

1915.

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VICTORIA.

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# REPORT

FROM

THE PARLIAMENTARY STANDING COMMITTEE  
ON RAILWAYS

ON THE PROPOSED

RUSHWORTH TO STANHOPE RAILWAY;

TOGETHER WITH

BOOK OF REFERENCE AND MINUTES OF EVIDENCE.

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*Ordered by the Legislative Assembly to be printed, 9th June, 1915.*

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RAILWAYS STANDING COMMITTEE REPORT No. 2.—[9d.]—7339.

EXTRACTED FROM THE VOTES AND PROCEEDINGS OF THE  
LEGISLATIVE ASSEMBLY.

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WEDNESDAY, 19TH MAY, 1915.

12. RUSHWORTH TO STANHOPE RAILWAY.—Mr. Mackinnon, in accordance with the requirements of the Railways Standing Committee Acts, moved, pursuant to notice, That the construction of a 5ft. 3in. gauge railway from Rushworth to Stanhope be referred to the Parliamentary Standing Committee on Railways for consideration and report.

Debate ensued.

Question—put and resolved in the affirmative.

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MEMBERS OF THE PARLIAMENTARY STANDING COMMITTEE ON RAILWAYS.

(*Eleventh Committee.*)

S. BARNES, Esq., M.L.A., Chairman;

The Hon. J. W. Billson, M.L.A.,  
The Hon. A. Hicks, M.L.C.,  
The Hon. D. Melville, M.L.C.  
(Vice-Chairman),

R. H. Solly, Esq., M.L.A.,  
R. F. Toutcher, Esq., M.L.A.

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# R E P O R T.

THE PARLIAMENTARY STANDING COMMITTEE ON RAILWAYS, to which the Legislative Assembly referred the question of the construction of a 5ft. 3in. gauge railway from Rushworth to Stanhope, has the honour to report as follows :—

1. In July, 1914, the Committee submitted to the Legislative Assembly a Report on the general question of railway connexion with Stanhope Closer Settlement Area in the Goulburn Valley. The Committee therein recommended the construction of a broad-gauge railway from Rushworth northwards to Stanhope, and reasons were given for preferring this route to others which had been suggested. Stanhope Closer Settlement Area comprises six estates, totalling about 20,000 acres, lying between the Murchison-Rushworth-Colbinabbin railway on the south, the Toolamba-Echuca line on the east and north, and the Echuca-Elmore line on the west. It lies from 5 to 13 miles north-west of Waranga storage basin, and is commanded by irrigation channels issuing from that reservoir. These properties were purchased a year or two ago by the Government, on the advice of the State Rivers and Water Supply Commission, for irrigated closer settlement purposes. They have since been subdivided, and are about to be made available for application in small allotments. The Stanhope Closer Settlement Area is flat, with a slight northern fall like the Goulburn Valley country, and consists for the most part of a sandy loam, somewhat shallow in a few places, with a clay subsoil similar to many of the irrigable areas in that valley. The acreage of the several estates and the prices paid for them were as under :—

Estate.	Acres.	Price per Acre.	Amount paid.
		£ s. d.	£
Lauderdale .. .. .	3,591	12 15 0	45,788
Robgill .. .. .	2,462	11 15 0	28,923
Stanhope .. .. .	3,377	10 0 0	33,769
Girgaree .. .. .	4,828	10 0 0	48,280
Bonshaw .. .. .	3,639	10 0 0	36,393
McDonald's .. .. .	2,992	11 10 0	34,404
Total .. .. .	20,889	Average 10 18 0 (Approx.)	227,557

2. As the residences and gardens on three of these estates were larger than was desired or could be profitably maintained by settlers on small holdings, they were, with a suitable farm area attached to each, sold at auction, the prices obtained being as follow :—

Homestead.	Acres.	Price per Acre.	Total.
		£ s. d.	
Lauderdale .. .. .	242	20 10 0	4,961
Stanhope .. .. .	716	8 10 0	6,086
Bonshaw .. .. .	482	17 10 0	8,509
Total .. .. .	1,440	Average 13 11 0 (Approx.)	19,556

3. Mr. Elwood Mead, when Chairman of the State Rivers and Water Supply Commission in 1914, informed the Committee that all the land in the Stanhope Closer Settlement Area is commanded by irrigation channels with the exception of a few sand hills. These, however, are so valuable for fruit-growing that he expected they will in time be irrigated by pumping. The high-lying lands did not in the aggregate exceed 500 acres. There are also, he said, about 3,600 acres of plain land, which is commanded by the channels, but is of uncertain value for intensive culture. The greater part of this land, however, is a red plain of good quality, and will, he believed, be used for growing fodder crops under irrigation. The areas suited for orchards and vines were being subdivided into allotments ranging from 10 to 30 acres, and the areas adapted to general farming into allotments of from 20 to 100 acres each. Provision was being made in the subdivision for workmen's homes allotments, varying in size from 1 to 5 acres, and some of the land around the railway stations, if the line is built, will, he said, be subdivided into town allotments. Several thousand acres of the Stanhope Closer Settlement Area were, he added, suited for fruit-growing, and all the timber land is fertile, virgin soil, well suited for lucerne and other fodder crops. Approximately, the subdivision of the area would include about 300 fruit-growing allotments averaging 20 acres, 300 farm allotments averaging 45 acres, and 300 farm workers' and town allotments, or 900 in all. One acre foot of water will be allotted to each acre of irrigable land in this resumed area, but the channels had been made large enough to supply 2 acre feet of water for each acre. He expected that the larger portion of the Stanhope Closer Settlement Area will be devoted to mixed farming and dairying, with lucerne as the most important crop, but fruit and vegetables will, he thought, be the chief items of transportation over the railway. It was the desire of the State Rivers and Water Supply Commission, he stated, to have the railway constructed into this area as soon as possible, as it would cheapen the carriage of material for houses, and also of the equipment for farms, if the railway could precede settlement. In answer to a question, he said the Commission had already built a good many workmen's homes on the different irrigation settlements in the northern part of Victoria. The creation of these small blocks, whereby wage-earners are established in an irrigated district, had proven a very valuable feature, not only for the worker himself—because it gave him and his family good conditions of life—but also for the reason that there are always some farmers on the irrigation settlement who need labour, and can thereby get help in emergencies. Moreover, some of those who started with workmen's homes are now becoming independent cultivators themselves. He considered the Stanhope Closer Settlement Area would be settled as soon as it became known that a railway was to be built into it. A line either from Rushworth or from Byrneside would add £1 per acre to the value of the land, if not more. If all the 900 allotments were taken up it would mean a population of 4,000 people on 20,000 acres where formerly there were probably under 100.

4. A few days ago the Committee heard evidence from Mr. W. Cattnach, the present Chairman of the State Rivers and Water Supply Commission. He stated that, after allowing for the sale of the three homestead allotments, containing in all 1,441 acres, and for the subdivisional roads and water channels, which would absorb 650 acres, there would be 18,800 acres left at the Stanhope Area for closer settlement. Of this acreage thirteen holdings, covering 870 acres, had been already settled, and 930 acres were being temporarily withheld from subdivision pending the location of the township. He added that, in the light of further information now available as to levels and the character of the land, it was deemed advisable by the Commission to make the holdings somewhat larger than Mr. Mead at first proposed. The 18,800 acres would be divided into about 174 fruit-growing allotments, averaging 28 acres each; 196 farm allotments, averaging 68 acres; 51 farm workers' allotments, averaging 3 acres; and upwards of 250 township allotments—or, say, 700 in all—being 200 less than was at first suggested. Mr. Cattnach, speaking from the experience at Tongala—where about 16,000 acres out of 22,000 were settled in approximately twelve months, thought that the bulk of the Stanhope Closer Settlement Area would be occupied by settlers within two years. He further said, viewing the progress made at other irrigation settlements in recent years, he would not expect the area planted under fruit trees and vines at the Stanhope settlement to exceed 3,000 acres for some time, but it should reach about 5,000 acres eventually. That was as against the area of 6,000 acres estimated by Mr. Mead a year or so ago, before the levels were all taken and the subdivisional plans prepared. Already £16,000 had been expended on distributary channels at the Stanhope Area, and a further outlay of £11,000 would be required to complete those channels.

## WATER AVAILABLE FOR IRRIGATION.

5. Mr. Cattnach informed the Committee that 15,460 acres suitable for irrigation will be commanded by gravitation. The balance included 820 acres a little above channel level, but mostly suitable for irrigation by pumping, and about 2,520 acres of plain land to which water may be applied, but on which it is doubtful whether the compulsory water charge will be levied. Up to the present subsidiary channels to water about 11,000 acres of Stanhope Closer Settlement Area had been completed or were being constructed, and channels to irrigate nearly the entire irrigable area could be made in twelve months if necessary. This water would be drawn from Waranga basin, which was being enlarged from a storage capacity of 197,400 acre feet to 330,000 acre feet. Additional storage was also being provided at Sugarloaf Dam, on the Upper Goulburn River. It is expected that the enlargement of Waranga basin will be completed by May, 1917. The first stage of the Sugarloaf Dam, which would impound 240,000 acre feet of water, would be finished by 1920. The Waranga work was estimated to cost £270,000, and the Sugarloaf Dam £400,000. Eventually the latter may be increased so as to store 720,000 acre feet. The State Rivers and Water Supply Commission was proceeding with these works on the supposition that they are not to be free headworks. A water right of 1 acre foot for each acre of suitable land commanded by gravitation would be allotted to the settlers at the Stanhope Area. Provision would be made for the supply of extra water, if desired, to the settlers. The compulsory irrigation charge would probably be from 5s. to 7s. per acre foot of the water-right allotment, and for the domestic and stock supply 1s. in the £1 of the net annual value of the holding.

6. When questioned as to whether there would be sufficient water available to irrigate the Stanhope Area from 1916-17 onwards without depriving other districts of the supplies they are entitled to under their water-right allotments, Mr. Cattnach said—"The Stanhope settlement is not new to the Commission. In making our allocations of water previously it has been allowed for. In three years the enlarged storage at Waranga basin will be available. . . . In anything like ordinary years at all, even low years, there is no doubt the lands can be supplied. If you get an absolutely abnormal year, such as 1914-15, there will be a difficulty in giving a full supply, but there will be even then a fair supply. The loss, if any, would fall more on the fodder crops; it would not permanently affect the fruit crops. Growers of lucerne might get enough water for only three cuts instead of four or five. Such a season as 1914-15 has occurred once only in 50 years. . . . Later on, when we have our big storages, we will probably try to arrange for some system of reasonable reserves of water. The reserves cannot be as large as some suggest, as that would be absolutely unfinancial."

## FRUIT-GROWING AREAS.

7. In 1914 Mr. P. J. Carmody, Chief Orchard Supervisor, Department of Agriculture, at the instance of the Committee and the State Rivers and Water Supply Commission, inspected Stanhope Closer Settlement Area to report on lands there considered suitable for fruit-growing. According to plans then submitted to the Committee there is a compact area of about 400 acres near the central part of McDonald's Estate well adapted for orchards. Mr. Carmody stated that around the homestead a pine ridge exists, consisting of fairly deep sandy loam, in which with proper treatment fruit-growing could be profitably carried on. On the shallower soils such fruits as pears, figs, &c., could be grown in conjunction with peaches and apricots on the lighter soils. About 200 or 300 acres in the north-west portion of Robgill Estate were typical fruit lands, being a sandy loam. Most of this area was apparently poor in character, but could, with reasonable treatment, be made fit for fruit trees by means of green manuring, a process, he added, that must be continually followed in all these areas. In Girgaree Estate a greater portion of uniform fruit-growing soil occurs than on any of the other estates. Allotments 86 to 91 inclusive, on the southern boundary of the estate, containing nearly 700 acres, offer good opportunities to the fruit-grower, as these areas consist of nice red loam, overlying a friable clay subsoil, which is readily receptive to moisture, and affords good prospects for any trees except citrus. The best and deepest soil is in the block where the dwelling is built. The major portion of allotment 82 and the southern parts of allotments 81 and 80 could also be included in the fruit area. These portions contain about 210 acres. The northern half of allotments 28 to 32 inclusive, covering about 250 acres along the road running east and west, should also be

reserved for orchards. Generally speaking, Bonshaw Estate consists of heavy land unsuitable for fruit trees. From Girgaree Estate the red loam extends across the road into the northern part of Stanhope Estate, through allotments 113, 112, and into portions of 111, 110, 126, and 127, containing upwards of 500 acres, while the sandy belt from Robgill Estate already referred to encroaches on Stanhope Estate, through allotment 138 and parts of allotments 128 and 129, covering about 300 acres. These soils were, on the whole, suitable for fruit-growing, though scattered throughout this area were some parts unfit for orchards, the soil varying considerably, and being somewhat shallow. Mr. Carmody's comment on Lauderdale Estate was as follows :—“ Portions of allotments 69, 70, 66, and 67 (in the north-eastern part of the estate, embracing nearly 300 acres) consist of a very fine loam, with a good friable clay subsoil, and commend themselves to persons in search of fruit land. The soil in the remaining portion of this estate is too heavy to be devoted to orchards.” He concluded by remarking that it must not be inferred that the areas referred to in his report as being specially adapted for fruit-growing were the only suitable soils for orchards in these estates. Many other places could be selected wherein it would be profitable to plant fruit trees, but they were scattered about, and contained no large compact area.

#### ROUTE OF PROPOSED RAILWAY.

8. When questioned concerning the route of the proposed railway to serve Stanhope Closer Settlement Area, Mr. Mead stated that the country a few miles out of Rushworth towards this settlement is of poor quality, including the small belt of country known as Wanalta Plains. But the land north of the main irrigation channel and south of Stanhope Estate is good land. He said a portion of the land in the Parish of Girgaree East, which lies to the east of Stanhope Closer Settlement Area, in the direction of Byrneside railway station on the Toolamba-Echuca line, is too high to be irrigated by gravitation from the channels traversing that territory, and portion is stiff, clayey land. Nevertheless, the greater part of that parish is irrigable. There are 21,933 acres in the Parish of Girgaree East, and of these 16,628 acres could be irrigated by gravitation, and to these areas water rights aggregating 4,172 acre feet have been apportioned, or 1 acre foot of water to 4 acres of land. In the Parish of Girgaree East are 70 holdings, having an average area of about 313 acres. The greater part of this parish would, he added, be suitable for irrigated closer settlement if provided with a larger allotment of water. This, however, would necessitate the reconstruction of existing irrigation channels, and a change in the apportionment of the water allotments of the Rodney Irrigation District. He favoured a railway starting from Rushworth, and crossing the Stanhope Closer Settlement Area from south to north, as he believed that line would be of most value to the settlers. This settlement area had a length of 9 miles from the southern to the northern boundary, with a width of but  $5\frac{1}{2}$  miles from east to west. The railway he had suggested would run nearest the two areas where the soil is best fitted for fruit-growing, and would reduce the average waggon hauls of fruit below that of any other route. That is an important matter. Moreover, it would give the shortest railway haul to both Melbourne and Sydney, which would be the principal markets for soft fruits grown on the Stanhope Closer Settlement Area. He thought the railway should go right into the heart of the northern fruit area on McDonald's Estate. Ultimately he hoped to see it carried through McDonald's Estate, so as to junction with the Toolamba-Echuca line at Kyabram. His reason for this was that he believed a considerable tonnage of lucerne hay will eventually be sent into Riverina, and that there will be a fair trade in store sheep from New South Wales to these northern irrigation settlements, because fattening sheep and lambs is going to be a big industry in connexion with them.

#### RAINFALL.

9. The average annual rainfall in the Stanhope district was 16 inches.

#### LENGTH AND COST OF PROPOSED RAILWAY.

10. The permanent survey of the proposed railway branches off the Rushworth to Colbinabbin line on the west side of the former township. It proceeds in a northerly direction, passing near the Rushworth brick-kilns and pumping station, as suggested by the Committee in its Report on the general question, and thence along the west side of the Rushworth-Stanhope road, with a station site at the junction of that road and the Rushworth-Corop road,  $5\frac{1}{2}$  miles from Rushworth. From there the survey

continues northwards, entering the Stanhope Closer Settlement Area at a point 7 miles from Rushworth, and proceeds through the centre of Stanhope Estate, terminating a few chains on the north side of the 3-chain Byrneside-Corop road. The station is proposed to be placed athwart that road, necessitating the road being deviated about 10 chains to the south of its present alignment, so as to clear the station grounds. Mr. Kernot, Chief Engineer for Railway Construction, stated that an irrigation channel prevented the station grounds being wholly placed on the north side of the Byrneside-Corop road. It would be cheaper to deviate the road as proposed than to cover over the irrigation channel. Moreover, to place the station wholly on the north side of the main road would cause the township which would surround the station to be severed by the water channel. As the principal traffic would be to and from the station, he considered the suggested deviation of the Byrneside-Corop road would not occasion much public inconvenience. Mr. Kernot informed the Committee that the proposed railway would be 10 miles 58 chains in length, with a ruling gradient of 1 in 50. The cost of the line would be £38,825, or £3,621 per mile, exclusive of land and rolling-stock. This estimate was based on a wage rate of 9s. per day for labourers. If serviceable second-hand rails became available the cost would be reduced by about £300 per mile. Earthworks were estimated to cost £3,017; sleepers, £4,875; ballast, £4,237; permanent-way material (60-lb. new steel rails), including railway freight, £13,801; fencing and cattle pits, £1,480; terminal and roadside stations, £1,200; residences for employees, £900; turntables and coal stage, £1,000; additions to Rushworth station, including signals and interlocking, £1,000; engineering and supervision, £2,580; and unforeseen contingencies, £1,849.

#### REPORT OF TRAFFIC OFFICER.

11. Mr. C. H. Barber, Traffic Officer of the Railway Department, who visited the Stanhope district last month to report on the probable traffic over the proposed railway, stated that the area to be served by the line was approximately 61,000 acres, including the 20,000 acres comprising Stanhope Closer Settlement Area. The whole of the 61,000 acres was, he said, arable land, and had in the past been used chiefly for grazing purposes. At present there are about 20,400 acres under cultivation, consisting of the following crops:—Wheat, 9,200 acres; oats, 1,300 acres; hay, 2,500 acres; and other crops, 1,500 acres, while close on 6,000 acres are under fallow. The population in the area is approximately 400, and the live stock carried in the district in a normal season was as follows:—Horses, 1,200; dairy cattle, 760; other cattle, 930; sheep, 15,400; and pigs, 250. Mr. Barber explained that he had difficulty in estimating the revenue and working expenses of the proposed railway, as so much depended on the result of the efforts of the Government to establish producers on the land it had purchased for closer settlement. He had therefore prepared two estimates. The first was based on the conditions now existing in the district, and the second on the prospective settlement and probable traffic five years hence. He pointed out that the proposed railway, when opened, would divert traffic from the existing lines to the extent of about 5,520 tons from Elmore and Rochester stations, 5,500 from Kyabram station, 3,550 from Merrigum station, and 3,960 from Rushworth station. This diversion of traffic would represent a decrease in railway revenue of £102, due to the mileage by rail from Stanhope to Melbourne, being but  $115\frac{1}{2}$  compared with  $128\frac{1}{2}$  from Elmore,  $138\frac{3}{4}$  from Rochester, 124 from Kyabram, and  $117\frac{3}{4}$  from Merrigum. Against this reduction in railway revenue, however, had to be placed £104, the estimated amount of new income which would be derived from the carriage of new traffic over existing lines, as this extension was expected to cause increased cultivation of wheat, oats, &c., in the area around Carag Carag and Timmering, by reason of the shorter cartage distance to Stanhope station. The proposed line had therefore been credited only with the proportionate revenue earned from the carriage of passengers, goods, and live stock over the  $10\frac{3}{4}$  miles of new construction, in addition to the receipts from the firewood traffic, which was not obtained under present conditions, owing to the box timber on the Stanhope Closer Settlement Area being too far removed from an existing railway station to pay for its felling, cutting, carting, and transport to Melbourne.

#### ESTIMATES OF WORKING EXPENSES AND REVENUE.

12. On the first basis stated by Mr. Barber, namely, the probable condition of the district when the railway extension is opened for traffic a few months hence, the Railways Commissioners furnished the Committee with the following estimates of

working expenses and revenue during the first year of operation of the new line, based on a train service of three days per week, the train and crew now working the tri-weekly service on the Rushworth-Colbinabbin line being also used on this extension :—

## ANNUAL CHARGES.

Interest at 4 per cent. per annum on £40,775, being cost (£38,825) of constructing $10\frac{3}{4}$ miles of 5ft. 3in. railway from Rushworth to Stanhope, at a wage rate of 9s. per day for labourers, with £1,950 added for truck-stock .. .. .	£1,631	0	0
Traffic expenses .. .. .	366	17	9
Maintenance charges .. .. .	784	15	0
Locomotive expenses, including repairs and renewals of rolling-stock .. .. .	304	18	9
General charges .. .. .	36	8	3
<b>Total annual charges.. .. .</b>	<b>£3,123</b>	<b>19</b>	<b>9</b>

## REVENUE.

	On New Line	On Other Lines from New Traffic from New Line.		
Passengers .. .. .	£173 0 0	..	..	
Parcels .. .. .	40 0 0	..	..	
Mails .. .. .	81 0 0	..	..	
Class goods .. .. .	51 17 1	..	..	
Wool .. .. .	5 3 4	..	..	
Live stock .. .. .	17 3 0	..	..	
Firewood .. .. .	88 4 0	£453	12 0	
Agricultural produce .. .. .	234 13 3	104	7 6	
Manures .. .. .	10 10 3	..	..	
All other traffic .. .. .	20 0 0	..	..	
	<b>£721 10 11</b>	<b>£557 19 6</b>		<b>£1,279 10 5</b>
<b>Estimated loss first year of operation .. .. .</b>				<b>£1,844 9 4</b>

## REDUCTION IN ESTIMATED LOSS.

13. It was explained by Mr. Barber that, on the assumption that 180 settlers would be placed on Stanhope Closer Settlement Area during the first year this new line was in operation, the existing railways would reap a profit of £700 in that period from the carriage over such lines of building materials, furniture, fencing wire, and farm implements for the settlers. That sum represented the surplus revenue obtained from the carriage of those goods after allowing 60 per cent. of the receipts to cover the haulage expenses over existing railways. The law, however, only allowed the new line to be credited with surplus revenue arising from the carriage of "outwards" traffic from such line over existing railways, and not with that earned from "inwards" traffic. Therefore, this proposed extension had not been credited with any part of the £700. In several previous Reports the Committee has directed the attention of Parliament to this anomaly, and has urged the amendment of the law, so that new railways might receive credit for all the new traffic they brought to existing railways, whether outwards or inwards. Again, it will be observed that the suggested extension has not been credited with any sum for additional passenger traffic over existing railways which such a large settlement will bring to the old lines. It is assumed by the Railway Department that the first batch of 180 settlers placed on Stanhope Closer Settlement Area will be drawn from other parts of this State, and consequently the traffic over existing lines will be merely a transference of passengers from one part of Victoria to another, without bringing any new revenue to the railway system as a whole. With this view the Committee does not concur.



## FINANCIAL RESULT OF RAILWAY IN FIVE YEARS.

14. Mr. Barber obtained from the *Statistical Register of Victoria* figures showing the settlement and production at Bamawm and Shepparton irrigation settlements up to the 1st March, 1914. He stated that, on the basis of the actual average results obtained at those settlements as disclosed by these figures, the acreage under fruit, crops, &c., five years hence at Stanhope Closer Settlement Area would be as follows:—

	Acres.
Fruit .. .. .	1,100
Cereals .. .. .	694
Root crops .. .. .	34
Hay .. .. .	3,660
Green forage .. .. .	1,580
Fallow .. .. .	480
Grass lands .. .. .	12,452
Total .. .. .	20,000

15. He added—“ On the same basis the production (after an allowance for home consumption has been deducted) will be—cereals, 250 tons, and hay, 2,600 tons, yielding a revenue of approximately £90. Assuming that the 900 residences estimated by Mr. Mead are built at the rate of 180 per year, additional revenue to the amount of £109 will be obtained over the new line, while existing lines will benefit to the extent of about £580. With regard to fruit, no revenue may be expected from this source for at least five years. At the end of that period, when the trees will have come into bearing, about 3,400 tons should be obtained, representing revenue to the amount of £146 in respect of the new line, and £775 for new traffic over existing lines, or a total of £921. Fruit cultivation has been engaged in in the Ardmona district for the past 25 years, and at the end of March, 1913, there were only 1,180 acres under full bearing. The soil in this district is apparently as good as that of Stanhope, and the land is well served by irrigation channels; therefore, the approximation of 1,100 acres in five years as above mentioned is more reasonable than the estimate of 6,000 acres as stated by Mr. E. Mead.”

16. Mr. Barber further said—“ Each year for five years the new line would earn additional revenue as follows:—

From cereals, &c. .. .. .	£90
From building materials, &c. .. .. .	109
and at the end of five years—	
From fruit .. .. .	146
and would get credit for new traffic over existing lines for .. .. .	775
	£1,120
or a total of .. .. .	£1,120
Against which would be an additional debit for three months' daily service—	
For guards' wages .. .. .	£37
Proportionate annual interest charges on engine and car stock .. .. .	200
	£237
giving net revenue at the end of five years .. .. .	£883

At the end of five years, therefore, the estimated loss, if closer settlement is established, will be reduced from £1,844½ to £961.”

## PROPOSED EXTENSION OF RAILWAY.

17. When the Committee, in July, 1914, reported on the question of railway extension to Stanhope Closer Settlement Area it recommended, by three votes to two, that the railway from Rushworth should terminate adjacent to the Byrneside-Corop 3-chain road, at a point 11 miles from Rushworth. The minority favoured the terminal

point being about  $1\frac{1}{2}$  miles or so further northward towards the Byrneside-Rochester road. Since then levels have been taken all over the 18,800 acres comprising this closer settlement area, and a more detailed inspection made of the quality of the soil for intensive culture on the various estates purchased by the Government. These show that a suitable site for a township can be obtained close to the Byrneside-Corop road opposite the proposed railway terminus  $10\frac{3}{4}$  miles from Rushworth. Mr. Cattnach, in his recent evidence, said—"The levels show that this township site can be drained. We looked into that particularly. There is plenty of fall." It has also since been disclosed by the levels that at the terminal point favoured by the minority of the Committee in July last there is a depression of close on 2 feet, and if a township were placed there it would be difficult to secure drainage. Further northward, however, at a point 3 miles beyond the proposed railway terminus at Stanhope, there is an area of rising ground suitable for both a railway station and township site. This area is fronting the Byrneside-Rochester road contiguous to McDonald's—the most northern of the estates purchased by the Government for closer settlement—and about  $13\frac{3}{4}$  miles from Rushworth. The detailed inspection of the lands comprising Stanhope Closer Settlement Area has shown that McDonald's Estate is the most suitable of all for fruit-growing, being of a lighter and more loamy quality than the lands further southward, and better adapted for citrus and stone fruits such as peaches and apricots, and also for vines. Mr. Cattnach informed the Committee that it was expected McDonald's Estate would be the most closely-settled portion of the whole of the resumed area, and therefore the State Rivers and Water Supply Commission would like to see the proposed railway extended 3 miles northward up to the Byrneside-Rochester road, so as to better serve the settlers who would be placed on McDonald's Estate on allotments mostly ranging from 20 to 40 acres each. Mr. Barber, Traffic Officer of the Railway Department, who visited Stanhope in April, 1915, agreed with Mr. Cattnach that McDonald's Estate was likely to be the most closely settled, and that a fair acreage of the land there would be used for fruit-growing. Mr. Barber added—"Personally, I think if a railway is to be built to Stanhope it would be better to extend it to McDonald's Estate at the outset, as the cost of construction would be cheaper than if that work were done separately later on to meet the requirements of the settlers there."

18. On the assumption that the land comprising McDonald's Estate would be the first applied for, Mr. Barber stated that the proposed railway extension of 3 miles to the Byrneside-Rochester road would, in the first year of operation, bring in £130 additional revenue. Interest at 4 per cent. on the cost of this additional construction and maintenance and working expenses would come to £754, making a further loss of £624, or a total deficiency of £2,468 on the railway. This loss would be lessened as the fruit trees came into bearing in later years, and as the closer settlement area became more populated, and production increased. As regards that development, however, much depended on the markets found abroad for Victorian-grown fruits during the next year or two.

19. Farmers at Timmering East urged the extension of the Stanhope railway northward, and thence north-west to the Byrneside-Rochester road, so as to bring the terminal point nearer to the north-western boundary of Girgaree Estate. This, they said, would lessen their cartage distance to a railway station, and induce them to put a larger area under wheat or oats. The suggested western curve in the railway would also make the terminus further away from the Kyabram line, and better divide the area lying between that line and the Rochester-Elmore railway, besides giving nearer railway facilities to fruit-growers who may be settled on the western part of McDonald's Estate. They overlooked, however, that this curve westwards would badly sever the small allotments into which the northern part of Girgaree Estate has been subdivided, and seriously interfere with their working.

#### RECOMMENDATION OF THE COMMITTEE.

20. If the case for the suggested extension northwards of the Stanhope railway by 3 miles to the Byrneside-Rochester road rested on the claims of the Timmering East farmers alone the Committee would set it aside, as none of those wheat-growers will be more than 11 miles from a railway station when the line to Stanhope is constructed. But the statements now made concerning the suitability of the greater part of McDonald's Estate for fruit-growing, and the likelihood of its being settled at an early date in smaller areas than was at first thought, have placed a different aspect on the matter.

If the railway terminated at Stanhope on the Byrneside-Corop road, as recommended by a majority of the Committee last July, before a close inspection had been made of the land on the several estates comprising the area, and before it was known that so much of the northern part of the area was adapted for intensive culture, those settled on that part would be from 5 to 6½ or 7 miles from the railway terminus. Mr. Cattnach stated that the suggested 3-mile extension would also serve 1,500 acres of privately-held lands in the north-east of the Parish of Girgaree, which will be brought under the compulsory irrigation charge at the same time as the closer settlement lands. In view of these statements, and the expenditure of about £250,000 by the Government on land purchase and water channels at Stanhope Closer Settlement Area, the Committee desires that no obstacle, such as inadequate railway facilities, should stand in the way of the successful settlement of such lands in small holdings and using them to their full productive capacity. Mr. Kernot, Chief Engineer for Railway Construction, informed the Committee that the 3-mile extension, with a station at the railway terminus on the Byrneside-Rochester road, would cost approximately £11,400. The Committee recommends the construction of a 5ft. 3in. railway from Rushworth to Stanhope as permanently surveyed, a length of 10¾ miles, at an estimated cost of £38,825, with £1,950 added for rolling-stock, and also the further extension of 3 miles northwards to the Byrneside-Rochester road, at an additional outlay of £11,400. It also recommends that the line be credited with the surplus revenue arising from the new "inwards" traffic carried over existing railways by reason of the construction of the new line and the settlement caused by it within the area served by such extension. The Committee takes a more hopeful view of the rapidity of settlement and development at Stanhope Closer Settlement Area than Mr. Barber, who, in coming to his conclusions in this respect, had not before him the latest figures concerning the progress made recently at Bamawm and Shepparton irrigation settlements which Mr. Cattnach placed before the Committee.

21. To merely extend the railway into Stanhope Closer Settlement Area, however, and rest there will not suffice. The settlement and development at that irrigation area will largely depend on the efforts made by the Department of Agriculture in the next year or so to find oversea markets for the increasing production of fruit in this State, especially as the war must, after peace has been declared, seriously affect the supplies formerly shipped to German ports. Further efforts should be made to establish an export trade in soft fruits such as peaches and grapes, as well as citrus fruits, as the Stanhope lands are suited for the production of these fruits. Canneries for the preservation of pears, vegetables, &c., should also be erected, with the assistance of the Government, at these irrigation areas if such settlements are to become a success.

SAMUEL BARNES,  
Chairman.

Railways Standing Committee Room,  
State Parliament House,  
Melbourne, 8th June, 1915.

[*Minutes of Evidence are not printed.*]