1910.

VICTORIA.

LOCOMOTIVES CONSTRUCTED AT NEWPORT WORKSHOPS.

RETURN to an Order of the *House*,
Dated 12th October, 1910, *for*—

A RETURN showing—

1. The number of each class of railway locomotives constructed at the Newport Railway Workshops since the last one built by the Phœnix Foundry, Ballarat.
2. The actual savings in capital and interest to the State accruing from the departmental construction on the basis of the cost of the DD locomotives built by the Phœnix Foundry.
3. The general effect of departmental manufacture of locomotives in the railway management and employment of labour.

(*Mr. Langdon.*)

Ordered by the Legislative Assembly *to be printed*, 20*th December*, 1910.

[*Approximate Cost of Return.*—Preparation, not given; Printing (600 copies), £1 10s.]

RETURN.

Victorian Railways,
Commissioners' Office, Spencer-street,
Melbourne, 14th October, 1910.

MEMORANDUM.

(1) and (2). The desired particulars are embodied in the attached Schedule, and, in order to afford an accurate comparison, similar particulars have been embodied in respect of seventeen engines constructed by the Department between April, 1903, and the date on which the Phœnix Foundry Company delivered its last engine, viz., December, 1904, and the estimated saving upon engines now under construction has also been included.

The Departmental cost has in each instance been computed on the basis fixed by the Royal Commission on Locomotives in 1904, whilst the cost of obtaining the engines from the Phœnix Foundry Company and the saving to the Department have been estimated—

"A." On the basis of the tender submitted by the company in April, 1903, for 39 DD engines (excluding the provision of 5 per cent. and the cost of duplicate parts therein provided for).

"B." On the basis of the reduced price submitted by the company and accepted by the Department for seven engines, after the Department had commenced the construction of the first lot of ten DD engines at Newport;

and as the company did not build any locomotives of the A2, DDE, and narrow-gauge classes, the approximate saving in these instances has been based upon the difference between the cost of the DD locomotives purchased from the company and of the DD locomotives manufactured by the Department.

It will be observed that, on the basis of the 100 locomotives manufactured by the Department, the difference between the average actual cost and the estimated cost of purchase from the company is £1,339 per engine.

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(3) Apart from the question of cost, the engines can be manufactured by the Department in numbers as required, without involving breaches of contracts and consequent damages which would arise if it became necessary, for financial or other reasons, to vary contracts for specific numbers; whilst any modifications or improvements in design can be carried out as the work proceeds, sometimes at a lesser cost and sometimes without any increase of cost, or, at the most, with an increase amounting to the actual cost of the alterations, whereas in the case of contracts any deviation from the specification might involve a claim for extras.

The expense involved in the preparation of contracts and the loss of time resulting from calling and dealing with tenders is also avoided, and no inspection is required beyond the usual departmental supervision.

The fact that the whole of the material is under departmental supervision, and is manufactured by employés whose only interest is to turn out the best work, insures the utilization of material of the best quality only in every part of the work, and the employés have probably, on the whole, higher wages, more comfortable shop accommodation, and more pleasant surroundings than in a contract shop, and have thus direct incentives to give the best service.

The construction of the locomotives at a moderate cost enables the Department to dispense, earlier than otherwise would be the case, with locomotives with small capacity, which involve considerable expenditure in repair and renewal, whilst the provision of new locomotives enables increases to be made in the tractive power without adding to the number of engines, and provides greater haulage capacity, but at the same time tends to reduce the cost of repairs.

In addition, the employment of artisans in appreciable numbers enables the Department to engage a reasonable proportion of apprentices, who are not only trained at the shops, but are also compelled to undergo a thorough technical education at the Working Men's College at the expense of the Department.

THOS. TAIT,
Chairman.

The Honorable the Minister.

LOCOMOTIVES CONSTRUCTED AND IN COURSE OF CONSTRUCTION AT NEWPORT, JULY, 1903, TO 30TH SEPTEMBER, 1910.

Locomotives Manufactured at Newport Workshops.	Classes and Numbers of each made.					Saving on First Cost as compared with Phœnix Foundry on the basis of—		Simple Interest at 3½ per cent. on a Saving—		Total Saving till 30th September, 1910, on First Cost and Interest—	
	DD.	DDE.	A2.	N.G.	Total.	"A." Their Tender of April, 1903, for 39 DD Locomotives.	"B." As per Actual Price paid for 7 DD Locomotives.	On "A" Basis.	On "B" Basis.	On "A" Basis.	On "B" Basis.
						£	£	£	£	£	£
Between date of departmental tender for 39 locomotives (April, 1903), and the date that the Phœnix Foundry delivered its last engine	17	..	..	..	17	28,035	18,532	6,160	4,062	34,195	22,594
Since Phœnix Foundry delivered its last engine (December, 1904), up to 30th September, 1910 ..	36	24	20	3	83	164,875	115,390	13,661	9,635	178,536	125,025
In course of construction at 30th September, 1910	..	19	20	1	40	79,875	55,473	..	..	79,875	55,473
Total Locomotives ..	53	43	40	4	140	272,785	189,395	19,821	13,697	292,606	203,092

By Authority: J. KEMP, Government Printer, Melbourne.