

1910.  
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VICTORIA.

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# REPORT

FROM

## THE PARLIAMENTARY STANDING COMMITTEE ON RAILWAYS

ON THE QUESTION OF

### RAILWAY COMMUNICATION WITH THE LATROBE AND TOORONGO RIVERS;

TOGETHER WITH

### MINUTES OF EVIDENCE AND PLAN.

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*Ordered by the Legislative Assembly to be printed, 16th November, 1910.*

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EXTRACTED FROM THE VOTES AND PROCEEDINGS OF THE  
LEGISLATIVE ASSEMBLY.

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THURSDAY, 28TH NOVEMBER, 1907.

6. LATROBE RIVER RAILWAY EXTENSION.—Mr. Bent moved, pursuant to notice, That the question of developing the country north of the Latrobe River by means of a railway to the junction of the Latrobe and Toorongu Rivers to promote settlement and also tap the timber resources of the district, and of loading the land enhanced in value by the construction of the said railway, be referred to the Parliamentary Standing Committee on Railways for inquiry and report.

Debate ensued.

Question—put.

The House divided :—Ayes, 39 ; Noes, 9 ; and so it was resolved in the affirmative.

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WEDNESDAY, 10TH FEBRUARY, 1909.

18. LINES OF RAILWAY REFERRED TO STANDING COMMITTEE.—Mr. A. A. Billson moved, pursuant to amended notice, That the following questions be referred to the Parliamentary Standing Committee on Railways for consideration and report :—

- \* \* \* \* \*
- (6) The question of developing the country north of the Latrobe River by means of a railway to the junction of the Latrobe and Toorongu Rivers to promote settlement and tap the timber resources of the district, and also the provision of a deficiency rate.
- \* \* \* \* \*

Question—put and resolved in the affirmative.

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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.

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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.

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THE PARLIAMENTARY STANDING COMMITTEE ON RAILWAYS, to which the Legislative Assembly referred the question of developing the country north of the Latrobe River by means of a railway to the junction of the Latrobe and Toorongo Rivers to promote settlement and tap the timber resources of the district, and also the provision of a deficiency rate, has the honour to report as follows :—

1. The Latrobe Valley is about 10 miles north of Neerim South, which is the terminus of the short branch railway starting at Warragul, on the Gippsland main line. This valley is on the southern side of the Dividing Range, and the Latrobe River rises at the western head of the valley and flows eastward for about 15 miles to Toorongo River, and thence southward towards Moe. On the opposite or northern fall of the Dividing Range is the Upper Yarra and Warburton district. From Neerim South railway station the country gradually ascends till reaching Neerim North, a distance of 7 or 8 miles. Then there is a steep descent of 800 feet into the valley of the Latrobe River. Across that stream, on the north side, the country again rises, and the ascending grade continues for about 8 miles, when the summit of the Dividing Range is reached. From Neerim South to Neerim North there is a good metalled road, and the 10,000 acres of fertile volcanic land between those places are served by the existing railway, though the residents of Neerim Junction and Neerim North would use the railway if it were extended northwards to the Latrobe Valley. As stated, however, in the above reference, railway facilities are being sought to tap the State forests in the Latrobe Valley, containing about 50,000 acres, and also to assist the settlers on the north side of the Latrobe River in the parishes of Noojee, Noojee East, Toorongo, and Fumina. The landholders in those parishes number about 140, and occupy in the aggregate nearly 35,000 acres. Close on a third of that area is first-class land, consisting of volcanic soil, mostly on the crown of the hills. There are also several small fertile alluvial flats bordering on the Loch and Toorongo rivers, which are permanent streams and flow into the Latrobe. Another third of the 35,000 acres is second-class land, and the remainder third-class. In addition to the land held there are about 10,000 acres in the southern part of the parish of Fumina on either side of Hawthorn Creek still in the hands of the Crown. This land was made available for application in May, 1909, but in consequence of the poorness of the soil, which is of a gravelly clayey nature, resting on a silurian formation, it was not sought after, though the more distant allotments of better soil in Fumina North were well applied for. Most of the occupied land on the north side of the Latrobe River is heavily timbered, small patches only having been cleared by the settlers to grow fodder for their dairy herds, swine, and horses. Evidence was given that the volcanic soil and alluvial flats would grow heavy crops of potatoes, onions, pease, maize, and vegetables, the district having an average annual rainfall of 49 inches. Witnesses also stated that the second-class land gave good returns of oats, both for grain and hay, while the poorer soils were suitable for fruit-growing and with the aid of fertilizers could be cropped occasionally for hay. It was represented that it was useless clearing the land across the Latrobe River and cultivating it beyond what was required to produce sufficient root crops and hay for home consumption, owing to the difficulty of egress. Any produce sent from the Noojee, Toorongo, and Fumina district has to be carted up a long steep winding road out of the Latrobe Valley to Neerim North. This hill road, which has a grade of 1 in 10, restricts the load of a team to a few hundredweight and causes the rate of cartage to be from £1 10s. to £2 a ton in summer and more in winter. As much as 2s. 6d. a can has to be paid for the carriage of cream from Fumina to Neerim South railway station. There was a general belief in the district that if railway facilities were provided to the junction of the Latrobe and Toorongo rivers, or to the junction of the Latrobe and Loch rivers (which would save about 2 miles of line construction, as a fairly level road could be made at moderate expense along the south bank of the Latrobe from the Toorongo to the Loch), it would enable the settlers to get their potatoes, onions, maize, &c., cheaply to the Melbourne market, and would lead to a large increase

District to be served.

in the area cultivated. The Committee, however, is of opinion that, while the railway would induce the selectors to retain and work their holdings, and probably cause a few additional persons to take up some of the available Crown lands of second or third class quality in the district, agricultural development in the Noojee, Toorongoo, and Fumina country must necessarily be slow, because of the heavy timber growing on the land and few of the settlers having capital at their disposal to allow them to employ labour in clearing their holdings. Moreover, some of the hill sides are too steep to be cultivated. It was evident from the circumstances of the settlers that they will for some years have to rely mainly on dairying and pig-raising for their livelihood, and the Committee therefore concurs in the view expressed by the Railways Commissioners that the bulk of the freight to be carried over a railway to the Latrobe Valley must for several years be sawn hardwood and split timber.

Yarra Junction  
route.

2. When the Committee visited the district in 1908 and saw that the proposed railway would have to rely so largely on the timber traffic for its revenue, it thought that the connexion should be with the Warburton railway at Yarra Junction rather than with the Gippsland main line by an extension of the Neerim branch railway. The former route would be the more direct to Melbourne, being about 19 miles shorter than by way of Neerim South and Warragul, and it was considered that the saving in the railway rate by the Yarra Junction connexion would enable the saw-millers operating in the Latrobe Valley to compete with those at Warburton. Furthermore, a railway starting at Yarra Junction and proceeding up the valley of the Little Yarra River to the Divide and thence down the valley of the Latrobe River to the junction of the Loch River would serve the residents of Gilderoy and others in the valley of the Little Yarra and on Black Sand Creek, as well as the saw-millers cutting on the slopes of those streams. This route was inspected in 1900 by Mr. E. Walton, an engineer of the Construction Branch of the Railways, who reported that he thought a broad-gauge line, with curves of 8 chains radius, the same as was proposed for the Warburton railway, and a ruling grade of 1 in 30, could be constructed from Yarra Junction to the junction of the Latrobe and Loch rivers, a distance of 27 miles, for £97,500, and a narrow-gauge railway, with curves of 2 chains radius and 1 in 30 grade, for £62,000. A number of the selectors in the Latrobe and Loch valleys also favoured the Yarra Junction connexion as against the Neerim South extension, because of the shorter distance to Melbourne and the corresponding lessening of the rates for the carriage of agricultural produce. It would also secure a much larger tonnage of sawn timber, as the Yarra Junction route would tap the forests on both sides of the Divide, and therefore be more likely to prove a payable undertaking. The Committee urged the then Minister of Railways (Sir Thomas Bent) to sanction a survey of the Yarra Junction route so that the cost of that railway might be definitely ascertained. He consented to this proposal, and on the completion of the survey Mr. Kernot, Chief Engineer for Railway Construction, informed the Committee that owing to the country towards the head of the Little Yarra River being more broken than Mr. Walton anticipated, and the cuttings having to be made through hard granite, it had been thought advisable, so as to lessen the cost of construction, to survey the line with 5-chain instead of 8-chain curves from near Blake's mill to across the Divide, and to provide for a ruling grade of 1 in 30. Most of the broad-gauge rolling-stock in use on the Victorian Railways would, Mr. Kernot said, run over a line with 5-chain curves, but special locomotives would be required. The length of this broad-gauge line, from Yarra Junction to the junction of the Latrobe and Loch rivers, would be 26 miles 18 chains, and its cost, based on a wage of 7s. a day, was estimated at £163,647, or £6,240 per mile, exclusive of rolling-stock. He estimated that a narrow-gauge line, with 2-chain curves and 1 in 30 grades, along the same route could be constructed for £90,000, not including rolling-stock.

Neerim South  
extension.

3. As the survey of the Yarra Junction route had resulted in such a large increase in the estimate made by Mr. Walton, and as the Committee considered that the traffic over the line would not warrant an expenditure of £163,000, it asked Mr. Kernot to furnish it with an estimate of the cost of the cheapest broad-gauge line he could build from Neerim South to the junction of the Latrobe and Loch rivers, so that the timber in the Latrobe Valley, which was mature or becoming over mature, might be marketed. He stated that a 5ft. 3in. railway with 4-chain curves along this route would be 13 miles 44 chains in length, and that its cost would be £48,800, if serviceable secondhand rails were used and there was no fencing except at stations. A line of this description would have to be worked by special locomotives and selected cars and trucks because of the sharpness of the curves. A broad-gauge line, with 5-chain curves and 1 in 30 grades,

would cost £59,754, and one with 8-chain curves with 1 in 30 grades against the "down" traffic into the Latrobe Valley and 1 in 37½ against the "up" traffic, would be 13 miles 32 chains in length, and would involve an outlay of £83,474, if 60-lb. serviceable second-hand rails were used and there was no fencing provided except at stations. Mr. Kernot also said that a line similar to the latter, having 8-chain curves and the same grades, could be constructed for £77,060, if it were built with two reversing stations (zig-zags), but its length would be 15 miles 16 chains. The traffic officers reported that the cost of maintaining and working the extra length of the zig-zag line would more than counter-balance the saving in interest due to the lesser capital expenditure. The Railways Commissioners informed the Committee that a line with 4-chain curves would necessitate not only the use of special locomotives of the "Shay" or other type, but also special trucks and carriages, and as it was out of the question to provide sufficient special trucks to carry the traffic originating on this line through to its destination, which would in respect of a large proportion of such traffic be Melbourne, transshipment would be involved at Neerim South, and this would add materially to the cost of placing the timber and produce on the market. They added that there would be a risk in running the ordinary four-wheeled trucks and bogie carriage stock over a line with 5-chain curves. The fixed wheel base of the standard 15-ton trucks had been increased in recent years 1 foot, namely, from 10ft. 6in. to 11ft. 6in. Such a line would require two Shay or special locomotives—one in actual service and one as a standby. They would probably cost £4,000 each. If the Neerim extension were built with 8-chain curves the ordinary locomotive in use on the Victorian railways, costing about £3,000, could operate the line and no standby would be needed. This would cause a saving in interest of £200 a year. The increased cost of maintenance of a Shay or other locomotive of the same class compared with the ordinary light-line locomotive would be about £150 per annum, while the maintenance of a line with 5-chain curves would be £200 a year more than the upkeep of a railway with 8-chain curves. These sums, totalling £550, would be a material set-off against the £949, which would be saved in interest by adopting a line with 5-chain instead of 8-chain curves. It would not be practicable, the Commissioners added, to work the branch railway from Warragul to the Latrobe Valley and preserve the present service between Warragul and Neerim South if the line were operated by a Shay locomotive, but a time-table could be arranged for the train to leave Warragul for Latrobe Valley at 11.15 a.m., after the arrival of the train from Melbourne, and be back in time to connect with the train leaving Warragul at 7.50 p.m. for Melbourne.

4. Mr. H. R. Mackay, Conservator of Forests, stated that the forest reserves which would be tributary to a railway terminating at the junction of the Latrobe and Toorongu rivers or the Latrobe and Loch rivers covered an area of about 50,000 acres. The timber near the head of the Latrobe Valley in the parishes of Ellenging and Nayook was mostly virgin forest, consisting principally of mountain ash or blackbutt, on the north side of the river. There were also lesser areas of messmate and white stringybark. The bulk of the messmate and white stringybark was on the south side of the river. A fair proportion of the Latrobe Valley forest was ripe for the saw, and some of it was over-mature. There was, however, still a lot of immature spar timber which could stand for a considerable time while the Warburton timber was being cut out. The majority of the smaller mills in the Upper Yarra district had, Mr. Mackay added, cutting for the next four or five years. The Upper Latrobe timber was of better quality than Warburton, being of slower growth and denser. A great area of the Noojec country had been ringbarked by the settlers. Any saw-millers established in the Latrobe Valley would have a large body of timber of fine quality and in its prime to work on for probably 30 years. A railway into the Latrobe Valley would enable the State to charge an increased royalty on the timber cut, but it would be necessary to have a tramway from the terminus of the proposed railway at Loch River running up the Latrobe Valley, about 7 miles, towards the source of the Latrobe River, and terminating near Pioneer Creek. In the Little Yarra Valley there was still a fair quantity of timber, chiefly mountain ash and messmate. The mountain ash was in the hands of the State, but most of the messmate was on selected land. Mr. Mackay further said that he was strongly opposed to the issuing of an excessive number of mill licences. The Forest Department had not only to keep areas in reserve for the future but it must regulate cutting wherever it could, so as to prevent a glut and keep up the Crown royalties. It could not issue licences indiscriminately in any new district merely because a railway was constructed there. While passing through the Toorongu country the Committee saw a number of fine blackwood trees, which would be of commercial value if they could be sent to market cheaply.

Timber supplies

Probable timber  
traffic.

5. In answer to a question, Mr. Mackay stated that if the broad-gauge railway were extended from Neerim South to the junction of the Latrobe and Loch rivers, and no local rate charged for the carriage of the timber over the new line, but only the ordinary through mileage rate from that terminus to Melbourne, the probable annual output of timber from the four mills likely to be established in the Latrobe Valley during the first twelve or eighteen months following the opening of the railway would be 4,500,000 super. feet, or 12,500 tons. Towards the end of the second year the output would probably be increased to 6,000,000 super. feet, or 16,000 tons per annum. The Traffic officers of the Railway Department reported that their inspection of the country showed there were large areas of timber of good quality and easily accessible to the proposed line. It consisted of blackbutt, messmate, and stringybark, and they estimated that 16,500 tons of timber, including both sawn and split, would be despatched annually over the railway from the Latrobe Valley to Neerim South, and thence to Melbourne and other parts of Victoria. If the railway connexion were made with Yarra Junction by a narrow-gauge line instead of with Neerim South by a broad-gauge one, the tonnage of timber sent over the narrow-gauge line during the first year after its opening would, in their opinion, be 25,000 tons, inasmuch as that railway would serve the four saw-mills in the Little Yarra Valley and at Black Sand Creek, in addition to the four likely to be established in the Latrobe Valley. The Neerim North Railway League put the annual output of timber from the Latrobe Valley down at 20,000 tons for the first two or three years and after that at 30,000 tons. It was stated by the Traffic officers that in estimating the revenue to be earned from the carriage of timber over either the Neerim South connexion or the Yarra Junction route they had based their figures on the ordinary through mileage rate and not on a local rate also over the new line. The through mileage rate from the junction of the Latrobe and Loch rivers *via* Neerim to Melbourne would be 6s. 8d. a ton, and by way of Yarra Junction 5s. 10d. plus 6d. per ton transfer charge from the narrow to the broad gauge line, making the total railway rate 6s. 4d. The rate on timber from Warburton to Melbourne was 4s. 2d. a ton, so that sawn hardwood despatched by the Neerim South route would be handicapped in the Melbourne market to the extent of 2s. 6d. a ton, and that sent by the Yarra Junction route to the extent of 2s. 2d. as compared with the Warburton timber. As against that handicap, however, the timber in the Latrobe Valley would, for a few years, be nearer to the mills and closer to the railway, not having to be taken so far by tramway, and that would lessen the working expenses. Mr. Mackay stated that the estimate of the local railway league that 20,000 or 30,000 tons of timber would be sent annually out of the Latrobe Valley was made on the assumption that the Forest Department would allow unrestricted cutting, but it could not do that. With a gradual reduction, however, in the output of other districts the output from the Latrobe Valley would in, say, five years' time, go up to 25,000 tons.

Population and  
production.

6. The Traffic officers who visited the district to report on the probable revenue of the proposed railway said that the line from Neerim South to the junction of the Latrobe and Loch rivers would serve approximately 90,000 acres, of which 41,000 acres were held as freehold or in course of alienation from the Crown, and the balance were Crown lands and forest reserves. The population within that area was about 800, and the area under cultivation 2,169 acres, the crops being principally potatoes and hay, and also maize for green fodder. They estimated that if the railway were made the production of potatoes would be increased by 500 tons a year, making in all 1,500 tons of potatoes, including a small quantity of onions, which would be carried over the new line. The hay crops were grown mostly for local consumption, and any surplus, probably a small one, would be put on the railway. The number of live stock in the area to be served by the line was as follows:—Horses, 754; cattle, 4,807; sheep, 1,204; and pigs, 1,108. If the railway connexion were made with Yarra Junction the area served by that line would be approximately 150,000 acres, including the timber reserves on both sides of the Divide sloping towards the Latrobe and Little Yarra, and the population 650. The Traffic officers explained that their figures as to the area and population to be served by the Neerim South extension differed from those supplied by the local railway league, inasmuch as the latter included the southern part of the parish of Neerim, which was already well served by the Neerim South station to beyond Algie's and well on towards English's. Moreover, they had reckoned only the people residing on the land, and not those to whom the Lands Department a few months ago granted allotments in Noojee East and Fumina North. The area of the forest lands was also less than had been stated by the Lands Department, because the latter included all the reserves in certain parishes, disregarding the fact that portions of those areas fell towards other watersheds than those of the Latrobe, Loch, and Toorongu rivers, and the timber from those portions was not likely to be brought to the Neerim South-Latrobe Valley line. Mr. Mackay further stated that a large saw-mill, of about 35 horse-power, with an estimated output of about 3,000,000

superficial feet annually, had been licensed on the tableland at the head of the Ada River, and that the timber from this mill is to be conveyed by tramway down the Mississippi to Warburton station. This mill will draw part of its timber from the Latrobe watershed. The Traffic officers considered that, apart from the timber, not more than 1,950 tons of other goods, including farm produce, would be sent annually by rail out of the Latrobe Valley and Neerim North district. Apart from the timber, they expected the Neerim South-Latrobe Valley line would earn from all other traffic £1,192 a year.

#### YARRA JUNCTION LINE.

7. The Railways Commissioners estimated that the annual revenue and working expenses of a narrow-gauge line from Yarra Junction up the valley of the Little Yarra River and down the valley of the Latrobe River to Loch River would be as follow :—

Revenue and working expenses.

#### ANNUAL CHARGES.

Interest at 4 per cent. per annum on £104,550, being £90,000 the cost of constructing a 2ft. 6in. railway from Yarra Junction to the junction of the Latrobe and Loch rivers, 27½ miles, and £14,550 additional for rolling-stock ..	£4,182	0	0
Traffic expenses .. .. .	1,349	5	11
Maintenance charges .. .. .	2,337	10	0
Locomotive expenses and repairs and replacement of rolling-stock .. .. .	3,923	10	3
General expenses .. .. .	190	5	2
Total annual charges .. .. .	£11,982	11	4

#### REVENUE.

	On new line.	On other lines from new traffic from new line.	
Passengers .. .. .	£545 11 1	£30 0 0	
Parcels .. .. .	125 0 0		
Mails .. .. .	206 5 0		
Class goods .. .. .	359 11 8		
Timber .. .. .	1,695 16 8	2,550 0 0	
Farm produce .. .. .	202 10 0	40 0 0	
Dairy produce .. .. .	37 10 0		
All other traffic .. .. .	85 0 0		
	£3,257 4 5	£2,620 0 0	
			5,877 4 5
Total annual loss .. .. .			£6,105 6 11

There would be two trains a day each way for the whole journey from Yarra Junction to Loch River, and a third train for part of the journey. This service was necessary to enable the narrow-gauge trains to deal with the timber traffic. There would have to be a station-master at the terminus at Loch River and one at the crossing station about midway between Yarra Junction and Loch River. It would also be necessary to have three guards to do the work in addition to the engine-drivers and firemen.

8. In view of the large estimated annual loss, the Committee considered it was not expedient to construct a narrow-gauge line from Yarra Junction to the Latrobe Valley.

Decision of Committee.

#### NEERIM SOUTH EXTENSION.

9. The Railways Commissioners estimated that the annual revenue and working expenses of a broad-gauge line with 8-chain curves from Neerim South to the junction of the Latrobe and Loch rivers for a daily train service each way would be as follow :—

Revenue and working expenses.

#### ANNUAL CHARGES.

Interest at 4 per cent. per annum on £86,774, being £83,474 the cost of constructing a 5ft. 3in. railway from Neerim South to the junction of the Latrobe and Loch rivers, 13½ miles, and £3,300 additional for rolling-stock ..	£3,470	19	2
Traffic expenses .. .. .	468	15	3
Maintenance charges .. .. .	1,147	10	0
Locomotive expenses and repairs and replacement of rolling-stock .. .. .	756	11	0
General expenses .. .. .	59	6	5
Estimated annual charges .. .. .	£5,903	1	10

## REVENUE.

	On new line.	On other lines from new traffic from new line	
Passengers .. ..	£336 13 4	£30 0 0	
Parcels .. ..	110 0 0		
Mails .. ..	99 7 6		
Class goods .. ..	244 15 0		
Live stock .. ..	25 0 0		
Timber .. ..	700 0 0	1,960 0 0	
Farm produce .. ..	193 15 0	63 6 8	
Dairy produce .. ..	30 0 0		
All other traffic .. ..	60 0 0		
	<hr/>	<hr/>	
	£1,799 10 10	£2,053 6 8	
	<hr/>	<hr/>	
			3,852 17 6
Estimated annual loss .. ..			<hr/>
			£2,050 4 4

10. It was explained that the annual charges shown above were much higher than those estimated in 1906 for a line from Neerim South to Wilson's, near Neerim Junction, about half-way to the Loch River, because of the anticipated increased traffic requiring a station-master at the terminus and an additional train crew having to be employed part of their time in working the extra length of line, and also because of the additional fuel required for a line of  $13\frac{1}{2}$  miles, with steep grades, compared with a line 7 miles in length. As the result of further local inquiries, the Traffic officers reduced the estimate of revenue from the carriage of live stock (pigs) from £50 (made in 1906) to £25. In the estimate for 1906 the receipts from the carriage of dairy produce were included in class goods.

A shorter line suggested.

11. Recently a letter was received from the Neerim North Railway League, stating it had ascertained that the cost of constructing the proposed broad-gauge railway to the junction of the Latrobe and Loch rivers was greatly in excess of the original estimate, and that the additional capital expenditure would so increase the interest charge as to bring the estimated annual loss of the line up to about £2,000, which "would, no doubt, prove a strong factor in any decision the Committee may come to." The league suggested that if that loss were regarded as prohibitive the extension should terminate about half-way down the hill dipping into the Latrobe Valley, at a point where the zig-zag was suggested by an officer of the Construction Branch of the Railways. This alternative proposal would, the league said, save approximately £35,000 of capital expenditure, and the interest thereon, as the line would terminate about  $3\frac{1}{2}$  miles west of the Loch River, and the most costly portion of the extension be thereby omitted. The league further stated that a road with an easy grade could be made from the suggested terminus of the railway at the zig-zag site down the Latrobe Valley to the Loch River, and that this road "although not as good as a railway, would be of immense advantage to the settlers in Noojee and Fumina, as they would be brought 10 miles nearer a railway station than their present one at Neerim South." It was also pointed out by the league that a light tramway could, at small cost, be run up the Latrobe Valley from this suggested railway terminus, and that such a tramway would tap the whole of the forest to the west of the proposed railway where the bulk of the timber is. On receiving this letter the Committee questioned Mr. Kernot about the suggestion, and ascertained that if the line terminated at the zig-zag site, half-way down the steep slope into the Latrobe Valley, as proposed by the league, that station would be 400 feet above the level at the junction of the Latrobe and Loch rivers, so that the settlers at Noojee, Toorong, and Fumina would have to cart their produce up a rise of 400 feet in about 4 miles. Mr. Kernot said that a tramway could be made from the suggested zig-zag terminus westwards along the course of the zig-zag, and thence through allotments 53 and 52 to the Latrobe River, but the broken nature of the country would involve considerable works on a tramway suitable for extensive haulage, and the use of steep gradients would be necessary to climb to a height of 300 feet up from the river to the suggested terminus of the shortened railway. His objection, however, to the zig-zag site as a terminal station was that the terminus would be on a steep broken siding, and the cost of a station suitable for timber traffic would consequently be very large owing to the great cost of widening out the steep sidings to provide for sidings, storage room for the timber, and approach roads.

Apart from this objection to the adoption of the proposal of the league, the evidence given before the Committee showed that any railway stopping on the hillside so far short of the junction of the Latrobe and Loch rivers would be of little value to the settlers on the north side of the Latrobe River, and would not be of much service



in tapping the timber supplies near the Loch and Toorongo rivers. Dr. T. F. Bride, who is a land-owner in the Fumina district, stated in his evidence that the settlers on the north side of the Latrobe River were unanimous that a railway to the junction of that stream and Toorongo River "will settle the country and bring out the timber, and that a line anywhere short of that would be of no use." The foregoing suggestion of the league, if adopted, would terminate the railway about  $5\frac{1}{2}$  miles from the Toorongo River.

12. Even if the capital expenditure on the suggested extension of the Neerim South broad-gauge railway to the junction of the Latrobe and Loch rivers were reduced from £83,474 to £59,754 by constructing a line with 5-chain instead of 8-chain curves, and the annual interest charge were thus lessened by £949, the sums stated by the Railways Commissioners, totalling £550, would have to be set against that saving, making the net gain £399. This would reduce the estimated annual loss to £1,651. It would be unreasonable to place such a burden as that on the local landholders, many of whom on the north side of the Latrobe River are struggling settlers and could not pay the deficiency rate that would be required to make good that loss. If the rate for the carriage of timber over the new line were increased to bring in additional revenue, or higher royalty fees were charged by the Forests Department with the object of allowing part of that income to go towards meeting the railway deficiency, it would further handicap saw-millers in the Latrobe Valley in their competition with those at Warburton, and this might restrain them from erecting mills at the former place or might lead to a cessation of operations until such time as that competition became less keen through several of the smaller mills in the Upper Yarra district cutting out their supplies, or having to go further back into the forest for their logs, thus increasing their working cost. Mr. Mackay expects that this will occur at Warburton in about five years' time, and that there will then be a more general demand on the part of saw-millers to start operations in the Latrobe Valley, resulting in a probable annual output from there of 25,000 tons of sawn timber. As there is no likelihood of more than 16,500 tons or so of timber being sent annually out of the Latrobe Valley for the next three or four years, and as that output would result in a loss of at least £1,650 per annum in connexion with the proposed broad-gauge extension from Neerim South to the junction of the Latrobe and Loch rivers, and that loss being much too large for the landholders to bear, the Committee cannot recommend the construction of a railway.

E. H. CAMERON,  
Chairman.

Railways Standing Committee Room,  
State Parliament House,  
Melbourne, 8th November, 1910.

[*Minutes of Evidence are not Printed.*]