

1910.
—
VICTORIA.

REPORT

FROM

THE PARLIAMENTARY STANDING COMMITTEE
ON RAILWAYS

ON THE QUESTION OF

RAILWAY CONNEXION WITH MOORNGAG
(DODD'S CROSSING) ;

TOGETHER WITH

MINUTES OF EVIDENCE AND PLAN.

Ordered by the Legislative Assembly to be printed, 26th July, 1910.

By Authority:

J. KEMP, GOVERNMENT PRINTER, MELBOURNE.

EXTRACTED FROM THE VOTES AND PROCEEDINGS OF THE
LEGISLATIVE ASSEMBLY.

THURSDAY, 25TH FEBRUARY, 1909.

5. MOORNGAG (DODD'S CROSSING) RAILWAY.—Mr. A. A. Billson moved, pursuant to notice, That the question of connecting Moorngag (Dodd's Crossing) by means of a railway with the existing railway system, and the provision of a deficiency rate, be referred to the Parliamentary Standing Committee on Railways for inquiry and report.
Question—put and resolved in the affirmative.

MEMBERS OF THE PARLIAMENTARY STANDING COMMITTEE ON RAILWAYS.

(*Ninth Committee.*)

The Hon. E. H. CAMERON, M.L.A., Chairman ;

J. W. Billson, Esq., M.L.A.,
J. Cullen, Esq., M.L.A.,
The Hon. Dr. W. H. Embling, M.L.C.,

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

APPROXIMATE COST OF REPORT.

	£	s.	d.
Compilation*			
Printing (700 copies)	6	10	0

* 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 Moorngag (Dodd's Crossing) by means of a railway with the existing railway system, and the provision of a deficiency rate, has the honour to report as follows:—

1. The object of this proposed railway was to serve the settled country in the valley of the Broken River to the south of Benalla, and also the belts of rich basaltic land on the timbered hills beyond, as well as the State forests in the direction of Mansfield and Tolmie. The flat country around Lima, Swanpool, and Tatong has been in occupation for about forty years, and is principally used for grazing sheep and dairy herds. Many of the landowners cultivate small portions of their holdings, the crops grown being mainly oats for grain and hay and potatoes. On ascending the hills further on large patches of rich volcanic soil are met with at Toombullup, Round Camp, and Fern Hill. This soil, when cleared of the heavy timber, yields exceedingly good crops of potatoes and oats without the aid of fertilisers. There is, however, some poor land on the hill sides, and also small areas of country which are either too stony or too steep to cultivate. Most of the volcanic country has been taken up by selectors, but in consequence of the labour required to clear the land and the difficulty of getting produce to a market, owing to the bad roads, which in the hills are merely bush tracks, and the distance to the nearest railway station, the total acreage under cultivation in the Toombullup district is comparatively small. There is an annual rainfall of from 30 to 40 inches, and the district being a late one, the potato crop has to be carted in the winter months over roads which have been cut up by the timber waggons, necessitating light loads and causing a high charge for cartage. It was stated that if railway facilities were provided the area under cultivation would rapidly increase, as there were always good markets in the North-Eastern and Riverina districts for potatoes and oats. Some of the inferior land in the Toombullup country, and also small areas of good soil, which were selected years ago and abandoned because of the difficulty of making a living under such circumstances off selections from 25 to 30 miles from a railway, are still in the possession of the Crown, and will no doubt be again taken up if a railway is constructed into the district. While the acreage under crop on the flat country between Tatong and Benalla could soon be increased if the holders were so disposed, it should not be overlooked that clearing land on the thickly timbered hills must necessarily be a slow and costly undertaking, and, consequently, no rapid expansion in the production of that part of the district can be expected.

2. When the Committee inquired, in 1907, into the question of railway communication with Dodd's Crossing and Toombullup, it then stated that if a line were built into that country it would for a long period have to depend largely on the timber traffic for its revenue, and that the connexion should be with the North-Eastern railway in preference to an extension of the Mansfield line, as the chief demand for timber and potatoes from the Toombullup country would be in the Yarrowonga, Rutherglen, Albury, and Riverina districts. Evidence was given that the proposed railway to Tatong and Moorngag (Dodd's Crossing) would tap three extensive State forests—Too Rour, Dueran, and Toombullup—from which supplies of good marketable timber, and also mining timber, would be drawn for many years to meet the requirements of towns in the North-Eastern and Riverina districts and of the alluvial mines at Rutherglen and Chiltern. Mr. H. R. Mackay, Conservator of Forests, informed the Committee that there were 34,000 acres of State forest in the parishes of Too Rour and Tallangalook, on the west side of the Mansfield and Benalla road, which runs parallel to the Broken River, on the west side of that stream. The greater part of this reserve falls towards the Mansfield and Benalla

road. The forest consists chiefly of peppermint, intermixed with bluegum and messmate. He stated that, on the whole, it was now the most valuable timber area in the North-Eastern district. There was a saw-mill belonging to Mr. B. Howes in the south-eastern part of that reserve. The timber from that mill was carted 32 miles to Benalla, the cost of cartage being 4s. per 100 feet super. in summer, and 4s. 6d. in winter, but the latter charge was practically prohibitive. It was difficult to get teams to cart in the wet season, and the mill had to be closed down during part of the winter. The output of Mr. Howes' mill was somewhat under 750,000 feet super. per annum, but with a railway to Swanpool, double that quantity could be cut and sent over the line, as the plant was more than able to deal with that increased output, and the cartage distance to Swanpool would be little more than half that to Benalla and should reduce the charge for road haulage to about 2s. per 100 feet in summer and 2s. 6d. in winter. Mr. Mackay added that this firm, from its present licensed area and neighbouring sites, could command about 12,000 acres of good milling timber, and that the life of the mature timber thereon should be about 25 years. There was, however, an abundant supply of young spar timber to furnish a further crop. If a second mill were established in Too Rour forest it would command separate areas in the north-eastern part of that reserve, and its outlet would also be to Swanpool, a distance of 12 or 13 miles. Referring to the Dueran forest, Mr. Mackay said—"This reserve of 15,000 acres lies on the eastern side of the Benalla-Mansfield road. It contains peppermint, bluegum, and messmate of good quality, and is practically a virgin reserve, as no mill has worked within its boundaries. There is a fine area of mill timber on the eastern side at the head of Wild Dog Creek, and on the Blue Range, containing about 4,000 acres. The outlet for this timber would be by a spur falling easterly to Holland's Creek; the carting distance from a mill site would be $4\frac{1}{2}$ or 5 miles to Dodd's Crossing, and about 10 miles to Tatong. There is also an area of 6,000 acres of fine timber of the same kind at the southern part of Dueran reserve. The outlet from it would be by a ridge running westerly to the Benalla-Mansfield road, and thence to Swanpool, a distance of about 12 miles. In addition to that, on the lower western slopes of Dueran forest, falling towards the Broken River, there are considerable areas of yellow and red box. About 60,000 sleepers for railway purposes could be obtained there."

3. Mr. Mackay further stated that the Toombullup State forest consisted roughly of 28,000 acres. He added—"a considerable portion of the central and southern area towards the heads of Ryan's Creek and Middle Creek is tableland. This is the portion that was thrown open for selection some twenty years ago in areas of 700 to 1,000 acres and ringbarked. In my opinion this was the most valuable forest in the whole of the North-Eastern district in the quality of its timber—messmate, bluegum, and peppermint; the size of the trees; and the number of trees to the acre. In some of the areas northward of Round Camp, which has the best patch of volcanic soil in the district, the trees would have yielded 40,000 feet to 50,000 feet to the acre; and the value of the timber at market rates for building and other purposes would have ranged from £70 to £100 to the acre. This timber was in great part ringbarked, and the live timber areas of value left to the State extend northward between the courses of Boggy, 15-Mile, Middle, and Ryan's creeks. The heads of all these streams are in deep gorges narrowing greatly as they approach their source, and for this reason it would be very difficult for any saw-mill in any part of the reserve to command the greater portion of the timber left without being shifted several times. A mill of Messrs. Hill and McPherson is working about 4,800 acres on the tableland and on the western fall towards Holland's Creek. I estimate that they should have about five years' cutting there without moving their plant. The outlet for the timber sawn at this mill is at present northward by Tiger Hill and Tatong to Benalla, a distance of 30 miles, the cost of cartage being 3s. per 100 feet super. in summer and 4s. in winter. With a station at Tatong the mill could command a fair body of timber with a mill tramway within 12 to 13 miles, and a larger body within 15 or 17 miles. A railway from Benalla by way of Swanpool and Tatong to Dodd's Crossing will be the means of providing for some years to come all the timber likely to be required by the North-Eastern towns and Eastern Riverina."

4. It was stated that not only would the proposed railway to Dodd's Crossing lead to the development of the Swanpool and Toombullup country, but that by enabling the saw-mills to work during the wet season it would increase the royalties

paid to the Crown by the timber getters, and afford constant employment to a large number of hands. Mr. Mackay said that with better railway facilities the royalty which the State received should be increased from £1,400 a year to about £3,000 as the output of sawn timber alone should be doubled.

5. As the result of its inquiry in 1907 the Committee reported it could not recommend the construction of a railway from Benalla to Dodd's Crossing because of the large annual loss involved, which was estimated by the Railways Commissioners at £2,731, but by the Committee at less, as it considered the timber traffic would bring in £400 or £500 a year more than the Commissioners anticipated. The Traffic officers at that time considered that 5,000 tons only of sawn hardwood would be despatched over the new line. During its recent inquiry the Committee was informed by those engaged in the timber trade at Albury, Benalla, and other towns in the North-Eastern district, that the two mills carrying on operations in the Benalla district were unable to fulfil the orders they received for sawn hardwood, because of the difficulty and cost of carting timber from the Too Rour and Toombullup forests to Benalla station during the five or six wet months of the year, and the impossibility of guaranteeing prompt delivery on being offered orders. It was explained that the increasing demand for sawn timber from these forests, apart from its superior quality to other timber obtainable in the North-Eastern district, arose from the supply of Murray pine in the Albury and Corowa districts having become almost exhausted through thousands of such trees in Riverina having been destroyed by the settlers as the result of closer settlement there, and clearing the land for wheat-growing. Closer settlement had also taken place in the northern areas of Victoria, and this, coupled with the general prosperity of the North-Eastern and Riverina districts, was causing every year a better demand for the Too Rour and Toombullup timber. For these reasons the Benalla Railway League put the total annual output of sawn timber from the three forests—Too Rour, Dueran, and Toombullup—down at 16,666 tons, as Messrs. Hill and McPherson, who were cutting at Toombullup, were prepared to establish a second mill in that forest, or in the Dueran reserve. These representations so impressed the Committee that it asked the Railways Commissioners to send one of their Traffic officers (Mr. J. S. Mitchell) to the Riverina district to check the statements made by the saw-millers and the timber merchants at Albury and other towns. He reported that in every case the timber merchants and others agreed that the supply of Murray pine was almost exhausted in the areas accessible to Southern Riverina and the border towns. This view was supported by the retail prices being paid at one of the border towns for Murray pine as compared with hardwood and redgum. The prices were as follow:—Murray pine, undressed, 20s. per 100 feet super.; redgum, 17s. 6d.; hardwood (other than bluegum), 14s.; bluegum, 18s. Mr. Mitchell added that the timber merchants complained of being unable to have their orders for hardwood fulfilled, one firm mentioning that it had placed orders with seven different mills to be executed. An examination of the racks in the various timber yards showed that the stocks on hand were very light. As the result of these inquiries and the evidence given before the Committee, the Railways Commissioners increased their estimate for sawn hardwood to be sent over the proposed line from 5,000 tons, which was the quantity put down in 1907, to 10,000 tons. Their reason for not adopting the estimate of 16,600 tons given by the Benalla Railway League was that the views of that body were rather optimistic as regards the demand for hardwood in the Wagga and other districts north of Albury. They explained that there was a junction charge of 1s. 6d. per ton at Albury, and also a further charge of 1s. a ton for transferring the timber from one truck to another, owing to the break of gauge. This additional expense of 2s. 6d. a ton on the ordinary freight charge was a heavy tax on timber going further north than Albury.

6. It was estimated by the Benalla Railway League that 10,000 tons of mining timber would be sent over the new line, and its anticipations in that respect were supported by evidence which the Committee received at Rutherglen concerning the quantity of timber required annually by the alluvial mines in that district. Here, again, the Railways Commissioners differed with the local people as to the quantity of mining timber which would be despatched over a line from Dodd's Crossing to Benalla. The Commissioners expressed the opinion that but 4,000 tons of mining timber, consisting chiefly of slabs and laths, would be carried over the new line, as

most of the round timber (props) required by the mines could be obtained for some time to come in the areas adjacent to the Rutherglen and Chiltern district. Mr. H. R. Mackay, when questioned by the Committee as to the supplies of mining timber, said that with the gradual exhaustion of accessible supplies fit for props and laths in the Ovens Valley and Lower King Valley the large messmate and peppermint areas of Too Rour, Dueran, and Toombullup must soon be drawn upon for the Rutherglen and Chiltern mines. Indeed, these reserves would at the present time be resorted to by mine contractors but for the prohibitive cost of cartage to Benalla and Moyhu.

Firewood traffic.

7. In addition to the mining timber, the Commissioners considered that 2,000 tons of firewood would be despatched annually over the proposed railway.

Cost of proposed railway.

8. Mr. Kernot, Chief Engineer for Railway Construction, informed the Committee in 1907 that a broad-gauge railway, starting at Benalla, and running on the east side of Broken River, to within about 3 miles of Swanpool, then turning eastward towards Tatong and on to Dodd's Crossing, would be 24 miles in length, and would cost £62,688, or £2,612 per mile. This estimate was based on a 7s. rate of wage and included new 60lb. steel rails. At that time he stated that if second-hand serviceable iron rails were used, the cost of the line could be reduced to about £50,000. The route of the line, however, recently urged by the Benalla Railway League was on the west side of the Broken River, as it would better serve the Lima country and Too Rour forest. It would branch off the North-Eastern main line on the west side of the railway bridge over that stream, and proceed in a southerly direction along the Benalla-Mansfield road to Swanpool, where the new line would cross the Broken River and run eastward towards Tatong, and thence southward for about 6 miles to Dodd's Crossing, Moorngag. The length of this railway would be 24 miles, and Mr. Kernot put its cost down at £76,000, including new 60lb. steel rails, but exclusive of rolling-stock. When questioned by the Committee as to difference in the two estimates, he explained that wages had increased since 1907, and so also had the prices of materials. There were no old iron rails now available. Their cost in 1907 was £454 per mile. If secondhand serviceable 60lb. steel rails became available through the relaying of main lines with heavier rails, their cost would be £600 a mile. Their use would reduce the estimate for the new line to £70,000. The route on the west side of the Broken River was more expensive than the one on the east, because the country was "bumpy," involving more earthworks and additional culverts. A long bridge, costing approximately £2,000, would also have to be erected over the Broken River, at Swanpool. Comparing the two routes Mr. Kernot stated that the one on the west side of Broken River would necessitate an increased expenditure of £4,000 on earthworks, bridges, and culverts. On the other hand, the cost of land for the railway track and compensation for severance, &c., would be greater on the east route than on the west, which for part of the way would be laid along the Benalla-Mansfield road. He, however, considered that the difference would not come to more than about one-third of the amount stated for the extra works. The Railways Commissioners strongly objected to the new line junctioning with the busy North-Eastern main line on the west side of the bridge over the Broken River, and urged that if a railway to Dodd's Crossing had to be made it should be constructed on the east side of that stream. If it were found absolutely necessary to run the line along the west side of Broken River, then it should be brought into Benalla station on a separate line of way, necessitating the duplication of the steel bridge over that stream at a cost of approximately £35,000.

Area of country served; production.

9. The Traffic officers who recently visited the Moorngag district reported that the projected extension to Dodd's Crossing would serve about 75,000 acres, and, in addition, would tap the timber reserves at Too Rour, Dueran, and Toombullup. The privately held lands consisted mainly of good grazing and dairying land, with rich flats, and also included an area of rough mountainous country, with rich volcanic soil on the tablelands. During the year 1908-9 the total area under cultivation in the district considered tributary to the proposed railway was not more than 5,000 acres, of which 1,700 produced oats and 361 wheat for grain, 2,200 oats and wheat for hay, and 400 were under potatoes. The average yield of wheat in the district for that year was 20 bushels per acre; oats, 30 bushels; and potatoes, 2½ tons. The estimate of traffic from potatoes over the new line was set down at 2,000 tons per annum, and agricultural produce at 750 tons. It was also stated by the Traffic officers that the

population of the district was estimated at 1,000 persons. The number of live stock was given as follows :—Horses, 900 ; cattle, 4,000 ; dairy cows, 2,800 ; sheep, 38,000 ; pigs, 500. According to the figures submitted by the Benalla Railway League 2,000 tons of potatoes and 4,000 tons of farm produce would be transported from the district. The difference in the estimate of the League and that of the Traffic officers as to the tonnage of farm produce which would be carried over the line was partly accounted for by the latter stating that most of the oats and hay were grown for local consumption.

10. The Railways Commissioners estimated the annual revenue, working expenses, maintenance, and interest charges of the proposed railway for a daily train service each way as follows :—

ANNUAL CHARGES.

Interest at 4 per cent. per annum on £83,550, being the cost (£76,000) of constructing 24 miles of railway from Benalla along the Mansfield-road to Swanpool, and thence to Tatong and Dodd's Crossing, with £7,550 added for rolling-stock						
	£3,342	0	0			
Traffic expenses	756	6	2			
Maintenance charges	1,560	0	0			
Rolling-stock, expenses, and repairs	1,086	15	6			
General expenses	85	1	6			
	<hr/>					
Total annual charges	£6,830	3	2			

REVENUE.

Annual revenue based on local rates being charged on all goods, except timber, carried over the new line :—Passengers, £550 ; parcels, £45 ; mails, £180 ; class goods, £272 6s. 8d. ; potatoes, £250 ; live stock, £80 ; sawn timber, mining timber, and firewood, £1,233 6s. 8d. ; farm produce, £93 15s. ; dairy produce, £60 ; rabbits, £125 ; all other traffic, £35. Carriage of new traffic over existing lines :—Passengers, £150 ; class goods, £36 ; potatoes, £115 ; sawn timber, mining timber, and firewood, £1,670 ; farm produce, £87 13s. 6d. ; dairy produce, £31 15s. ; rabbits, £67						
	£5,081	16	10			
	<hr/>					
Estimated annual loss	£1,748	6	4			

11. In answering a question put by the Committee, the Traffic officers stated that in estimating the revenue of the new line through mileage rates, instead of local rates, had been charged in computing the receipts from the carriage of sawn timber, mining timber, and firewood over the proposed railway, as it was customary for the local rates on timber to be removed by the Railways Commissioners as soon as a line was opened so as to encourage that traffic. The average charge, they said, for the conveyance of the timber over the new line was 1s. 7½d. per ton. If local rates were charged on sawn and mining timber, the income of the railway would be increased by about £600 per annum. The saw-millers assured the Committee that they would willingly pay the local rate. Comparing the estimated annual charges given in the foregoing table with those placed before the Committee in 1907, the Traffic officers stated that additional rolling-stock was required to carry the increased output of timber, and that the heavier traffic now expected would require a station-master at the terminus of the new line. The traffic expenses were further swollen by providing for the employment of two signalmen at the junction with the main line. The maintenance charges had been increased, owing to the advance in wages since 1907, and the locomotive expenses and repairs to rolling-stock were heavier, because of the increased traffic now anticipated. A decrease had been made in the receipts for the conveyance of mails over the new line, as the fixed charges for their carriage had been reduced. The income from passengers and from class goods showed an increase, because of the growth of population in the district.

12. Mr. Kernot informed the Committee that if the proposed railway, instead of being made to Dodd's Crossing, 24 miles, were stopped at Tatong, 18 miles, the cost of the new line could be reduced from £76,000 to £51,000, as there were heavy works in the last 6 miles between Tatong and Dodd's Crossing. When questioned on the matter, the Traffic officers stated that practically all the timber estimated by them would be secured if the railway terminated at Tatong. Mr. Kernot added that a still further reduction could be made by adopting the route on the east side of Broken River, "but," he said, "I strongly recommend that a survey be made before the definite expenditure on the line is fixed."

This reduction in the cost of the railway would mean a lessening of the interest charge by £1,000 per annum. Though the shortening of the length of the line and the alteration in the route, affecting as it would some of the Lima traffic, would cause a decrease in the receipts of the railway, this loss of income would be more than made up by the suggested charging of local rates for the carriage of sawn timber over the new line.

Deficiency rate.

13. The secretary of the Benalla Railway League stated, when giving evidence before the Committee, that the majority of the farmers who would be served by the new line were averse to paying a deficiency rate if it were a high one.

Recommendation.

14. The Committee is of opinion that it is not expedient to connect Moorngag (Dodd's Crossing) by means of a railway along the west side of the Broken River with the existing railway system, because of the largeness of the estimated annual loss and the desire of the Railways Commissioners, for the safety of the working of the North-Eastern main line, to have the new railway brought into the Benalla station on a separate pair of rails, necessitating the widening of the railway bridge over the Broken River at a cost of about £35,000. Having regard, however, to the statement of Mr. Kernot that a broad-gauge line can be built on the east side of the Broken River from Benalla to Tatong for about £50,000, and also to the statement of the Traffic officers that such a connexion would secure practically the whole of the timber traffic, the Committee recommends as a necessary preliminary to the authorization of the railway, that a permanent survey be made for a 5ft. 3in. line leaving Benalla station on the east side and proceeding in a southward direction along the east side of the Broken River to as near Swanpool Bridge as possible, and thence eastward terminating close to Tatong. It is considered by the Committee that such a line will meet the reasonable requirements of the district, and, furthermore, if serviceable secondhand rails are used in building the railway and a local rate is charged for the carriage of sawn timber over the new line, the interest charge will be so reduced and the revenue increased as to bring the annual loss down to a sum (probably £500) which will not, as a deficiency rate, be an undue burden on the land-holders. As soon as the permanent survey is completed, the Committee suggests that fresh estimates of revenue and annual charges be prepared on the above basis, and that the construction of the proposed railway from Benalla to Tatong be formally referred to it as a specific question so as to hasten the authorization of the railway by Parliament.

Tramway.

This recommendation is made on the understanding that the residents of Toombullup, or the saw-millers there, will carry out the suggestion made during the inquiry into this question, to build a wooden tramway from Tatong to the hills so that the settlers may get their produce and the millers their sawn timber to the railway terminus at Tatong at a reasonable rate. It is expected that, pending the completion of the railway survey from Benalla to Tatong, steps will be taken by the local residents to secure the construction of the tramway.

E. H. CAMERON,
Chairman.

Railways Standing Committee Room,
State Parliament House,
Melbourne, 19th July, 1910.

[*Minutes of Evidence are not printed.*]