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REPORT

FROM

THE PARLIAMENTARY STANDING COMMITTEE ON RAILWAYS

ON THE QUESTION OF THE PROPOSED

TOLMIE RAILWAY.

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RAILWAYS STANDING COMMITTEE REPORT No. 8.—[6d.]—125.

MEMBERS OF THE PARLIAMENTARY STANDING COMMITTEE ON RAILWAYS.

(*Seventh Committee.*)

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

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(Vice-Chairman),

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REPORT.

THE PARLIAMENTARY STANDING COMMITTEE ON RAILWAYS, to which the Legislative Assembly referred the question of connecting Tolmie by means of a narrow-gauge 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 Tolmie district is situated about midway between Whitfield and Mansfield. It is hilly country, with rich volcanic cappings along various portions of the narrow ridges, which are separated from each other by steep gullies. The township of Tolmie is 2,448 feet above sea level, and Mahaikah, which is 3 miles nearer Whitfield than Tolmie, has an altitude of 2,706 feet, or close on 2,000 feet above the level of the King River valley, in which Whitfield is situated. Mahaikah is also about 1,700 feet higher than Mansfield. A railway constructed by any route into the Tolmie district would, therefore, have to make an ascent of nearly 2,000 feet within a distance of 15 or 18 miles. It would, moreover, have to traverse broken country, necessitating heavy earthworks, and adding considerably to the cost of construction. Another difficulty is that unless the railway were carried into the heart of that elevated rugged country, it would not fully meet the requirements of the district, because the steep side slopes of the hills prevent vehicular traffic going across country. If the Whitfield narrow-gauge line were extended a few miles along the valley of the Upper King River, and terminated there without ascending to the tableland, it would be of little or no value to those at Tolmie on the southern end of the tableland, or to those at Toombullup on the western side of the district seeking railway facilities.

2. Most of the spurs separating the King River and Boggy, Fifteen Mile, Ryan's, and Holland's creeks join near Mahaikah, and as the principal roads follow the crest of the ridges, it was considered by the Committee, and also by a former Committee which inquired into this question in 1901, that a railway to that place would meet the requirements of the district. The proposal placed before the Committee by Mr. M. E. Kernot, Acting Engineer-in-Chief of the Victorian Railways, was to extend the Whitfield narrow-gauge railway along the valley of the Upper King River, for a distance of about 7 miles to Glenmore, where the line would commence its ascent to the tableland. For a length of about 8 miles the line would have a continuous grade of 1 in 25, necessitating expensive cuttings in the hill side. At the end of that 8-mile climb McDonald's Gap would be reached, and the line would then proceed along the main ridge to Mahaikah and thence to Tolmie, if necessary. Mr. Kernot stated that a narrow-gauge railway from Whitfield by way of Glenmore to close to McDonald's Gap, terminating at Mather's allotment, would be 15 miles 40 chains in length, and would cost £53,514, or £3,452 per mile. If the line were carried on to Mahaikah it would be 19 miles 13 chains in length from Whitfield, and the estimated cost £71,158, or £3,713 per mile, while if the railway went as far as Tolmie it would have a length of 22 miles 14 chains, and would cost £81,398, or £3,671 per mile. The estimates furnished by the Railway Department in 1901 for a narrow-gauge railway from Whitfield to Mahaikah totalled £65,523, and for a line to Tolmie £76,139. Mr. Kernot explained that the reason for the difference in the estimates was chiefly due to no secondhand serviceable rails being obtainable, and to a slight increase in the cost per yard for excavation in cuttings.

A suggestion was made to the Committee when taking evidence at Whitfield that the proposed extension, instead of proceeding along the valley of the Upper King River to Glenmore, should commence to ascend the hills as soon as it was clear of the township of Whitfield, reaching the tableland by way of Hannan's Gap, and thence along the main ridge to McDonald's Gap. Several of the residents of the Upper King

and the Rose rivers district opposed this proposal, contending that if the route were altered from that suggested by the Railway Department in 1901, it would prevent them ever getting railway facilities. They added that they could never climb the hills to the proposed railway, but if the extension were taken along the valley of the Upper King River to Glenmore it would be no great hardship to those above that station to bring their timber and produce down the hill to Glenmore. Mr. Kernot, however, informed the Committee that if the suggested deviation were made *via* Hannan's Gap, it would be more costly to construct the railway, as rock formation would be encountered along the ridge.

3. It was stated by the residents of the Tolmie district that they desired to have railway communication with the North-Eastern district, in preference to an extension of the Mansfield line, as there was always a good demand in the Wangaratta, Albury, and Riverina districts for the root crops and oats which could be grown in the rich volcanic soil scattered in large patches over the Mahaikah and Toombullup tableland and over the ridges of the hills. When visiting the district, the Committee saw several splendid crops of potatoes, and there can be no doubt as to the productiveness of the soil. The district has an average annual rainfall of 41 inches for the last ten years. The hills are covered with such timber as messmate, mountain ash, and blue-gum, suitable for milling and mining purposes. Evidence was given that there was a steady demand for hardwood for building purposes in the towns in the North-Eastern and Riverina districts, and a regular supply of laths, props, and firewood was required by the mines at Chiltern and Rutherglen. It was stated, however, that it was impossible to get either the supplies of timber or the crops grown in the Tolmie district to market without railway facilities, the cost of cartage over the rough bush roads and down the steep hill sides to Whitfield or Benalla, especially in the winter months, being too heavy, and acting as an effectual bar to the development of the district. Those farmers who had cleared and cultivated their land found it so difficult to get their produce to the Whitfield, Benalla, or Mansfield railway station that they had been compelled to abandon the growing of potatoes and oats, except what was required for home consumption, and had had to resort to grazing. Others who had also improved their holdings had, after spending their meagre capital, been forced to leave the district and seek employment elsewhere. Most of these people still retained possession of the land, and although the scrub has grown up again many of them would, it was said, return to their blocks and once more enter upon the laborious work of clearing the land if they were assured of railway communication. From the evidence placed before the Committee it was apparent that the settlers—some of whom have been in the district for nearly twenty years—had had a continuous struggle to gain a livelihood off the land, and the hardships they encountered had only been borne because of the strong hope that each year would bring the desired railway facilities. Without better means of communication with the markets in the North-Eastern and Riverina districts, either by the extension of the Whitfield railway, or by improved roads or a tramway, the Tolmie district must continue to languish, and the patches of rich soil and a large area of fairly good land must remain practically undeveloped.

4. This rugged country was formerly the head-quarters of the notorious Kelly gang and other outlaws. The destruction of that gang was not accomplished till after the Government had been put to much expense. It was therefore decided, when making the Tolmie land available for selection twenty years ago, that it was to be peopled by respectable farmers from other districts, who had no sympathy with lawless gangs. Each applicant for land had his application reported on by the police before it was granted by the Lands Department. This fact, together with the presence, a few years later, of a party of engineers from the Railway Department, surveying the district so as to find a suitable route for a railway, no doubt led the settlers to believe that they were to be favoured by the Government, and that railway facilities were to be provided. Several of the residents informed the Committee that a definite promise was given by those in authority that roads and a railway would be constructed through the district, but the Committee was unable to obtain any official confirmation of the statements, though the residents had a firm belief that such a promise was made. It was ascertained by the Committee that the Honorable J. H. Graves, who represented Delatite for many years, stated when giving evidence on the 13th November, 1895, that no absolute promise had been given, though the presence of the Government surveyors caused the settlers to naturally conclude that roads and railways would be provided.

5. Mr. H. Lavery, District Surveyor, recently made a special inspection of the land in the Tolmie district, and in his report to the Surveyor-General he stated that the nature of the soil varied with the height of the surface, the more elevated portions of the ridges being basaltic caps overlying the sandstone formation which cropped out on the descending slopes, and which in turn gave way in some portions of the area to a coarse granite. The basaltic soil was, he said, extremely rich, and this good land covered, in the aggregate, an area of about 16,000 acres. The soil of the sandstone formation, while not so excellent in quality, was, nevertheless, far from being inferior land in the ordinary sense of the term. It varied in character from a light loam to dark and somewhat friable clay, and would, in his opinion, be capable of giving a very profitable return to the cultivator if he had the advantage of reasonably cheap transit to a market. Mr. Lavery added that a considerable area in the locality would not at any time be devoted to agriculture, because of the very abrupt and steep slopes of the surface. This was specially the case with regard to the faces of ridges near the King River and Holland's Creek, as well as some portion of the Fifteen Mile Creek. Much of the land, where least precipitous, would be useful for grazing. In his opinion, no new selection or re-selection of the abandoned areas was likely to take place under existing conditions, but it was possible that a continuation of the Whitfield railway to Tolmie would have a beneficial result. To deal effectively, however, with those abandoned selections it should be made a condition that those taking up the land should have a fair amount of capital to cope with the expense of clearing off scrub and fallen timber and providing the necessary stock and plant to work the land. Closer settlement would, he further stated, have but little effect in the direction of giving much revenue to the railway for a year or two, as some time would be spent in getting the land into full cultivation. Mr. Lavery also thought that a considerable trade in timber would result from the extension of the railway.

6. A classification of the land made by the Surveyor-General showed that out of about 70,000 acres which would be benefited by a railway from Whitfield to Tolmie there were 16,000 acres of exceptionally good soil, and 31,000 acres of very fair land, suitable for cultivation, the remainder being mostly inferior, and of little use except for grazing. About 32,000 acres were in the hands of persons who had either acquired the freehold of the land or had the right under their lease or licence to obtain the fee-simple. The remaining lands were in the possession of the Crown, there being about 32,000 acres still available for settlement, the balance being small timber reserves. Of the 32,000 acres of Crown lands available for settlement, 3,000 acres were reported to contain good soil, while 13,000 acres were considered fair land, suitable for cultivation, and the remainder inferior.

7. It was represented to the Committee that the land in the Tolmie district should not be loaded or taxed for railway purposes because a number of the settlers were willing to surrender portion of their land to the Crown, and it would become available for other settlers who might desire to take up land in the district. Some of the offers to surrender portions of the selections were made without any conditions whatever being attached, but others stipulated that if they surrendered the land they should obtain some concession from the Government, such as receiving credit for the amount of rent paid on the land relinquished, and compensation for any improvements that might have been made. Mr. Lavery, however, after inspecting the portions of the holdings proposed to be surrendered, reported that he feared but little help towards securing additional settlement in the district had been afforded by the offers made to surrender portions of the selections. Many of the portions offered, he said, were entirely outside the radius that would be affected by the railway extension from Whitfield. In many others the offer covered only the remote part of the holding, away from any road access, and not of much use to any other person. He appended to his report notes made by him after seeing the land in each instance, and the Committee, after reading the notes, concurs in the statement made by Mr. Lavery that the results of the offers to surrender land were extremely unsatisfactory, the land in some cases being too steep for cultivation, and in others being of decidedly inferior soil. The Committee is of opinion that no consideration, therefore, need be given to the offers to surrender land to promote settlement, as an inducement to obtain the proposed railway extension.

8. The Railway officers who visited Tolmie, Mahaikah, and Toombullup to report on the probable traffic over the proposed railway stated that the population of the district was estimated at 700, including those settled in the valleys of the Upper

King and Rose rivers. Not more, they said, than 7,000 acres were cleared, of which about 2,000 acres only were under cultivation. The total output of potatoes for last season was estimated at 1,300 tons, and the remaining crops of oats, rye, and pease totalled about 300 tons. They added that there was a large quantity of timber in the district suitable for milling and mining purposes. It was estimated that 3,000 tons of mining timber would be sent annually over the proposed line to Chiltern and Rutherglen, and about 1,000 tons of building timber, &c., to other towns in the North-Eastern district. There were but few cattle and sheep in the district, and the traffic from live stock would, therefore, be very small.

9. It was estimated by the Railway Department that the annual revenue, working expenses, maintenance, and interest charges in connexion with the proposed railway from Whitfield to Mahaikah would be as follows:—

| | £ | s. | d. |
|--|-------|----|----|
| Interest, at 4 per cent., on £71,158, being cost of constructing 19½ miles of railway from Whitfield to Mahaikah | 2,846 | 6 | 8 |
| Traffic expenses | 192 | 13 | 2 |
| Maintenance charges | 1,155 | 0 | 0 |
| Locomotive expenses | 469 | 9 | 5 |
| General expenses | 45 | 8 | 7 |
| | <hr/> | | |
| Total annual charges | 4,708 | 17 | 10 |
| Annual revenue, based on local rates between Mahaikah and Whitfield—Passengers, £552 4s. 8d.; parcels, £40; mails, £173 5s.; class goods, £129 9s. 7d.; live stock, £64 0s. 6d.; timber, £376 13s. 4d.; grain and potatoes, £368 6s. 8d.; all other traffic, £20 | 1,723 | 19 | 9 |
| | <hr/> | | |
| Estimated annual loss | 2,984 | 18 | 1 |

10. In view of the large estimated annual loss in connexion with the proposed railway extension to Mahaikah, the Committee obtained from the Commissioners of Railways an estimate of the annual revenue, working expenses, maintenance, and interest charges for a line from Whitfield to Mather's allotment, close to McDonald's Gap. It was as follows:—

| | £ | s. | d. |
|---|-------|----|----|
| Interest, at 4 per cent., on £53,514, being cost of constructing 15 miles of railway from Whitfield to McDonald's Gap | 2,140 | 11 | 2 |
| Traffic expenses | 192 | 13 | 2 |
| Maintenance charges | 900 | 0 | 0 |
| Locomotive expenses | 409 | 12 | 2 |
| General expenses | 37 | 11 | 2 |
| | <hr/> | | |
| Total annual charges | 3,680 | 7 | 8 |
| Annual revenue, based on local rates between McDonald's Gap and Whitfield—Passengers, £472 3s. 4d.; parcels, £40; mails, £139 10s.; class goods, £93 17s. 6d.; live stock, £53 13s. 3d.; timber, £376 13s. 4d.; grain and potatoes, £298 13s. 4d.; all other traffic, £20 | 1,494 | 10 | 9 |
| | <hr/> | | |
| Estimated annual loss | 2,185 | 16 | 11 |

11. As the settlers could not possibly bear a loading or railway tax upon their land, averaging about £15 per annum on each land-holder, the Committee is compelled to withhold its recommendation for the construction of either the proposed railway from Whitfield to Mahaikah or the shorter line to McDonald's Gap, until such time as the Government brings forward, and Parliament approves, of a scheme which will, for the first few years at least, relieve the settlers in such outlying rugged localities as

Tolmie, of the obligation of making good the whole or the greater part of the annual deficit resulting from building and working the railway. At the same time, the Committee considers there is no hope of a railway towards Tolmie paying until closer settlement, with its attendant increase in the production of the district, has been secured. While the land-holders continue to retain the best portions of their land, offering to relinquish the inferior parts only, it cannot be expected that any substantial advancement towards closer settlement will be made. The Committee recognises that those settlers who have improved their holdings cannot be asked to part with their interest in portion of such cleared land without receiving some compensation from the Government or the incoming settler.

GEO. GRAHAM,
Chairman.

Railways Standing Committee Room,
State Parliament House,
Melbourne, 11th December, 1905.