

1919.

VICTORIA.

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THE PARLIAMENTARY STANDING COMMITTEE  
ON RAILWAYS.

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TWENTY-NINTH GENERAL REPORT.

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

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## MEMBERS OF THE TWELFTH COMMITTEE.

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### LEGISLATIVE COUNCIL.

The Honorable ALFRED HICKS  
The Honorable DONALD MELVILLE.\*

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### LEGISLATIVE ASSEMBLY.

The Honorable JOHN WILLIAM BILLSON  
JAMES MENZIES, Esquire  
ROBERT HENRY SOLLY, Esquire  
RICHARD FREDERICK TOUTCHER, Esquire.

CHAIRMAN—RICHARD FREDERICK TOUTCHER, ESQUIRE, M.L.A.†

VICE-CHAIRMAN—THE HONORABLE ALFRED HICKS, M.L.C.†

\* The Honorable D. Melville died on the 20th March, 1919.

† Appointed on the 2nd April, 1919.

## TWENTY-NINTH 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 (27th June, 1918) of its last General Report the Committee has held 184 meetings, and examined 142 witnesses in connexion with various proposed railways. In making its inquiries the Committee travelled 4,278 miles by rail, and 490 miles by road.

2. The Committee has to record, with sincere regret, the death of one of its members, the Honorable Donald Melville, M.L.C., who died at West Brunswick on the 20th March, 1919. He was connected with the Committee from its inception in 1890, and occupied the office of Vice-Chairman for the past fifteen years. Mr. Melville took a deep interest in the work of the Committee, and his assistance in its inquiries was of much value to the Committee. The Honorable Alfred Hicks, M.L.C., was appointed to the vacant Vice-Chairmanship.

3. Mr. James Menzies, M.L.A., having resigned the office of Chairman of the Committee, Mr. Richard F. Toutcher, M.L.A., was appointed in his place.

4. During the 1918 Session the Committee presented Reports to the Legislative Assembly on the following questions :—

Railway extension in the Eastern Mallee, and the provision of an adequate supply of water for settlement purposes (Piangil to Pine Tank, and Manangatang to Bryden's Tank).

Railway connexion with the Upper Acheron Valley district.

Railway connexion with the Baw Baw Forest district.

Waranga-Rushworth railway deviation.

Outer Circle railway (Fairfield Park to Oakleigh Junction).

Fawkner Cemetery to Somerton railway.

### QUESTIONS BEFORE THE COMMITTEE.

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

1. Traffic, working expenses, present condition, future prospects, and course to adopt in the future to reduce loss on the following railways :—(1) That portion of the Burnley to Junction with the Outer Circle railway, from Darling Station to Waverley ; (2) Mount Moriac to Forest railway (Moriac to Wensleydale).
2. Construction of electric street railway from Black Rock to Beaumaris.
3. Railway connexion with Gonn, Murrabit West, and Benjeroop.
4. Railway connexion with the district around Corack and Bangerang, and connecting lines between the Mallee railways.

### PROGRESS OF INQUIRIES.

6. Reports on these questions, with the exception of the last, will be presented to Parliament early in the forthcoming Session. Evidence has yet to be heard on several of the proposed lines to link up the Mallee railways.

## NON-PAYING RAILWAYS.

7. In accordance with the recommendation made by the Royal Commission which inquired in 1917 into the Working of the Victorian Railways, the Railways Commissioners a few months ago made a claim, under section 102 of the *Railways Act* 1915, to be reimbursed from The Public Account the losses made in 1917-18 on non-paying lines constructed since 1896. The claim amounted to £45,062, which represented the loss for a period of eight months on some of the unprofitable lines, and for six months in the case of others, it being impracticable to claim credit for the complete year owing to the full returns not being available up to the 30th June, 1918, when the financial year closed. It is understood, however, that the loss for the full year has since been computed at about £70,000.

8. It should be pointed out that between £15,000 and £20,000 of this loss was due to the action of Parliament in passing an Act (No. 2527) abolishing railway "local" rates. The Honorable W. A. Watt, when asking the Legislative Assembly to agree to the tax on the unimproved value of land, promised that the Government would "set aside and earmark for the reduction of railway freights and for railway construction in country districts a sum of £50,000 per annum" (*Hansard*, vol. 121, page 854). This explicit and definite promise has not been given effect to. Wages, prices of rails, sleepers, &c., and the rate of interest on money borrowed for railway building have all advanced in recent years, thus adding to the estimated losses on new lines. The *Railways Standing Committee Act* 1915 requires the Committee to have regard to the financial results of new railways before recommending such works. Unless, therefore, the revenue of these lines is to be supplemented in some such way, railway construction in Victoria must be retarded.

9. Railways constructed in country districts have, it is estimated, increased the value of land on either side back for a distance of 10 miles by £1 an acre on the average. Allowing for roads this gives, roughly, 12,000 acres, or an enhancement of £12,000 per mile of railway track. As the land tax is  $\frac{1}{2}$ d. in the £1 on the unimproved value, each mile of railway has brought by this means £25 a year into the revenue of the State, and as 1,000 miles of railway have been built in the past twenty years, the Treasury is receiving £25,000 annually more than it would have done had that enhancement not taken place. If that sum were handed over to the railways it would only be giving them the increased revenue arising from the construction of new lines, and would recompense the Department the annual loss occasioned by the abolition of railway "local" rates.

10. Since 1897 approximately 1,000 miles of railway have been constructed in Victoria, 900 miles being broad-gauge and 100 miles 2 ft. 6 in. lines. Of the former, 600 miles, roughly speaking, are on the paying list, leaving 300 miles of 5 ft. 3 in. lines still unpayable. None of the narrow-gauge lines are paying, mainly because broad-gauge rates are charged on these railways, although a narrow-gauge locomotive can haul a load equal to only two-thirds the tonnage taken by a broad-gauge engine over the same grade. The 300 miles of non-paying broad-gauge lines have all been constructed since 1910-11, when Parliament indorsed the policy then put forward for more vigorous railway construction in country districts and the building of developmental railways, which were not expected to pay their way for several years after being opened for traffic, their deficiencies being met by contributions out of the Developmental Railways Account, which has an income of from £35,000 to £40,000 a year. Under this vigorous railway-construction policy such lines as those from Bairnsdale to Orbost, Tallangatta to the Upper Murray district, Noradjuha to Hamilton (to give direct railway connexion between the Western Wimmera district and the outer port of Portland), and the cross-country line from Beeac *via* Cressy to Newtown have been built. But while these railways are all developmental in character, so far no contributions have been made from the Developmental Railways Account towards meeting the losses resulting from their construction and operation. On the contrary, authority has been given by Parliament for this railway fund to be drawn against to the extent of several thousand pounds yearly to assist in the construction of main roads.

11. It is time that new railways participated in the benefit of the Developmental Railways Account, so that railway construction may be proceeded with under conditions that will not cause such lines to be too heavy a burden on the revenue of the State or on the railway system of Victoria.

## NARROW-GAUGE LINES.

12. Although the earnings of the narrow-gauge railways have not been sufficient to meet the working expenses and interest on the cost of construction, mainly because of the low freight rates charged, it must not be overlooked that such lines have done all that was expected of them in opening up Crown lands and timbered areas which were difficult of access. Without these light

railways the country served by them would not have been successfully settled, nor would the many millions of feet of hardwoods milled from such areas have been profitably marketed. The high estimated cost of building broad-gauge railways into such rough districts made lines of that description prohibitive, owing to the large sum which would have to be paid annually as interest on the capital expenditure, which in some instances was double, and even treble, the outlay required for the construction of narrow-gauge railways. Against the losses on narrow-gauge lines must be placed the settlement and production they have induced and the conversion into national wealth of large quantities of timber that would otherwise have gone to waste.

13. Last Session the Committee recommended the construction of a light narrow-gauge railway from Healesville to near Narbethong to tap the valuable timber growing in the Upper Acheron forest. This line is to be built with light rails and used for the carriage of timber and goods only. Before its construction is entered upon the saw-millers interested are to guarantee a sufficiency of freight and agree to pay such rates for the haulage of the timber as will make the railway a paying one.

#### CULTIVATION OF SELECTED CROWN LANDS.

14. Some years ago, at the instance of the Committee, a condition was inserted in the regulations under which Mallee lands were alienated requiring the lessee "to clear and cultivate at least one-fourth of his allotment within two years of obtaining a permit to occupy the land." The object of this was to secure production from the land in the early stages of its occupation, and thus obtain freightage for the railways. This provision has operated satisfactorily, and the question of extending the condition of cultivation to Crown lands selected in other parts of Victoria should receive consideration. Under the existing law all that a selector of a Crown allotment has to do is to reside on his selection, or within 5 miles thereof, and during the first six years he has to make improvements to the value of 15s. per acre in the case of second-class land, and 10s. if it be third-class. There is no condition rendering cultivation compulsory, as in the Mallee, with the result that not infrequently Crown lands are selected in the outlying districts, and, after being fenced and the standing timber ringbarked and fallen trees burned off, the holder of a lease can obtain the fee-simple of the land without having put the plough into any portion of it. In the opinion of the Committee the time has arrived when it should be no longer possible for Crown lands selected under the agricultural provisions of the *Land Act* 1915 to be alienated without having had some portion of the area brought under cultivation. This may necessitate the extension of the probationary period, so as to enable the required cultivation to be done.

R. F. TOUTCHER,  
Chairman.

Railways Standing Committee Room,  
State Parliament House,  
Melbourne, 4th June, 1919.