

1912.

VICTORIA.

REPORT

FROM

THE PARLIAMENTARY STANDING COMMITTEE ON RAILWAYS

ON THE

LOCH, TOORONGO, AND LATROBE VALLEYS CONNECTING RAILWAY;

TOGETHER WITH

MINUTES OF EVIDENCE AND PLAN.

Ordered by the Legislative Assembly to be printed, 17th October, 1912.

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EXTRACTED FROM THE VOTES AND PROCEEDINGS OF THE
LEGISLATIVE ASSEMBLY.

FRIDAY, 8TH DECEMBER, 1911.

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

* * * * *
(9) The question of connecting Loch, Toorongo, and Latrobe Valleys by means of a railway with the existing railway system.
* * * * *

Debate ensued.

Question—put and resolved in the affirmative.

MEMBERS OF THE PARLIAMENTARY STANDING COMMITTEE ON RAILWAYS.

(Tenth Committee.)

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

J. W. Billson, Esq., M.L.A.,
The Hon. A. Hicks, M.L.C.,
W. Hutchinson, Esq., M.L.A.,

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

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REPORT.

THE PARLIAMENTARY STANDING COMMITTEE ON RAILWAYS, to which the Legislative Assembly referred the question of connecting Loch, Toorongo, and Latrobe valleys by means of a railway with the existing railway system, has the honour to report as follows :—

DISTRICT TO BE SERVED.

1. As stated in the Report presented to the Legislative Assembly on the 16th November, 1910, 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. Railway facilities are being sought, however, mainly 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, and Toorongo. Apart from the timber reserves, about a third of the land held privately which would be benefited by the proposed railway is first class, consisting of volcanic soil, mostly on the crowns of the hills. There are also several narrow fertile alluvial flats bordering on the Loch and Toorongo rivers, which are permanent streams and flow into the Latrobe River. The greater part of the remainder of the land in the hands of selectors is of second class quality. 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 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 and Toorongo 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, it would enable the settlers to get their potatoes, onions, maize, &c., cheaply to the Melbourne market, and would lead to a large increase in the area cultivated. The Committee, however, is still of the opinion it expressed in 1910 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, Toorongo, 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 hillsides 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 and several of the local residents 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.

TIMBER SUPPLIES.

2. 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 Toorongo rivers covered an area of about 50,000 acres. The timber near the head of the Latrobe Valley in the parishes of Ellinging 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. The Latrobe Valley timber was of better quality than Warburton, being of slower growth and denser. A great area of the Noojee country had been ringbarked by the settlers. Any sawmills established in the Latrobe Valley would have a large body of timber of fine quality and in its prime to work on for probably 25 or 30 years. When giving evidence in 1910 Mr. Mackay said 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, and by the fifth year it might reach 9,000,000 super. feet, or 25,000 tons, as by that time several of the sawmills operating in the Warburton district would either have cut out their supplies or have to go further back into the forest for their logs. This would cause a more general demand on the part of sawmills to start operations in the Latrobe, Loch, and Toorongo valleys. Since giving that evidence, however, there has been an increasing demand in Victoria for sawn hardwood for building and other purposes, due to the continuance of good seasons, the general prosperity of the community, and the spread of settlement, particularly in the northern irrigation districts, and also in the Mallee and Riverina. Moreover, comparatively little timber is now imported into this State from Tasmania, the sawmills there having found more remunerative markets for their hardwood in New Zealand and South Australia. In consequence of these changed circumstances Mr. Mackay amended his figures. He recently informed the Committee that if the Neerim South railway were extended into the Latrobe Valley and carried as far as the Loch or Toorongo valleys, four large mills and four smaller ones would be established in those basins, and draw supplies of logs from the neighbouring hill slopes. If the present buoyant market continued, he estimated that the annual output of these mills would reach about 12,000,000 super. feet, or 33,000 tons, during the first two years from the opening of the railway, and that in the third year, if the times were prosperous, causing the demand for hardwood to be maintained, the output should increase to close on 16,000,000 super. feet, or about 44,000 tons. Over twenty applications to establish sawmills in the State forests draining into the Latrobe River have been received by the Forestry Department during the last year or so. Some of the

applicants, however, were not considered suitable to be granted cutting areas, because of their small plants and their inability to handle the bigger timber with advantage. In framing these estimates Mr. Mackay excluded the belt of blackbutt forest in the parish of Ellinging, on the tableland near the source of the Latrobe River, which had been reserved for a joint-stock company that intends erecting an extensive mill and timber-seasoning works across the Divide at the head of the Little Yarra Valley and despatching their supplies of sawn and seasoned hardwood by the Warburton railway to Melbourne. The total output of sawn timber from the forests in Victoria last year was about 54,000,000 super. feet, and the Conservator expects that this will gradually increase up to approximately 70,000,000 super. feet within the next five years or so.

COST OF PROPOSED RAILWAYS.

3. Two proposals for connecting the Loch, Toorong, and Latrobe valleys by means of a 5ft. 3in. line with the existing railway system were placed before the Committee. The first was the extension northwards of the Warragul-Neerim South broad-gauge line, passing on the west side of the small township of Neerim Junction, and descending on a grade of 1 in $37\frac{1}{2}$ into the Latrobe Valley, and thence proceeding eastwards down that valley past the Loch River, to the junction of the Latrobe and Toorong rivers. This railway would tap the traffic coming down the roads in the Loch and Toorong valleys. The settlers in the parishes of Toorong and Fumina to the east of the Toorong River could also reach the terminal station of this line by descending a road graded to about 1 in 12 for 3 miles or so. This hillside road leads from the west boundary of Fumina Village Settlement, and runs down to the junction of the Latrobe and Toorong rivers. Some of the settlers in Toorong and Fumina would, however, be from 8 to 12 miles from the terminus of this line. The extension from Neerim South to the junction of the Latrobe and Toorong valleys would be 15 miles in length, and was estimated, at an average wage rate of 8s. 6d. per day for labourers, to cost £99,000, or £6,600 per mile, exclusive of land and rolling-stock, and providing for the use of 60-lb. serviceable second-hand rails. The high cost of this railway is mainly due to the difficulty of making the line down the steep hillsides from near Neerim Junction into the Latrobe Valley with a grade up which payable loads could be hauled, and with curves of not less than 8 chains radius, which the Railways Commissioners regard as the sharpest curve that can be used with safety for the standard rolling-stock operating broad-gauge lines. Mr. Kernot, Chief Engineer for Railway Construction, informed the Committee that this difficult section of the line would be about 4 miles in length, and would cost about £10,500 per mile, because of the extensive cuttings and bridging which would be necessary. There would be over 1,500 lineal feet of high bridge trestling spanning gullies, the beds of which would be from 42 feet to 96 feet below the level of the railway. The cuttings would be from 12 feet to 48 feet deep, and the embankments from 20 feet upwards in height. Several routes for getting down into the Latrobe Valley were surveyed, and the one adopted had been found to be the cheapest. The second proposal considered by the Committee for connecting the Loch, Toorong, and Latrobe valleys with the existing railway system was to construct a broad-gauge line branching off the Warburton railway at Yarra Junction, and proceeding south-east up the Little Yarra Valley, and thence across the Divide and down the Latrobe Valley to the junction of the Latrobe and Toorong rivers. This route was considered by the Committee in 1910, and was then set aside because of the largeness of its estimated cost, and the total tonnage likely to be carried over it not being sufficient to justify that expenditure. The length of a 5ft. 3in. railway from Yarra Junction to the junction of the Latrobe and Loch rivers would be $26\frac{1}{4}$ miles. To reach the Toorong River would be $1\frac{1}{2}$ miles further. In 1910 the estimated cost of this line to the Loch River was £163,647, or £6,240 per mile; but since then there has been an increase in wages and in the cost of all railway material. Allowing for these additions, the cost to-day is estimated at £197,567 as far as the Loch, and £204,567 to the junction of the Latrobe and Toorong rivers for a line with 5-chain curves. Mr. Kernot stated the surveys showed that a line from Yarra Junction up the Little Yarra Valley to Gilderoy, a distance of about $9\frac{1}{2}$ miles, could be constructed for £39,722, or a little over £4,000 a mile. On passing the latter place, however, and climbing over the Divide, rough granitic country would be met with, causing railway construction there to be very expensive.

SELECTION OF ROUTE OF RAILWAY.

4. It was urged in support of the Little Yarra Valley route that the sawmills operating on that side of the Divide had largely increased in number and output during the last two years. The outwards timber traffic from Yarra Junction station in 1909 was 14,157 tons, while in 1911 it reached 23,587 tons. There is still a fair quantity of timber, chiefly mountain ash (blackbutt) and messmate in the Little Yarra Valley. Most of the mountain ash is in the hands of the State, and the greater part of the messmate is on selected land. The Committee inspected the mill sites in the Little Yarra Valley and in the watershed of Black Sand Creek, and also towards Beenak. It was impressed with the activity of the timber trade in the area which would be tributary to a railway starting at Yarra Junction and ascending the Little Yarra Valley. The Committee recognised that this route would give a shorter through mileage to Melbourne from the junction of the Latrobe and Toorongo rivers than the one by way of Neerim South and Warragul. The former would be but 71 miles to Spencer-street goods yards, with a freight rate of 5s. 11s. per ton on sawn timber, compared with $90\frac{3}{4}$ miles, *viâ* Neerim South and the Gippsland line, with a charge of 6s. 10d. per ton—a difference of 11d. per ton, or about 3d. per 100 super. feet in favour of the Little Yarra Valley route. In considering the question of the route of the railway the Committee could not overlook the fact that fully two-thirds, if not three-fourths, of the tonnage to be carried over the Little Yarra-Latrobe valleys line would be sawn and split timber, and that when that traffic diminishes, at the end of twenty years or so, there is every probability of the railway then becoming an unprofitable one, as such a large portion of the district to be served by it is permanently reserved for forestry purposes. There is therefore no possibility of any substantial increase in agricultural produce to take the place of the timber as the forests are cut out, and thus maintain the freightage to be carried over the line. It was this future outlook which led the Committee to set aside the Little Yarra-Latrobe valleys route, costing £204,567, in favour of the extension of the Neerim South railway, which will entail a capital expenditure of but £99,000. The Committee had necessarily by the terms of the reference to it by the Legislative Assembly to hear evidence concerning the Little Yarra-Latrobe valleys route. Having done so, and believing there is sufficient freightage offering and likely to continue for a number of years to warrant the construction of a 5ft. 3in. railway branching off the Warburton railway at Yarra Junction and proceeding up the Little Yarra Valley for about 4 miles, the Committee submits the evidence for the consideration of the Honorable the Minister of Railways. By terminating the line near the junction of the Black Sand Creek and Gilderoy roads, it would meet the requirements of all the sawmillers and land-owners in the Little Yarra Valley, at Black Sand Creek, and towards Beenak. The Committee is of opinion that it is not unreasonable to ask sawmillers to convey their timber 6 or 7 miles over tramways to a railway station. The short branch line suggested should be constructed for under £20,000, and could be inexpensively worked by the goods train operating the Warburton railway. After, however, the Committee had taken evidence on this proposal it learnt that an Order in Council was passed on 20th June, 1912, giving the Upper Yarra Shire Council the right to construct a steam or electric tramway up the Little Yarra Valley for the conveyance of goods and passengers. The Chief Engineer for Railway Construction reported that a recent inspection disclosed that "the surveyed route of the railway from Yarra Junction is now occupied for a distance of about 10 miles by a 3ft. gauge tramway, so that before a railway can be built the route for this distance will have to be re-located."

5. Having set aside the Little Yarra Valley route for serving the Latrobe Valley in favour of the extension of the Neerim South railway, the Committee had to consider how far the latter line should be extended to meet the requirements of the district asking for railway facilities. A suggestion was made by those interested in the proposed Moe-Duggan narrow-gauge line, between the Latrobe and Tangil rivers, that the Neerim South extension should not be carried into the Latrobe Valley, but should terminate a little to the west of Neerim Junction township. It was urged that this would save an outlay of £50,000, and the money saved by so shortening the construction could be utilized to build the narrow-gauge line referred to. In 1910, however, the Committee reported that if the Neerim South extension were terminated on the high ground overlooking the Latrobe Valley it 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 in 1910 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 would settle the country and bring out the timber, and that a line anywhere short of that would be of no use. The Committee is of opinion that, as portion of the timber to be cut in the parish of Ellinging is to be hauled across the Divide and despatched to Melbourne over the Warburton railway, it is now more than ever necessary, if there is to be any extension of the Neerim South line, and if it is to become a paying undertaking, that it should be carried into the Latrobe Valley and on to the Toorongo River to serve the settlers in the Loch and Toorongo valleys, and also in the parishes of Noojee and Toorongo.

REPORT OF TRAFFIC OFFICER.

6. Mr. J. S. Mitchell, Special Traffic Officer, Victorian Railways, who visited the district to report on the freightage likely to be carried over the extension of the Neerim South railway to the junction of the Latrobe and Toorongo rivers, stated that the new line would serve about 90,000 acres, of which 43,000 acres were either freehold or in course of alienation from the Crown, the remainder being held as forest reserves or as Crown lands. The population of the district was 800 persons, and an allowance had been made for additional passenger traffic resulting from the establishment of the sawmills. Approximately 2,000 acres were under cultivation last season in the area tributary to the extension, the crops comprising hay, potatoes, and maize for green fodder. An increased output in potatoes of 500 tons was anticipated during the first year the railway was opened for traffic. The hay crops were grown mainly for local consumption, and any small surplus would be conveyed over the line. There were large areas of timber of good quality easily accessible to the proposed extension. Mr. Mitchell stated that he had accepted the estimate of the Conservator of Forests that 12,000,000 super. feet, or 33,333 tons of sawn hardwood would be despatched annually over the new line, but he added "if the sawmilling company which proposes to operate in the timbered country towards the head of the Little Yarra Valley also secures the right of a large tract of forest near the head of the Latrobe Valley and of a tramway to Yarra Junction railway station, and it produces the quantity of sawn timber expected, it is somewhat doubtful if the demand for hardwood will be sufficiently great to absorb the output from this company and from the Neerim district also, in addition to the other sources of supply, and the effect may be to reduce the estimated quantity produced in the Neerim district." The Committee is aware, of course, that the existing demand for sawn timber is largely dependent on the continuance of good seasons and the extension of closer settlement throughout Victoria and Riverina; but, looking at the increasing annual output from the Victorian forests and its absorption during the last few years, the decrease in the importations of sawn hardwood from Tasmania, and the probability that before long locally-grown seasoned weatherboards and flooring and lining boards will largely take the place of imported softwoods, it is unlikely that any slackening in the demand will be more than temporary. Mr. Mitchell explained that his estimated output included sawn timber from private lands.

REVENUE AND WORKING EXPENSES.

7. The estimates of annual working expenses, interest charges, and revenue for a 5ft. 3in. railway from Neerim South to the junction of the Latrobe and Toorongo rivers were as under for a daily train each way over the new line :—

ANNUAL CHARGES.

Interest at 4 per cent. per annum on £102,325, being £99,000, cost of constructing 15 miles of 5ft. 3in. railway from Neerim South to the junction of the Latrobe and Toorongo rivers, with £3,325 added for rolling-stock	...	...	...	...	£4,093	0	0
Traffic expenses	...	...	...	...	686	8	5
Maintenance charges	...	...	...	...	1,365	0	0
Locomotive expenses, including repairs and renewals of rolling-stock	...	...	...	...	1,747	2	0
General charges	...	...	...	...	94	19	3
Total annual charges	...	...	...	...	£7,986	9	8

REVENUE.

Based on local rates for carriage of all traffic over new line except timber.)

		On New Line.				On other Lines from New Traffic from New Line.		
Passengers	...	£441	2	2	...	£100	0	0
Parcels	...	150	0	0	...	...
Mails	...	112	10	0	...	...
Class goods	...	423	10	0	...	...
Live stock	...	25	0	0	...	...
Timber	...	1,772	18	4	...	4,285	16	8
Agricultural produce	...	193	15	0	...	63	6	8
Dairy produce	...	30	0	0	...	...
All other traffic	...	60	0	0		
		<hr/>				<hr/>		
		£3,208	15	6		£4,449	3	4 ...
								£7,657 18 10
								<hr/>
					Estimated annual loss	£328 10 10
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RECOMMENDATION.

8. The Committee recommends the construction of a 5ft. 3in. railway, with curves of not less than 8 chains radius and a grade of 1 in 37½ against the "up" traffic, from Neerim South northwards to the Latrobe Valley and thence eastwards to near the junction of the Latrobe and Toorong rivers, a length of 15 miles, at a cost of £99,000, with £3,325 added for rolling-stock. It considers that, as this extension will be the means of establishing several sawmills in the Latrobe, Loch, and Toorong valleys, and as the men employed in connexion with those mills will cause increased stores, &c., to be brought into the district, the new line should have been credited with £350 additional revenue, representing its proportion of the income obtained from the carriage of these class goods over existing railways. But, owing to the wording of section 4 of Act No. 1695, the Railways Commissioners state they can only credit the new line with its share of the new traffic it "brings to" the general railway system. In other words, the law applies to the new "outwards" traffic only and not to any additional "inwards" tonnage resulting from the construction of a new line and the opening up or development of the district. In the opinion of the Committee this section should be amended so as to apply to all new traffic whether outwards or inwards.

E. H. CAMERON,
Chairman.

Railways Standing Committee Room,
State Parliament House,
Melbourne, 17th October, 1912.

[*Minutes of Evidence are not printed.*]