

1909.

VICTORIA.

## CAPITAL INVESTED AND RECEIPTS FROM SUBURBAN RAILWAYS SYSTEM.

RETURN to an Order of the *House*,  
Dated 18th February, 1908, for—

A RETURN showing—

1. The amount of capital invested in the suburban railways up to the 30th June, 1907.
2. The receipts from all sources upon the suburban system for the year 1907.
3. The amount of interest paid in 1907 upon the capital invested and the working expenses, each amount to be shown separately, in the suburban system.
4. The amount of estimated profit upon the suburban system for the year 1907 after all charges have been fairly met.

(*Mr. Warde.*)

*Ordered by the Legislative Assembly to be printed, 7th December, 1909.*

[*Approximate Cost of Return.*—Preparation, not given; Printing (400 copies), £1.]

RETURN.

Victorian Railways,  
Commissioners' Office, Spencer Street,  
Melbourne, 6th July, 1909.

Memorandum.

Adverting to the resolution of the Legislative Assembly, on the motion of Mr. Warde—

“That there be laid before this House a return showing—

1. The amount of capital invested in the suburban railways up to the 30th June, 1907;
2. The receipts from all sources upon the suburban system for the year 1907;
3. The amount of interest paid in 1907 upon the capital invested and the working expenses, each amount to be shown separately, in the suburban system;
4. The amount of estimated profit upon the suburban system for the year 1907 after all charges have been fairly met;”

the Commissioners have the honour to report that it is not possible to furnish a precise answer to each question, but the available particulars, and the reasons which make it impracticable to compile more definite information, are embodied hereunder:—

1. The amount of capital invested in the suburban railways up to 30th June, 1907.

In consequence of the fact that certain of the suburban lines also accommodate both passenger and goods traffic from the country, it would be impracticable to determine the amount of capital which should be charged against the suburban railways system, and even if it were possible to devise a reasonably equitable basis for allocating the capital cost of the lines, stations, yards, &c., as between the country and the suburban services, the compilation of the information on such a basis would involve a vast amount of labour and expense.

- (2) The receipts from all sources upon the suburban system for the year 1907.

The receipts from the suburban passenger traffic during the years ending 30th June, 1906 and 1907 respectively, were as follows :—

	Year ending 30th June,	
	1906	1907
	£	£
From ordinary suburban traffic within 20 miles of Melbourne	576,018 ..	621,628
From race and special picnic traffic within 20 miles of Melbourne .. .. .	19,651 ..	23,820
Total suburban passenger revenue .. .. .	<u>£595,669</u> ..	<u>£645,448</u>

A separate record of the receipts from the carriage of goods and parcels over suburban lines exclusively is not kept, and it would not be possible to ascertain the amount of such receipts in respect of any one year, except at considerable labour and expense.

3. The amount of interest paid in 1907 upon the capital invested and the working expenses, each amount to be shown separately, in the suburban system.
4. The amount of estimated profit upon the suburban system for the year 1907 after all charges have been fairly met.

In the absence of knowledge as to the amount of the capital which should be debited against the suburban system, it is not possible to compute the interest charges in respect of the year 1907.

It would also be impracticable to keep separate accounts of the working of the suburban and country lines, inasmuch as most of the suburban lines are also used for country passenger traffic, as well as for goods traffic, and it is not possible with any degree of accuracy to apportion the expenses on these lines and at terminals as between country and suburban passenger traffic and goods traffic.

In connexion, however, with the question of the electrification of the suburban lines, it was estimated by a departmental committee, after careful study, that the percentage of working expenses to revenue for the year ending 30th June, 1906, in respect of the regular suburban passenger services amounted to 76.5 per cent., as shown hereunder :—

Estimated passenger revenue from suburban services, exclusive of race and special picnic traffic, in respect of the lines included in Mr. Merz' scheme of electrification .. .. .	£	572,650
Estimated working expenses for such lines .. .. .		438,078
Excess of estimated revenue over estimated working expenses .. .. .		134,572
Percentage of estimated working expenses to estimated revenue .. .. .		76.5

It will be observed that on this basis only £134,572 of the net revenue from the suburban traffic would be available towards the payment of interest on the capital cost, and although for the reasons above-mentioned it is not practicable to determine the amount of such interest charges, it is questionable whether there would be any net profit from the working of the suburban passenger traffic after payment of working expenses and interest on the capital cost.

THOS. TAIT,  
Chairman.

The Honorable the Minister.