

1905.
VICTORIA.

REPORT

FROM

THE PARLIAMENTARY STANDING COMMITTEE
ON RAILWAYS

ON THE QUESTION OF

RAILWAY COMMUNICATION

WITH

WOOLAMAI, SAN REMO, AND CAPE PATTERSON.

Ordered by the Legislative Assembly to be printed, 6th July, 1905.

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RAILWAYS STANDING COMMITTEE REPORT No. 2.—[6d.].—5849.

EXTRACTED FROM THE VOTES AND PROCEEDINGS OF THE LEGISLATIVE ASSEMBLY.

TUESDAY, 4TH OCTOBER, 1904.

3. WOOLAMAI, SAN REMO, AND CAPE PATTERSON RAILWAY.—Mr. Bent moved, pursuant to notice, That the question of connecting Woolamai, San Remo, and Cape Patterson by means of a railway with the existing railway system and of leasing the lands enhanced in value by the construction of the railway be referred to the Parliamentary Standing Committee on Railways for consideration and report.

Debate ensued.

Question—put.

The House divided.

Ayes, 29.

Mr. Bent,	Mr. Kirkwood,
Mr. Boyd,	Mr. Langdon,
Mr. E. H. Cameron,	Mr. Livingston,
Mr. J. Cameron,	Mr. Mackey,
Mr. Craven,	Mr. McCutcheon,
Mr. Cullen,	Mr. McKenzie,
Mr. Downward,	Mr. McLeod,
Mr. Duffus,	Mr. Murray,
Mr. Fairbairn,	Mr. Robertson,
Mr. Forrest,	Mr. Swinburne,
Mr. Gaunson,	Mr. Thomson.
Sir Samuel Gillott,	
Mr. Gray,	
Mr. Harris,	
Mr. Hunt,	
Mr. Keast,	

Tellers.

Mr. Argyle,
Mr. Lawson.

Noes, 21.

Mr. Austey,	Mr. Morrissey,
Mr. Beard,	Mr. Outtrim,
Mr. Beazley,	Sir Alexander Peacock,
Mr. J. W. Billson,	Mr. Prendergast,
Mr. Bromley,	Mr. Sangster,
Mr. Colechin,	Mr. Solly,
Mr. Eluslie,	Mr. Wilkins.
Mr. Hannah,	
Mr. Holden,	
Mr. Lemmon,	
Mr. Mackinnon,	
Mr. McGrath,	

Tellers.

Mr. McGregor,
Mr. Watt.

And so it was resolved in the affirmative.

MEMBERS OF THE PARLIAMENTARY STANDING COMMITTEE ON RAILWAYS.
(Seventh Committee.)

The Hon. G. GRAHAM, M.L.A., Chairman.

A. S. Bailes, Esq., M.L.A.,
The Hon. Dr. Embling, M.L.C.,
P. McBride, Esq., M.L.A.,

The Hon. D. Melville, M.L.C.
(Vice-Chairman),
E. C. Warde, Esq., M.L.A.

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* The compilation was a portion of the work of the Secretary of the Railways Standing Committee, who is paid by annual salary.

REPORT.

THE PARLIAMENTARY STANDING COMMITTEE ON RAILWAYS, to which the Legislative Assembly referred the question of connecting Woolamai, San Remo, and Cape Patterson by means of a railway with the existing railway system and of loading the lands enhanced in value by the construction of the railway, has the honour to report as follows:—

1. The district proposed to be given railway communication contains about 100,000 acres lying between the Great Southern and Outtrim railways, Bass Straits, and Western Port. The Bass Range, which runs diagonally across the area from the Great Southern line towards Kilcunda and San Remo, divides the country into two watersheds. On the north-western side of the range is the Bass River, flowing into Western Port, and on the south-eastern slope is the Powlett River and its tributaries, running into Bass Straits. It was ascertained that a railway could be constructed down the valley of the Bass River at a moderately cheap rate, but to carry the line across the hills—where the land is of good quality and the settlement is close—and continue the railway towards Cape Patterson, would be a costly undertaking, as the broken nature of the country would necessitate a large outlay in earthworks. Mr. M. E. Kernot, Acting Engineer-in-Chief of the Victorian Railways, advocated the building of a line branching off the Great Southern Railway at Nyora, and running in a south-westerly direction down the valley of the Bass River, keeping as near to Almurta as possible, and terminating at the Bass race-course, Woolamai. That line would be 17 miles 23 chains in length. It was estimated to cost £52,185, or £3,018 per mile. The estimate provided for the use of new rails, no second-hand serviceable ones being obtainable from the Railways Commissioners. If, however, second-hand rails could be secured, the estimated cost of the railway would be reduced by about £330 a mile, or nearly £6,000. That line would serve about 75,000 acres (excluding Crown lands and roads), or close upon three-fourths of the district asking for railway facilities. It would terminate within a mile or so of the Great Victoria coal-mine. If, later on, the traffic warranted it, the railway could be extended southwards from Woolamai across the gap in the hills separating the Bass Valley from Bass Straits, and carried thence eastwards through Kilcunda to Price's Corner (Dalyston), near Powlett River. That extension would be 10 miles 27 chains in length, and would cost £38,768. The total length of the line from Nyora to Price's Corner would be 27 miles 50 chains, and the cost of that railway £90,953.

2. The residents in the hills around the Agricultural College reserve, forming part of what was formerly known as the Blackwood timber reserve, considered that a railway located in the Bass Valley would be of very little service to them, and, moreover, it would have to compete with water carriage. They asked that the extension from Nyora, on reaching Almurta, should ascend the hills and run in a southerly direction through the parish of Wonthaggi North to Price's Corner, and then westwards to Kilcunda. That line would be 25 miles 59 chains in length from Nyora, and was estimated to cost upwards of £100,000. The objection urged by the land-holders in the Bass Valley to the hill route was that it would be practically valueless to them, because they could not cart their produce up hill to the railway. On the other hand, they pointed out that if the railway were constructed down the valley of the Bass River, the farmers in the hills could easily reach it, as the cartage would be on the down grade.

3. Another proposal which the Committee had placed before it by the Honorable Nathaniel Levi was the building of a narrow-gauge (3ft. 6in.) railway from Cape Patterson to San Remo at the eastern entrance to Western Port, where there is 18 feet of water. That line would not connect with the existing railway

system. It was claimed, however, that its construction would not only result in the development of the coal deposits at Cape Patterson, which, it was said, could be profitably worked by electric coal cutters, but would serve the settlers on the Powlett River and Archie's Creek, and also those around Price's Corner and Kilcunda. Mr. Levi explained that about 25 years ago a railway was built by private enterprise from San Remo to Kilcunda, a distance of 7 or 8 miles, to open up the seams of coal at the latter place. The rails for that line were supplied by the Railways Department. The colliery at Kilcunda was worked for a few years, and was then abandoned. In 1888, Parliament passed the Cape Patterson and Kilcunda Junction Railway Act, No. 980, giving Mr. Levi the right, at his own expense, to build a narrow-gauge railway 10 miles in length from Kilcunda to Cape Patterson, and to take running powers over or purchase or lease the railway from Kilcunda to San Remo, so that the coal obtained on his mineral leases at Cape Patterson could be carried by rail to San Remo and shipped there to Melbourne and elsewhere. The Act stipulated that the line from Kilcunda to Cape Patterson was to be constructed within two years, and maintained to the satisfaction of the Board of Land and Works. It also gave Mr. Levi the right to carry passengers, goods, and animals over the railway at such rates as might be approved of by the Board of Land and Works. The railway was not built within the specified time owing, it was said, to the boom having collapsed and a period of financial depression overtaking the State. Parliament, however, renewed the Act from time to time. Finding a difficulty in securing the necessary capital in Victoria, Mr. Levi visited England in 1897, and made arrangements there for the money required to construct the railway from Kilcunda to Cape Patterson, and to develop the coal seams at the latter place. But, on returning to Melbourne, he found that during his absence the Railways Department had taken up the rails on the line from San Remo to Kilcunda, and sold them to the Great Victoria Coal Company, in the Bass Valley. The concession which Parliament gave him was, therefore, he said, rendered valueless, and the capital which he had arranged to bring into the State was diverted elsewhere through the action of the Department. Nevertheless, he stated that he was still prepared, if Parliament would again give him the necessary authority, to repair the railway from San Remo to Kilcunda, and to extend that line to Cape Patterson at his own expense, or, if the Government would carry out that work, he would give it a satisfactory guarantee covering a period of ten years against any loss resulting from the railway.

Population.
Live stock.

4. It was estimated that the population of the district seeking railway communication totalled 2,500, the number of dwellings being set down at about 500. The estimate of live stock was as follows:—Horses, 1,500; cattle, 11,000; dairy cattle, 7,000; sheep, 25,000; and pigs, 2,000.

Absence of
cultivation.

5. Although the district is fairly well settled, the holdings being principally from 100 to 320 acres, with a few larger properties, comparatively little cultivation was to be seen, the land being devoted chiefly to grazing. The reason given for the marked absence of cultivation was that it was useless growing crops, except for home consumption, because the cost of cartage to the nearest railway station or shipping port would absorb all the profit. It was urged that if railway facilities were provided large quantities of potatoes, onions, maize, and cereals would be grown, and that, in addition to that traffic, dairy produce, live stock, timber, and coal would be sent over the railway to Melbourne. A further reason put forward for the building of the line was that not only would there be a good local passenger traffic, but that as San Remo and Kilcunda were rapidly advancing as popular seaside resorts, a large tourists' traffic could be secured. The Committee, however, would point out that tourists can now reach San Remo by steamer from Stony Point railway terminus without any discomfort.

Increased
production
unlikely.

6. After inspecting the country and hearing the evidence, the Committee came to the conclusion that the proposed railway would not be the means of largely increasing the production of the district. Most of the land near the coast-line is of a poor, sandy nature, unsuitable for cultivation. It is true that the soil on the hills near the Agricultural College reserve is of first-class quality, but the greater part of that rich volcanic belt is either too steep to be ploughed, or so heavily timbered that it will take several years to clear the land. Moreover, the land-holders there are making a comfortable living from grazing and dairying, and they are not

likely to abandon the certainty attaching to that source of income for the production of such crops as potatoes, onions, and hay, which vary in price from season to season. The experience in other parts of Gippsland, which have the advantage of railway communication, has been that farmers, finding the income from dairying more regular and profitable than growing root crops for sale, have abandoned the latter as a means of livelihood. While the flats bordering on the Bass River contain fertile alluvial soil, the land would, in places, have to be drained before it could be cultivated to advantage. Those flats have for years been within easy carting distance of the jetties at either Grantville, Queensferry, Bass Landing, or San Remo, on Western Port, so that it cannot be contended that the absence of facilities to get produce to market has been the means of retarding the cultivation of those fertile flats.

7. A railway built in the Bass Valley would be subject to water carriage competition for some distance inland from Western Port, till the cost of cartage turned the balance in favour of the railway. A steamer runs daily from San Remo across Western Port to Stony Point, connecting with the Mornington Peninsula railway. Butter and other perishable products are sent from the Powlett River district by that route to Melbourne. A steamer also leaves San Remo every week for Melbourne, the distance by water being but 90 miles. For several months a steamer of shallow draught made weekly trips between Grantville and Melbourne, but it has lately been taken off that trade. In addition to the steamers, a number of small sailing vessels regularly visit the jetties on the eastern side of Western Port, carrying merchandise from the metropolis to Grantville, Queensferry, and Bass Landing, and bringing back timber and any other cargo they can secure. It was stated that no dependence could be placed on the sailing craft, as they might do the trip in two days if the winds were favorable; but if the weather were adverse the cargo might be two weeks on the water. Such uncertainty prevented farmers sending perishable and other products by them. A good market might be lost through the goods not reaching their destination within the expected time. Live stock were not sent by water to Melbourne. They were travelled by road to either Lang Lang or Loch, a distance of 15 or 20 miles, and were trucked at those stations. Local residents stated that, notwithstanding that the minimum charge for live stock over the proposed line to Nyora would be £1 per truck, the railway would get that traffic, as the distance at present to be travelled by road depreciated the value of the stock by more than that sum. They also expressed their belief that the railway would secure the bulk of the goods traffic, because while water carriage could compete successfully against the railway for long distances, such as from Warrnambool, or from Bairnsdale, to Melbourne, there was not the same marked difference between the rates of carriage by water and by rail for short distances. The experience of the Railways Department for short-distance places, such as Geelong or Queenscliff, does not, however, confirm that belief.

8. The Committee obtained from the Commissioners of Railways estimates of the cost of building a railway from Nyora to Bass race-course, Woolamai; the annual interest charges and working and maintenance expenses; and also an estimate of the traffic that would be carried over that branch line. The estimates were as follow:—

	£	
Cost of constructing 17 miles 23 chains of railway from Nyora to Woolamai	52,185	
Cost of rolling-stock:—1 locomotive, 1 carriage, 1 van, and 3 trucks	4,400	
Total cost of construction and rolling-stock ...	£56,585	
		£ s. d.
Interest on £56,585 at 4 per cent.	2,263	10 0
Traffic Expenses	250	17 7
Permanent Way Maintenance Charges	1,293	15 0
Locomotive Expenses	497	5 0
General Administration Expenses	81	13 6
Total Annual Charges	£4,387	1 1

	£	s.	d.
Annual revenue based on local rates between Woolamai and Nyora, including credit for new traffic over existing lines. (Passengers, £1,137; parcels, £235; mails, £103; class goods, £539; live stock, £400; timber, £688 9s. 8d.; farm produce, £203 18s. 6d.; dairy produce, £242 10s.; all other traffic, £10) ...	3,558	18	2
Annual loss	828	2	11

The Committee also obtained from the Commissioners of Railways estimates of the annual charges and revenue in connexion with the proposed line from Nyora to Price's Corner (Dalyston) *via* Woolamai. They showed an annual loss of £2,692.

Coal traffic.

9. In neither estimate of revenue was any credit given for the carriage of coal over the proposed railway. The Railways Department would not make any allowance for that traffic over the line, as there was still much uncertainty as to the development of the coal seams which are to be found throughout the district, varying in thickness from a few inches to about 3ft. 6in. The Committee considers that the Department was quite justified in declining to include in its estimate of revenue any probable receipts from the carriage of coal. The Kilocunda mine was connected by a railway with San Remo, the port of shipment, but after a year or so that colliery was abandoned, and although the line remained for several years, no active steps were taken to resume mining operations. A tramway was also laid down from Western Port to within a mile or two of the Great Victoria Coal Company, in the Bass Valley, and then work was suspended at that mine. The chief feature in connexion with the coal seams in this district has been the failure of private enterprise to make any sustained effort to work them.

Encouraging the coal industry.

10. The Commissioners of Railways were asked by the Committee whether the opening up of another coal-field would not benefit the railways, and the State generally. They replied that while the further development of Victorian coal-fields would, no doubt, broadly speaking, be of benefit to the railways and the State, as well as to the community generally, the advantages so gained might be lost to the Railways Department, and possibly to the State, if the railways were required to convey, at unreasonably low rates, the coal from such additional fields as might be opened up, or were required to purchase from any new mines so opened up coal at prices appreciably higher than the relative value of such coal would justify in comparison with other coals available for the use of the Department. Mr. Tait said, when giving evidence: "Taking into consideration the cost of transportation of Victorian and New South Wales coals to a common point—in the case of the Victorian coal from the mine mouth to Melbourne, and in the case of New South Wales coal from the ship dock to a common point in the Melbourne yard—and allowing for the inferior quality of the Victorian coal for the purpose of producing steam in locomotives (15 per cent. on the average), the Commissioners are, under the new contracts, paying from 2s. 6d. to 3s. per ton more for Victorian coals than those coals are worth to them. That is the subsidy which the Commissioners are paying for the encouragement and maintenance of this industry, and the traffic attributable to it. That subsidy was further supplemented by the Government to the extent of from 8d. to 1s. 8d. a ton." Mr. Tait opposed the building of a railway to either Woolamai or Price's Corner.

Timber traffic.

11. While the Railways Department estimated the loss on the proposed railway to Woolamai at £828 a year, the Committee is of opinion that the deficiency will be upwards of £1,000, because it regards the estimated annual revenue of £688 from the carriage of timber as being exceedingly doubtful. Belts of messmate, bluegum, and blackwood suitable for milling purposes are growing in the hills, but the proprietor of the only saw-mill in the district has a wooden tramway from the mill to Western Port, where he loads the timber into sailing vessels belonging to him. The officers of the Department who visited the district and estimated the traffic stated that they were not relying altogether on his timber,

as another local resident had informed them that he contemplated establishing a mill if a railway were constructed to Woolamai, and that the timber would be sent by rail to Melbourne.

LOADING LAND.

12. Evidence was taken regarding the proposal to load the land which would be enhanced in value by the construction of the railway to Woolamai. It was admitted that the line would be the means of increasing the value of land from a few shillings to £2 or £3 per acre, according to the quality of the land and the distance of the holding from the railway. Several of the settlers bordering on Western Port objected strongly to their land being loaded. They said that the railway would be of no value to them, because they were supplied with water carriage, which fully met their requirements. Most of the witnesses examined, however, agreed to their properties being loaded, but to the extent of a few shillings per acre only. The payments were to be spread over a number of years, and the loading was to cease when the railway earned sufficient to pay interest and working and maintenance expenses. The secretary of the Bass Valley Railway League suggested that the loading should be 1d. or 1½d. per acre per annum for a period of not more than 20 years. That loading would not, however, be sufficient to meet the annual loss on the railway, which the Committee estimates at upwards of £1,000. In addition to finding that sum, the residents of the district would have to pay interest and sinking fund on the money borrowed to purchase the land for the railway track to Woolamai, and also the expenses of management of the local railway trust. Those charges would amount to about £250 a year, bringing the total loading up to about £1,250 per annum. It would require an average rate of 4d. per acre over the whole 75,000 acres that would be benefited by the building of the railway to bring in that sum. That is to say, that land near the railway would have to pay a rate of 5d. or 6d. per acre per annum, and land further removed from the line would be rated from 3d. to 2d. per acre, according to its quality and distance from the nearest station.

RECOMMENDATION.

13. The Committee recommends the construction of a railway from Nyora to Woolamai, at a cost of £56,585, including £4,400 for rolling-stock; the line to be taken as near to Almurta as possible. The recommendation, however, is made subject to the following conditions:—

1. That the Board of Land and Works fix the boundaries of the railway district or the area which will be enhanced in value by the construction of the railway.
2. That two-thirds of the land-holders in number or area within the railway district petition the Honorable the Minister of Railways before the 14th October, 1905, to introduce a Bill authorizing the construction of the railway, and imposing on the district the obligation of handing over to the Board of Land and Works, free of charge, the land required for railway purposes, and of contributing £1,000 per annum for 20 years towards meeting any loss resulting from the working and maintenance of the line after providing for payment of interest on the cost of the railway and rolling-stock. The first year's payment of £1,000 to be lodged with the Commissioners of Railways before the building of the line is entered upon. Should the railway, with the assistance of the annual contribution of £1,000, earn sufficient to pay the annual working expenses, and also the maintenance and interest charges, the contribution to be diminished from time to time to such amount as the Commissioners of Railways may deem necessary to make the railway a paying one. The railway rate to be levied on the land within the district on an acreage basis, and to vary in amount according to its proximity and means of access to the nearest railway station or siding, and also according to the quality of the land. In the case of any property being less than

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10 acres in area, the rate to be based on the municipal valuation of such property. Only those lands and buildings exempt from municipal rating to be exempt from the railway rate.

14. Should the petition referred to in the preceding paragraph not reach the Honorable the Minister of Railways before the 14th October, 1905, the Committee in that case recommends that facilities be afforded to the Honorable Nathaniel Levi to have a Bill introduced in the Legislative Assembly authorizing him, at his own expense, to repair the railway line from San Remo to Kilcunda (after coming, if necessary, to terms with those directly interested in the land forming the track of that railway line), and to extend the railway from Kilcunda to Cape Patterson. The Bill to contain provisions similar to those embodied in Act No. 1539, and previous Acts relating to the Cape Patterson and Kilcunda Junction Railway.

GEO. GRAHAM,
Chairman.

Railways Standing Committee Room,
State Parliament House,
Melbourne, 29th June, 1905.