

1916.

VICTORIA.

THE PARLIAMENTARY STANDING COMMITTEE
ON RAILWAYS.

TWENTY-SIXTH GENERAL REPORT.

PRESENTED TO PARLIAMENT PURSUANT TO THE PROVISIONS OF THE RAILWAYS STANDING
COMMITTEE ACT 1915 (6 GEO. V., No. 2717), SECTION 27.

By Authority:
ALBERT J. MULLETT, GOVERNMENT PRINTER, MELBOURNE.

APPROXIMATE COST OF REPORT.

| | <i>£ s. d.</i> |
|-------------------------------|----------------|
| Compilation.* | |
| Printing (400 copies) | <u>5 0 0</u> |

* The compilation was a portion of the work of the Secretary of the Railways Standing Committee, who is paid by annual salary.

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TWENTY-SIXTH GENERAL REPORT.

*To His Excellency THE HONORABLE SIR ARTHUR LYULPH STANLEY, Knight
Commander of the Most Distinguished Order of Saint Michael and
Saint George, Governor of the State of Victoria and its Dependencies
in the Commonwealth of Australia, &c., &c., &c.*

MAY IT PLEASE YOUR EXCELLENCY :

In accordance with the requirements of section 27 of the *Railways Standing Committee Act 1915*, the Parliamentary Standing Committee on Railways has the honour to submit the following Report of its proceedings :—

1. From the date (7th April, 1915) of its last General Report the Committee has held 208 meetings, and examined 270 witnesses in connexion with various proposed railways and tramways. In making its inquiries the Committee travelled 3,880 miles by rail, and 1,563 miles by road. This does not include the inquiries made by the Royal Commission on Border (New South Wales) Railways, of which the members of the Committee were also members.

2. During the 1915 Session the Committee presented Reports to the Legislative Assembly on the following questions :—

- Burwood and Camberwell Roads, Hawthorn, electric tramway—Further Report.
- South Melbourne Perishable Produce Market, and railway connexion therewith.
- Rushworth to Stanhope railway.
- Nandaly to Kulwin railway.
- Bittern to Red Hill railway.
- Railway connexion with Macarthur, Orford, and Yambuk.
- Bairnsdale to Orbest Township railway extension.
- Railway connexion with Callignee, Gormandale, Longford, Stradbroke, and Woodside (Progress Report—Alberton, Won Wron, to Sale).
- Staughton Vale Closer Settlement Area, Balliang, and Anakie districts connecting railway.
- Railway connexion with Callignee, Gormandale, Longford, Stradbroke, and Woodside (Second Progress Report—Callignee and Gormandale).
- Woorndoo, Caramut, Chatsworth, and Lake Bolac districts connecting railway.
- Marnoo, St. Arnaud, Navarre, and Glenorchy district connecting railway.

QUESTIONS BEFORE THE COMMITTEE.

3. The following questions have been referred by the Legislative Assembly to the Committee for consideration :—

1. Railway extension in the Eastern Mallee, and the provision of an adequate supply of water for settlement purposes.
2. Railway extension in the Western Mallee, and the provision of an adequate supply of water for settlement purposes.
3. Railway connexion with Strathbogie.
4. Railway connexion with Wando Vale, Dergholm, Harrow, Edenhope, and Booroopki.
5. Dookie and Yarrawonga lines connecting railway.
6. Railway connexion with Ardmona and Wyuna districts.
7. Timboon to Port Campbell developmental railway.

8. Railway connexion with Trida, Geachville, and West Tarwin districts.
9. Warrions connecting railway.
10. Beaumaris connecting electric street railway.
11. Fyansford district connecting railway.

PROGRESS OF INQUIRIES.

4. All the local evidence has been heard concerning the Strathbogie, Edenhope, Ardmona, Port Campbell, and Warrions proposals, and also regarding the suggested connecting railway between the Dookie and Yarrawonga lines. Reports on these proposals will be presented to Parliament during the forthcoming Session.

NON-PAYING RAILWAYS.

5. Recently a list of non-paying lines was issued by the Railway Department. It was stated therein that 21 railways, totalling 497 miles, and costing £2,163,373, showed in the aggregate a loss of £126,000 for the financial year 1914-15, owing to the revenue being insufficient by that sum to meet the working expenses and interest charges. Three of these lines, namely, Burnley to Darling, on which there was a loss of £11,613; Outer Circle, which showed a deficit of £14,481; and Moriac to Wensleydale, which had a loss of £1,766, were constructed prior to the constitution of the Parliamentary Standing Committee on Railways in 1890, and so also were all the railways which have been closed because of insufficient traffic. Several of the other lines appearing on the list traverse the northern portions of Victoria, and were built mainly to transport wheat grown in those districts. As the crop for 1914-15 was a failure, in consequence of the drought, the receipts from such railways were largely diminished during that year. But such conditions were abnormal, and the financial results for 1914-15 cannot be regarded as a fair indication of the value of these undertakings. Along these lines there were stored this year many thousands of bags of wheat, and if these stacks are removed by the railways to the sea-board during this financial year (1915-16), a much more favorable balance-sheet concerning these lines will be presented during the next few months.

6. With respect to some of the other broad-gauge lines, and also the 2-ft. 6-in. railways, there is room for doubt as to whether in compiling the financial results for 1914-15 the Railway Department gave them full credit for the traffic they created on the old lines. For instance, it has been the practice of the Department, in compliance with the law which existed a few years ago, to give these new lines credit for 40 per cent. of the revenue arising from the traffic "brought to the general railway system by means of such new line over and above all the working expenses attributable to the said passengers, live stock, goods, and merchandise." In other words, the new line was credited with 40 per cent. of the revenue earned from the carriage of the outwards traffic only from such line over the main line railways, and was not credited with a similar percentage as regards the inwards traffic. To show the unfairness of this law, it may be mentioned that when the Fern Tree Gully to Gembrook narrow-gauge railway was recommended by the Committee it was estimated that the inwards traffic would be 1,360 tons for the first year of working. During the full first year this line was in operation (1901-2) the inwards traffic totalled 2,387 tons, while for the twelve months ended 30th June, 1915, the inwards traffic came to 7,675 tons. Had the Gembrook district not been opened up by the narrow-gauge railway there would not have been so much inwards traffic, including passengers, carried over the Ringwood to Fern Tree Gully line. Therefore, it would be but fair to credit the Gembrook railway with its share of the profits arising from the carriage of that inwards traffic over that broad-gauge line.

7. Again, the railway from Gheringhap to Maroona is shown to have incurred a loss of £21,675 for the twelve months ended 30th June, 1915. This connecting line, which has become a main line between Geelong and the Wimmera district, was laid with heavy rails, large sleepers, and was well ballasted, so as to carry the bulk of the wheat traffic from the Wimmera district to Geelong. In this way the capital outlay on the line was greatly increased beyond that required to deal with the local traffic only. There is a gradual down grade all the way from Ararat to that port. On the other hand, long steep grades against the wheat traffic occur on the Ballarat line approaching Beaufort, and also between Ballarat and Warrenheip, which cause the train loads to be largely reduced.

8. As far as the Committee can learn, the Gheringhap-Maroon railway receives little or no credit for the haulage of the Wimmera traffic over it, although there is reason to believe that this line is debited with a greater part of the working expenses in hauling the grain from the Wimmera district. In support of this belief it may be stated that during last Session Mr. D. S. Oman read a letter in the Legislative Assembly from Mr. Commissioner E. B. Jones, in which it was said that the revenue credited to this line did not include such of the through traffic carried over it as was invoiced by shorter routes, *e.g.*, traffic between Melbourne or Geelong and stations north of Ararat, as it was not possible to do so without a great deal of work, which would not be justifiable. He added that it was only fair to say that if credit for such traffic had been given to the line the annual loss mentioned as arising from it "would have been appreciably reduced or, perhaps, altogether eliminated."

9. In view of these instances the Committee does not accept the balance-sheets of the non-paying lines issued recently by the Railway Department as a true indication of the value of such lines to the railway system or to the State.

10. But even if all the non-paying lines had been fully credited with their share of the traffic they caused on the main lines, a number of them would still be unprofitable undertakings, and the annual loss resulting from such lines would not be covered by the promise which the Honorable the Treasurer made in his last Budget Speech, to use the sum (about £30,000 or £40,000 per annum) placed to the credit of the Developmental Railways Account to make good any ascertained losses arising from the construction and operation of new railways not authorized under the provisions of the Developmental Railways Act.

NARROW-GAUGE RAILWAYS.

11. One matter to which the Committee has directed attention in its former Reports is the large losses in connexion with narrow-gauge railways. When these lines were recommended by the Committee it was with the condition that special rates were to be charged for passengers, goods, and live stock carried over them. But Parliament abolished such rates, thus decreasing the revenue which would otherwise have been earned by these railways. Furthermore, although the traffic on some of these lines shows an increase over that estimated when these undertakings were recommended for construction, the working expenses have, contrary to the anticipations of the Committee, advanced almost in proportion with the increase in traffic, such not being the case with broad-gauge lines. Whether this is due to the maintenance of narrow-gauge railways costing practically as much or more than broad-gauge lines, because of their sharp curves and check rails, or to the locomotives operating such lines not being able to take payable train-loads of low-rate, heavy freight, such as sawn timber and firewood, up the steep grades which exist on some of these lines, is a matter that should be inquired into. Looking, however, at the high estimated cost of constructing a broad-gauge railway into such hilly and heavily-timbered country as the Beech Forest, making a 5-ft. 3-in. line prohibitive, it is certain that without the cheaper narrow-gauge railway that district would not have been opened up as it has been to settlement, and valuable timber which has been milled and carried over the line to supply the wants of Geelong, Ballarat, and other western towns would have become over-matured and wasted.

DECREASE IN RURAL POPULATION.

12. When the more vigorous railway-construction policy was entered on in 1909 the Committee had before it the fact that the rural population of Victoria was steadily declining, whilst that of the metropolitan area was increasing. It was considered essential for the welfare of the State that this should be remedied, if possible, by giving those on the land every inducement, by constructing railways into their districts to convey their produce to market at a cheap rate, to remain on their holdings and cultivate the land. Moreover, many farmers were selling out to their neighbours and proceeding to other States to take up land in the vicinity of newly-constructed lines, and it was apparent that if these cultivators were to be retained in this State there would have to be an extension of our country railways.

Mining and Timber Supplies.

13. Another matter which influenced the Committee in recommending railway construction was that the mining industry was on the decline. It was represented that if lines were constructed into the timbered areas of the State the mines would get timber and firewood at a cheaper rate, and would thus be enabled to carry on operations, preventing a large number of miners from being thrown out of employment. As the State was entering on its closer-settlement policy, it was also necessary to open up these forest reserves, so that the settlers might get supplies of building and fencing material at a cheap rate, and likewise allow Victorian timbers to be used in the erection of the rapidly-increasing suburban dwellings, in lieu of imported woods.

Railways and Agricultural Production.

14. In its last General Report the Committee reviewed the results of railway construction in Victoria during the past 30 years in developing the agricultural resources of the State. It was shown that in the period from 1885-6 to 1900-1 the mileage of railways opened in Victoria increased by 90 per cent., whilst the additional area under cultivation (excluding land in fallow) was but 67 per cent., and the agricultural production increased by only 47 per cent. From 1900-1 to 1913-14 the mileage of railways constructed advanced by 16 per cent. But in that period the area under cultivation increased by 41 per cent., whilst the increase in agricultural production was 77 per cent. This was due to the more general use of fertilizers, and to better methods of farming producing larger crops. In commenting on this development the Committee said it would be seen that railway construction had a favorable influence on agricultural production; but the increase in acreage put under cultivation did not proceed at a ratio proportionate with the vigour with which railway construction was pursued. Broadly speaking, under existing circumstances in Victoria, outside the Mallee and the irrigation areas, where cultivation or production is either insisted on or is necessary, because of the small irrigable holdings, to gain a livelihood, it may be said that, on the average, it takes much longer than was generally expected to obtain sufficient freightage from districts having agricultural lands to make the railways traversing them payable concerns.

SAMUEL BARNES,
Chairman.

Railways Standing Committee Room,
State Parliament House,
Melbourne, 31st May, 1916.