Circle was seen to offer all manner of likely benefits to the areas it would pass through. As well as promoting commuter settlement along its breadth, cross-suburban access would be permitted to the bluestone quarries and brickworks of Brunswick. Firewood could come in from the Gippsland forests while stone for buildings and roadworks could make the return trip. All parties interested in the Gippsland line had a rosy view of the region's promised agricultural wealth and an Outer Circle route was seen as a tap into this source. 14

Expectations were that development would follow the railway and there was ample evidence to hand in 1884 that this actually happened. But by the late 1880s the odds were all stacked against the Outer Circle. Land acquisition costs at the height of the boom were out of all proportion to future profits and to this was added the misfortune of the line opening in a climate of economic depression in the 1890s. But far from being a monument to boomtime extravagance, the outer circle line was a monument to mischance. In Curr's view it was 'a project delayed too long in its fulfillment, and 'beached like a whale when the tide carrying it forward receded suddenly from beneath,' leaving it 'one last rotting reminder of the 1870s bitter political and economic confrontations.' 15
NOTE
This article is a revised version of a contribution to a report (Outer Circle: Outer Circle Railway: A Plan for a Linear Park) prepared by the Department of Conservation, Forests and Lands and the Ministry for Planning and Environment. (David Dunstan).

REFERENCES
4. Venn, op.cit., p.129.
7. Ibid., pp.10-11.
15. Ibid., p.298.