

1918.

VICTORIA.

R E P O R T

FROM

THE PARLIAMENTARY STANDING COMMITTEE
ON RAILWAYS

ON THE

BAW BAW FOREST DISTRICT CONNECTING
RAILWAY;

TOGETHER WITH

MINUTES OF EVIDENCE AND PLAN.

Ordered by the Legislative Assembly to be printed, 12th December, 1918.

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RAILWAYS STANDING COMMITTEE REPORT No. 3.—[6d.]—1907.

EXTRACTED FROM THE VOTES AND PROCEEDINGS OF THE
LEGISLATIVE ASSEMBLY.

WEDNESDAY, 27TH MARCH, 1918.

11. BAW BAW FOREST DISTRICT CONNECTING RAILWAY.—Mr. Barnes moved, pursuant to notice, That the question of connecting the Baw Baw Forest district with the existing railway system by a narrow-gauge railway be referred to the Parliamentary Standing Committee on Railways for inquiry and report.

Debate ensued.

Mr. Lawson moved, as an amendment, That the words " broad or " be inserted before the word " narrow-gauge."

Question—That the words proposed to be inserted be so inserted—put and resolved in the affirmative.

Question—That the question of connecting the Baw Baw Forest district with the existing railway system by a broad or narrow gauge railway be referred to the Parliamentary Standing Committee on Railways for inquiry and report—put and resolved in the affirmative.

MEMBERS OF THE PARLIAMENTARY STANDING COMMITTEE ON RAILWAYS

(*Twelfth Committee.*)

J. MENZIES, Esq., M.L.A., Chairman ;

*The Hon. S. Barnes, M.L.A.,
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.

* Ceased to be a member on becoming a responsible Minister of the Crown, 21st March, 1918.

† Appointed 27th March, 1918.

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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 connecting the Baw Baw Forest district with the existing railway system by a broad or narrow gauge railway, has the honour to report as follows :—

DESCRIPTION OF COUNTRY.

1. The summit of Mount Baw Baw is slightly over 5,000 feet above sea-level. Leading up from the south side to this mount, somewhat in the form of supports or buttresses, are several peaks or mounts, each about 4,000 feet in height, forming part of the Dividing Range, and separating the watersheds of three rivers. On the western slope of this range the River Yarra has its source, on the southern the Tanjil River, and on the south-eastern fall the upper branches of Tyers River have their rise. Generally speaking, the timber on the plateaux above 3,500 or 4,000 feet level is stunted, twisted, and worthless, owing to the frequent strong winds sweeping across the high lands and to snow breaking down the branches and remaining on the ground throughout the winter months, thus retarding the growth of vegetation. At the lower elevations on the mountain slopes the soil improves in quality, and being more sheltered from the strong winds the timber improves, becoming denser in growth, and the trees straighter and longer in the barrel, rendering them fit for milling purposes. On these slopes and extending down into the narrow valleys—the lower country being broken by numerous small hills—are several belts of good mountain ash or blackbutt timber separated by trees of the grey or spotted gum, messmate, silvertop, and stringybark varieties, most of them being of good quality and fit for commercial use. There is also a small supply of blackwood. The best of the timber, both in quantity and quality, is on the fall into the west branch of Tyers River, the older forest on the slope into the Thomson River Valley and towards the head of the east branch of Tyers River having been burnt by a bush fire about thirty years ago. But there is a very fine young forest, chiefly of immature mountain ash, growing in its place, which will not be ready to cut for some twelve years.

2. An area of over 20,000 acres, situated from 5 to 11 miles by road from Watson, a station on the Walhalla narrow-gauge line, would be served by a railway terminating at the junction of the two branches of the Tyers River. Of this area, however, not more than 16,000 to 17,000 acres carry timber that could be cut for commercial purposes, the remainder of the country either being broken and steep—rendering it too costly to fell and haul the trees to a sawmill or to cart out palings—or being strewn with large granite boulders, which would interfere with the economical working of the timber. It was estimated by Mr. H. R. Mackay, Conservator of Forests, that the mountain ash growing on the country falling into the west branch of the Tyers River would yield as high as 50,000 superficial feet of marketable timber to the acre; but he considered that the average yield for all varieties growing on the 16,000 or 17,000 acres would not be more than from 25,000 to 30,000 feet to the acre, as the timber fell away both in quantity and quality as it approached the Moondarra tableland. All the 17,000 acres of good timbered country is a forest reserve excepting about 800 acres, which are held privately. Formerly a larger area of selected lands was in the hands of landholders, but in consequence of the broken nature of the country, its rocky surface in parts, and inaccessibility, these selections were abandoned a few years ago, and were absorbed in the forest reserve. Three sawmills are carrying on operations on the west side of the Walhalla railway, one being on Hotel Creek on the way to the junction of the two branches of Tyers River about 2 miles from Watson, the second also on that creek, but 3 miles from Erica, and the third about 4 miles to the north of Erica—or Knott's siding, a mile or so beyond that station—its supplies of logs being mostly hauled by a winch out of the valley of the upper part of the east branch of Tyers River, and when cut at the mill the sawn timber is taken to the railway siding mentioned. Each of these mills has a wooden tramway worked by horse teams running to the Walhalla railway, and they have still several years' cutting on their areas. So much of the country being reserved for forestry purposes, the Committee had to regard the proposed railway almost wholly as a timber line, and not as a means for developing the agricultural resources of the district, there being only three or four families settled there.

PROBABLE OUTPUT AND MARKET FOR TIMBER.

3. Mr. H. R. Mackay thought that if a light timber railway or iron tramway were constructed to the junction of the two branches of the Tyers River two large mills of about 30 horse-power each, and cutting about 2,500,000 superficial feet of timber annually, or an output of 5,000,000 for the two mills, and three smaller ones, cutting in the aggregate 2,000,000 feet, would be established in the virgin forest on the slopes of the west and east branches of the Tyers River, making a total yearly output of about 7,000,000 superficial feet, or 19,000 tons. When reminded that the Committee had recently recommended the construction of a light narrow-gauge railway from Healesville to Narbethong to tap the timber resources of the Acheron Valley, which is expected to make an additional supply of 12,000,000 superficial feet, or 33,000 tons, of similar timber annually available, and asked where a market could be found for the proposed output of 7,000,000 feet from the Baw Baw district, Mr. Mackay replied that the increased demand would not be wholly in Victoria. He thought a fair proportion of the mountain ash—because of its good quality, if seasoned—would find an outlet in the Adelaide market, and a smaller quantity in the Sydney market. He expressed the view that the lower railway rates from Narbethong, Healesville, Warburton, and Latrobe Valley, as compared with those from the Tyers Valley or from stations on the Walhalla line, would not be too severe a handicap on the Baw Baw timber. The selling price of building hardwood had, he added, been for many years far too low in Victoria. Hardwoods of similar sizes and quality had always been from 3s. to 4s. 6d. per 100 feet super. lower in Melbourne than in Sydney. Then again, the output of sawn hardwoods was small compared with that of the other States. New South Wales, with a population not much larger than Victoria, easily absorbed 100 million superficial feet per annum, while Victoria prior to the war only used slightly over 60 million feet of its local sawn timbers.

LENGTH AND COST OF PROPOSED RAILWAY.

4. Mr. M. E. Kernot, Chief Engineer for Railway Construction, informed the Committee that the most promising route for a 2 ft. 6 in. railway to tap the timber supplies on the south-east slopes of the Baw Baw Range was a line branching off the Walhalla narrow-gauge railway at Watson and proceeding in a north-westerly direction to the junction of the east and west branches of the Tyers River. Owing to the hilly nature of the country traversed, this line would have a serpentine course, so as to secure a ruling grade not exceeding 1 in 30, which is the maximum for broad or narrow gauge railways in Victoria. This line to the junction of the two branches of the Tyers River would be 6 miles 25 chains in length, and if built with curves of 2 chains radius, so as to be worked by the rolling-stock used on the Walhalla railway, would cost £33,690 at present ruling rates for wages, rails, and other materials, or £5,348 per mile. If this line were extended to the second timber-mill site 2 miles further upstream on the east branch of Tyers River its length would be 8 miles 29 chains, and the estimated cost £43,282, or £5,122 per mile. If the line to the first mill site at the junction of the two branches of the Tyers River were constructed for timber traffic only, with 30-lb. steel rails on the straight track, and 40-lb. on the curves, and the curves were sharpened to 1½ chains radius the estimated cost would be £27,786, or £4,410 per mile. In this case, however, special locomotives lighter than those used on the Walhalla railway would have to be employed, but the goods truck stock run on that railway could also be used on this lighter line. If this line were extended 2 miles to the second mill site its cost would be £36,169, or £4,280 per mile, at present prices. Mr. Kernot stated he had also made an estimate for a timber line laid with 30-lb. steel rails but having curves of 66 feet radius, which would lessen the earthworks, but would add a little to the length of the line. This line—which would have to be operated by special light locomotives of the "Shay" type—would be 6 miles 60 chains in length to the first mill site, and was estimated to cost £22,520, or £3,337 per mile; and to the second mill site 8 miles 52 chains, at a cost of £29,625, or £3,386 per mile. All these costs were exclusive of locomotives, rolling-stock, or land resumption. But the ordinary narrow-gauge goods trucks into which sawn timber is loaded could be used without any alteration on this light, sharp-curved line. Neither the passenger cars nor locomotives could, however, be run over it.

5. It was stated by Mr. Kernot that a shorter route for a railway between Watson and the Tyers River had been brought under his notice by Mr. C. H. Hannah. This route would keep close to the wooden tramway track running out to the sawmill of Mr. H. Collins on Hotel Creek, on the way to Tyers River. The objection to this route was the steep grades met with. In one part they would be 1 in 7 and in several places 1 in 10 both with and against the load, which made horse traction expensive, as a team of five could only haul about 3½ tons over such steep grades. These grades made the route impracticable for railway purposes. Another route suggested by Mr. J. L. McKenzie starting nearer Moondarra had been looked into, and the information available showed it would be a very difficult one and would cost at least as much, if not more, than the one surveyed by the Railway Construction Branch from Watson to Tyers River *viâ* the upper part of Hotel Creek. Witnesses, when giving evidence at Erica, suggested a route leaving the Walhalla railway a short distance north of Erica, and proceeding in a northerly direction, keeping on the

west side of the Thomson River for about 4 miles till meeting a low saddle on the Warburton-Walhalla tourist track. Here it would cross the saddle, descending into the valley at the head of the east branch of Tyers River, and would continue down that valley for 3 or 4 miles. This route was examined in 1911 by Mr. Combes, superintendent-surveyor of the Railway Construction Branch. He reported that it was a likely practicable route, but the cost would not be less than the surveyed line from Watson to Tyers River, and the prospects of traffic were not nearly as good as those of the latter route, as timber could be brought down the valleys of the west and east branches of Tyers River to a railway terminating near the junction of these two streams, and more country would be tapped by such a route.

APPLICATION FOR MILLING AND TRAMWAY LEASE.

6. As already stated, the timber growing on the Baw Baw slopes leading down to the two branches of the Tyers River and also in the valleys of those streams has practically been untouched, being still virgin forest. Several splitters have obtained a few railway truck-loads of palings, mostly from the privately-held lands in this area, and some trees were felled on the proposed mill sites. But no sawmill has been erected or any cutting for commercial purposes done outside of the three mills previously mentioned, which are closer to the Walhalla railway and already served by it.

7. The Committee learnt, however, that as far back as 1910 Mr. C. H. Hannah applied to the Forests Department for a lease of a cutting area of 1,000 acres in this forest on the eastern slope of Baw Baw Range, with the right to an additional adjoining area of similar acreage to be held in reserve for the purpose of obtaining timber and sawing the logs at the up-to-date mill he intended erecting in the valley close to the east branch of Tyers River. He also proposed establishing a seasoning plant. The lease of this cutting area has never been issued, nor has any annual rent been paid in connexion with it, though the application was registered in July, 1910, by the Forests Department. Two factors were mainly responsible for this long delay and for matters not reaching finality. The first was the time occupied by the then Ministry in reaching a decision as to whether the State should build a light railway or tramway to tap this timbered area or leave that undertaking to private enterprise; and the second was the outbreak of the war and the difficulties which it put in the way of raising capital to develop the timber and other industries.

8. When Mr. Hannah lodged his application for a lease of this part of the Baw Baw Forest he was informed by letter from the Conservator of Forests that it was the first to be received for that reserve, and that the Government would have to decide "whether the Railway or the Forests Department shall construct an iron tramway into this forest for the working of sawmill plants, or whether it will permit a sawmill company to itself construct such tramway." This intimation caused the applicant to cease action for a year or so, as the likelihood of the Government constructing, at its cost, a light railway from the junction of the two branches of Tyers River to Watson station and charging reasonable rates for the carriage of timber over it would relieve the applicant, or the company which he was promoting, from having to find several thousand pounds of additional capital for this work. At the time the matter was under the consideration of the Ministry the Conservator of Forests wrote a memorandum to his Minister stating he was "strongly opposed to any private company being permitted to lay down a tramway in this forest, as complications would inevitably arise concerning running rights and freight charges for the tramway."

REPORT OF RAILWAYS COMMISSIONERS.

9. Towards the end of December, 1911, the Railways Commissioners reported that this proposed short branch railway off the Walhalla line would be an unprofitable undertaking. On the basis of an annual output of 12,000 tons of sawn hardwood and 2,000 tons of split timber for a period of twenty years they considered that the interest on the cost of construction and new rolling-stock would come to £1,300, and the working expenses to £1,473, or a total of £2,773, while the revenue would be £1,900, leaving an annual loss of £873. The Commissioners added that they doubted if such a large annual tonnage of timber would be forthcoming, in view of the Baw Baw supplies having to compete against those from Warburton, on which the then railway rate was but 4s. 3d. per ton, as against 8s. 4d. from Watson, including the cost of transfer at Moe. They concluded their report by concurring in the view of the Chief Engineer for Railway Construction "that a horse tramway, such as is usually constructed by sawmillers themselves, is best adapted to meet the case." Upon this estimate and view being placed before the Ministry it was decided to allow the tramway to be built and operated by private enterprise, and Mr. Hannah was so informed. Shortly afterwards, as he expected to have several years' cutting on the forest areas he had applied for, he made application to the Lands Department for the lease of a narrow strip of Crown lands about 7 or 8 miles in length from the Tyers River to Watson on which to lay down a wooden tramway, as suggested by the railway authorities, so that the timber sawn at his mill

could be hauled cheaply to the Walhalla line and marketed. This tramway lease was issued in 1912, and since then Mr. Hannah has regularly paid the small annual rental (£1) for the right to the track though the tramway has never been constructed.

A FURTHER APPLICATION.

10. Early in 1916 Mr. Hannah wrote to the Forests Department asking to have his total cutting area enlarged to 4,000 acres, as he would then be able to complete the requisite arrangements for financing the total cost of putting in a large mill in the Baw Baw Forest, and constructing a steel tramway from the Walhalla line to the mill site, the total cost of the undertaking being estimated at £28,000. A reply was sent saying it was the intention of the Government to bring in an amending Forest Bill which would confer authority to grant to undertakings of the kind proposed cutting-mill areas up to a maximum of 4,000 acres. But he was also informed that "in the meantime it will be necessary for you to show by documentary evidence that the amount mentioned by you, namely, £28,000, will be subscribed for the construction of the necessary steam tramway from the Moe-Walhalla railway to the allotted mill site, and also for the erection of the large band sawmill, general working plant, and other equipment on such site." So far, mainly owing to the war and the action taken under the War Precautions Act restricting the flotation of companies, the required evidence has not been submitted. Nevertheless, the Conservator of Forests, while believing that Mr. Hannah had not acquired any legal right to a cutting-mill area at Baw Baw Forest, considered he still has some equitable claim to the issue of the lease, provided he is prepared within the next few months, now the war is over, to actively carry out the conditions of the lease. In these six or eight years there was no other applicant for this area.

VIEWS OF THE CONSERVATOR OF FORESTS.

11. The Committee was recently informed by the Conservator of Forests that, while a few years ago he had been opposed to a private company being permitted to construct a tramway into this forest, he had now modified his views on that matter, because he had since urged the Committee to recommend the State to build timber railways into Latrobe Valley and Acheron Valley State forests, and this advice had been acted on. He thought, in view of those State undertakings, that private enterprise should be allowed to build a light timber railway or tramway from Watson to the junction of the two branches of Tyers River, as it would be such a short line—6 miles—provided that concession was safeguarded with certain conditions which would give all the sawmillers and any piling splitters who may be operating in that forest the right to use the tramway on paying the owner reasonable rates for running rights or for the carriage of their timber over it, and which would also impose on the owner the requirement to maintain the tramway in good order.

VIEWS OF THE COMMITTEE.

12. Having inspected the district and the proposed railway or tramway route and heard evidence and considered official reports dealing with this matter, including Mr. Hannah's application for a cutting area on the east slope of Baw Baw Forest, and being aware of the conditions under which sawmillers conduct operations in other parts of the State, the Committee is of opinion that the Railway Department should not construct and operate a branch broad or narrow gauge railway, 6 miles only in length, from Watson to the junction of the two branches of the Tyers River, especially when the output is likely to be less than 20,000 tons annually. A perusal of the Report of the Parliamentary Standing Committee on Railways made in May, 1900, when it recommended the construction of the narrow-gauge railway from Moe to Walhalla, will show that it was largely influenced in making that recommendation by the evidence of Mr. George Black, the then District Surveyor, Crown Lands Department, who said there is a "large supply of milling timber of various kinds on the slopes of Baw Baw which a railway would open up to the Melbourne and other markets," and "there is between the good land in the Moondarra and Telbit districts, and the excellent forests of timber—without taking into account the mining traffic of Walhalla—sufficient inducement to warrant the construction of a light line of railway." It is obvious from this quotation from the Report that the Committee then believed if the State constructed the railway from Moe to Walhalla the timbers growing in the adjacent forest on the south-east slopes of Baw Baw would be brought to that line by the sawmillers who would operate in that State reserve. In several places in Victoria there are steel steam tramways of greater length than this proposed branch railway which were constructed by sawmillers, without State assistance, to convey their sawn timber, and also that cut by others to the railway, and these tramways are being worked under satisfactory conditions. As, however, the contour of the country between Watson and Tyers River is such that in places there would not be room for more than one light railway or tramway, it should be stipulated in granting permission to lay down a railway or tramway that it is to be of certain construction and completed within a stated period ;

that all sawmillers operating in that forest or in the Tyers valleys are to have the right to send their timber over the tramway at rates to be fixed by the Forests Department; that the owner of the tramway must keep it in good order; and that the Forests Department should have the right to acquire the tramway at any time on paying fair compensation should the public needs require that step to be taken. It is, of course, assumed that the rates which will be fixed for the carriage of timber over the tramway will be alike fair to the owner of the tramway and to the sawmillers operating in the Baw Baw Forest. Unless these running or carriage rights are provided for, the owner of the tramway will practically have a monopoly over this forest, as the configuration of the country is such that to construct a second tramway clear of the first would be an expensive undertaking.

13. The following extract from the Minutes of the Proceedings of the Committee shows the division which took place during the consideration of the question referred to it:—

TUESDAY, 10TH DECEMBER, 1918.

The Committee considered the question of connecting the Baw Baw Forest district with the existing railway system by a broad or narrow gauge railway.

The Chairman moved, That, in the opinion of the Committee, it is not expedient that the Railway Department should construct and operate either a broad or a narrow gauge railway, 6 miles in length, from the Walkhalla railway to the junction of the east and west branches of Tyers River to tap the timber supplies in the Baw Baw Forest district, because of the shortness of the line; the present high cost of construction, owing to war conditions still prevailing; the smallness of the tonnage (less than 20,000 tons) likely to be forthcoming for conveyance over the railway, and the consequent high rate, not less than 8d. per ton per mile, which would have to be charged on all timber carried over the proposed light railway to make the undertaking a payable one and leave sufficient profit to establish a sinking fund with which the capital cost of the railway could be redeemed at the end of 20 or 25 years, when the timber supplies within reasonable access of the terminus of the line are expected to become largely diminished by the annual cuttings of the sawmillers.

And, after discussion—

Question—That the motion be agreed to—put.

The Committee divided.

Ayes, 4.

The Chairman,
Mr. Hicks,
Mr. Melville,
Mr. Toutcher.

Noes, 2.

Mr. J. W. Billson,
Mr. Solly.

And so it was resolved in the affirmative.

JAMES MENZIES,
Chairman.

Railways Standing Committee Room,
State Parliament House,
Melbourne, 12th December, 1918.

[*Minutes of Evidence are not printed.*]