

1924.

VICTORIA.

R E P O R T

FROM

THE PARLIAMENTARY STANDING COMMITTEE
ON RAILWAYS

ON THE PROPOSED

JUNG TO WALLUP RAILWAY;

TOGETHER WITH

MINUTES OF EVIDENCE, BOOK OF REFERENCE,
AND PLAN.

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RAILWAYS STANDING COMMITTEE REPORT No. 2.—17975.

TUESDAY, 22ND JULY, 1924.

27. CONSTRUCTION OF LINES OF RAILWAY REFERRED TO RAILWAYS STANDING COMMITTEE.—Motion made, accordance with the requirements of the Railways Standing Committee Acts, by leave, and question—The following questions be referred to the Parliamentary Standing Committee on Railways for consideration and report:—

1. The construction of a 5 ft. 3 in. gauge railway from Jung to Wallup.

* * * * *
—(Mr. Hogan)—put and agreed to.

MEMBERS OF THE PARLIAMENTARY STANDING COMMITTEE ON RAILWAYS.

(Fifteenth Committee.)

The Hon. J. W. BILLSON, M.L.A., Chairman ;

The Hon. A. Bell, M.L.C.,
J. D. Deany, Esq., M.L.A.,
A. E. Lind, Esq., M.L.A.,

The Hon. H. F. Richardson, M.L.C.,*
R. H. Solly, Esq., M.L.A. (Vice-Chairman).†

* The Hon. H. F. Richardson ceased, on the 18th November, 1924, to be a member of the Committee, having accepted office as a Minister of the Crown.
† Mr. R. H. Solly was appointed Vice-Chairman *vice* the Hon. H. F. Richardson, M.L.C., on the 19th November, 1924.

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REPORT.

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

FORMER REPORT OF THE COMMITTEE.

1. In August, 1923, the Railways Standing Committee reported on the general reference of—
“ connecting the districts of Wallup and Kewell East (Murra Warra) with the existing railway system by means of a railway or tramway,”

and portion of the recommendation of the Committee was as follows :—

RECOMMENDATION OF THE COMMITTEE.

11. The Committee recommends the construction of a 5 ft. 3 in. skeleton line starting at Jung and proceeding westwards for about 4 miles, close to a road running in that direction from Jung station, then curving on to the 5-chain road (going north-east from Dooen) near the junction of that road with the 3-chain road going north and forming the boundary between the parishes of Kalkee and Jung Jung, and along the latter road for 6 miles; thence along a road slightly north-east and north for about 9 miles, passing on the west side of Barrett's Timber Reserve; and thence north-west for about 4 miles, terminating at Wallup, near the junction of the Warracknabeal-Dimboola road and the 5-chain road from Wallup towards Sheep Hills, a length of about 24 miles, at an estimated cost of £108,000, conditionally on the land-owners benefited contributing as a gift towards the construction of this light railway £48,000, or at the rate of £2,000 per mile for each mile constructed, and that this contribution be lodged in cash in the Treasury before the building of the railway is entered upon. The land-owners benefited to also provide free of cost to the Government the land required for railway purposes, including any station or siding sites which are not already public lands, and to pay any compensation for severance, &c., of lands taken. Provision to be also made in the Act authorizing the construction of this railway for the formation, if necessary, of a Railway Construction Trust under the terms of the *Railway Lands Acquisition Act 1915*, and the Trust to be empowered, *inter alia*, to raise money to make the required contribution towards the construction of the railway.

On 22nd July, 1924, the matter was referred to the Committee by the Legislative Assembly as a specific reference to inquire into—

“ the construction of a 5 ft. 3 in. gauge railway from Jung to Wallup,”

and since then the Committee has again visited the district and taken further evidence relating to the proposal.

RAILWAY OFFICERS' ESTIMATE.

2. When the matter was dealt with in August, 1923, the report of the Railway Traffic Officers was not before the Committee, and the recommendation was made largely because of the offer of the land-holders to contribute £48,000 towards the total estimated cost of construction, viz., £108,000, coupled with the fact that the land to be served comprised an exceptionally good belt of country producing heavy yields of wheat and other cereals. The revised total construction cost, apart from the provision of nearly £8,000 for rolling-stock, worked out at a little under £5,000 per mile, and the proposed contribution of £2,000 per mile, with a consequent removal of nearly half the interest burden on the line, was, with other factors, considered, even in the absence of the departmental estimates, to be sufficient to warrant a favorable report on the general reference. In December, 1923, however, the Committee was

supplied with the report of the Traffic Officers on this proposed line, showing an estimated loss for the first year of working of £5,285, the details being as under :—

JUNG TO WALLUP.

Estimated Annual Interest Charges and Working Expenses.

	£	s.	d.
Interest on £115,145 at 5 per cent., being cost (£107,150) of constructing 22½ miles of broad-gauge railway from Jung to Wallup, with £7,995 added for rolling-stock	5,757	5	0
Transportation and traffic expenses		155	16 5
Maintenance of way and works	1,192	10	0
Locomotive expenses, including repairs and renewals of rolling-stock	1,393	16	11
General expenses, including printing, head office and auditing expenses		68	11 1
Total annual charges	8,567	19	5

Revenue.

	On New Line.			On Other Lines from New Traffic from New Line.		
	£	s.	d.	£	s.	d.
Live stock—100 trucks ..	134	10	2			
Grain—25,000 tons ..	2,386	1	4	561	15	4
Hay, straw, and chaff— 500 tons ..	40	2	11	79	9	6
Manures—1,720 tons ..	80	2	4			
	2,640 16 9 ..			641 4 10		
Total annual revenue					3,282	1 7
Estimated loss first year of operation					5,285	17 10

3. Mr. J. H. Olsson, the Railway Traffic Officer responsible for the compilation of the estimate, was examined by the Committee, which went into the figures in very close detail. A copy of the estimates was also supplied to the local railway leagues, and in August, 1924, the Committee again visited the district to hear the evidence of the leagues on the Traffic Officer's figures and to inspect the district. The main reason urged by the league witnesses in opposition to the figures of Mr. Olsson was that he had, they considered, taken a distance of 10 miles air-line on each side of the existing railways as being already served, leaving a strip with a total width of only 5 or 6 miles at the base of a triangular area, and tapering in a northerly distance of 16 miles to almost nothing at the apex, as a tributary area of 42,500 acres to the new line. It was claimed that, although it was the practice to credit existing lines with a tributary area covered by a 10 miles air-line on each side in level country, an 8 miles air-line should be regarded as giving sufficient gathering-ground for the old lines in this case, because with indirect roads a farmer on an 8 miles air-line might be 11 or 12 miles actual carting distance from a station, and because the fertility of the soil in this region, with a consequent higher freight-production, warranted such a procedure, apart altogether from the factor of the offered financial contribution towards the cost of building the line. It was contended that the adoption of the 8 miles limit would allow of a strip 4 miles wider becoming tributary to the proposed line, and would increase the total area served from Mr. Olsson's figure of 42,500 acres to 105,000 acres.

4. Mr. Olsson was again called before the Committee, and he made it clear that, while the area of 42,500 acres was over 10 miles from an existing line, that area had not been used as the basis for the estimated revenue, which was computed from an area of 174,900 acres, being greater than that claimed by the local residents, and extending to within 4 miles of Jung, 5 miles of Pimpinio and Wail, 8 miles of Dimboola, 7 miles of Antwerp, 8 miles of Tarranyurk, 6 miles of Warracknabeal, 5 miles of Mellis, 8 miles of Sheep Hills and Nullan, 10 miles of Minyip, 7 miles of Coromby, and 8 miles of Murtoa. The portion of the tributary area on the eastern side was limited by the course of the Yarriambiack Creek.

5. Of the total estimated freight of 25,000 tons of wheat, however, the Railway Department had regarded 22,500 tons as being diverted from the existing lines, and only 2,500 tons as being due to the construction of the new line. In accordance with the usual practice, the mileage

proportion of the through revenue was credited to the line for the 25,000 tons for the journey from Wallup to Murtoa, but for the journey from Murtoa to Melbourne the proposed Jung-Wallup line was credited with 40 per cent. of the mileage proportion of the through Wallup-Melbourne rate on only 2,500 tons, as the other 22,500 tons was regarded as diverted traffic which, in the absence of a railway line from Wallup, would have been carried from Murtoa to Melbourne as part of its through journey from originating stations on the existing lines adjoining the Jung-Wallup district. This resulted in the revenue from the carriage of wheat amounting altogether to only £2,947, of which £2,386 was for the new line, and £561 represented the 40 per cent. allowance for traffic brought to the old line from Murtoa to Melbourne.

BARRETT TIMBER RESERVE.

6. It was also contended that Mr. Olsson had made no allowance in his report for agricultural production from the Barrett Reserve, a timber area of 2,900 acres at Kewell East, about 14 miles from Jung, although the previous Report of the Committee on the general reference had included the following recommendation, viz. :—

12. It is also suggested by the Committee that the Barrett Timber Reserve, containing 2,900 acres suitable for cultivation, be sold, as it would realize from £8 to £10 an acre with a railway close to it; and that the proceeds of the sale be given to the Forests Commission to expend either in acquiring land in a district with a greater yearly rainfall and more suitable for the growth of commercial timber or to plant one or more of its reserves in the southern portion of the State with suitable softwoods, which would grow more rapidly and attain larger dimensions in a district having an average rainfall of 30 or 40 inches per annum than in the drier Wimmera country. The box, bullock, and mallee pine growing on the Barrett Timber Reserve is of poor and slow growth, and the land could be more advantageously used for farming than for forestry. The sale of this reserve in suitable farm allotments by public auction should be arranged as soon as Parliament has authorized the construction of this railway and the local residents (or Railway Construction Trust) have set about collecting the required contribution towards the cost of building the line, so that the purchasers of these farm allotments may also become contributors in that respect.

7. Mr. Olsson on being questioned stated that no revenue had been included from the Reserve, because it was at present under timber, and it could not be foretold when it would be farmed for cereals. If it were made so available the Department estimated the line could be credited with £211 for freight from this area. Mr. W. Code, Forests Commissioner, was examined as to the policy of the Commission regarding this reserve, and he stated that the Commission thought it preferable to retain it as a timber area because of the otherwise treeless nature of the surrounding country, and because there were no reserves north of it until the Murray River was reached, although there was an area of 9,000 acres at Dimboola distant 13 miles south-west from the Barrett Reserve.

8. The views of the Forests Commissioners were also ascertained regarding a proposition that the Barrett Reserve should be sold and the amount realized (estimated at between £25,000 and £30,000) devoted to the construction of the proposed railway line. The Commissioners stated that they were strongly opposed to any such proposal, and were, in fact, keenly desirous of extending the very limited timber area vested in the Forests Commission in the north-western portion of the State.

PRODUCTION OF THE DISTRICT.

9. The area under wheat in the district for the year 1922 was 38,329 acres, for a production of 299,961 bags, or approximately 25,000 tons, and on the proposed line, as previously stated, the departmental officers estimate 22,500 tons as being diverted traffic, and 2,500 tons (or 10 per cent. of the total) as new traffic to be credited to the line. The revenue estimate supplied by the Department was based upon an expected average production of 23·4 bushels to the acre, plus a bushel for seeding purposes, or really 24·4 bushels to the acre. The local leagues claim that the production of the district would average 28 bushels, and contend that, while the average production for the whole of the Wimmera for the past seven years has averaged 20·23 bushels and that of the County of Borung 20·66 bushels, it is unfair to apply either of those averages to the parishes of Jung, Kalkee, Kewell East, Kewell West, Katyil, Wallup, Kellalac, and Cannum, because the larger areas would include a higher proportion of lighter land than would be found in the parishes named. Mr. Olsson's figures in this connexion showed an average yield for those particular parishes of 23·82 bushels for the season 1922-23.

PROPOSED RAIL-MOTOR SERVICE.

10. The Committee's recommendation of August, 1923, was for a skeleton line of railway to transport the wheat, wool, and live-stock outwards traffic when train loads of freight were available or to bring fertilizers, cornsacks, and woolpacks into the district. On being informed, however, of the poor financial results the line would apparently show the Committee asked the Railways Commissioners for information relating to the provision of a rail-motor passenger and parcel service, so that the revenue from the line might be augmented without much, if any,

extra capital cost being incurred. The estimated results, however, in this connexion would show a heavy additional loss instead of a profit to the line, the figures being—

BASED ON A DAILY SERVICE.

Working expenses and interest	£
Revenue from passengers, parcels, mails, and small goods ..	1,854
	618
Estimated annual loss	1,236

[BASED ON A SERVICE THREE DAYS WEEKLY.

Working expenses and interest	£
Revenue from passengers, parcels, mails, and small goods ..	1,547
	618
Estimated annual loss	929

11. It will thus be seen that the provision of a rail-motor service, instead of benefiting the line, would have the opposite effect, and that a daily service would increase the estimated total loss on the line from £5,285 to £6,521.

OFFER OF FINANCIAL CONTRIBUTION.

12. The capital cost of the line as originally estimated by Mr. C. H. Perrin, Chief Engineer for Railway Construction, was £107,000, and on this basis the local railway leagues, in April, 1923, voluntarily offered to contribute £48,000, or at the rate of £2,000 per mile. The residents were advised of the Department's estimate of £5,285 loss during the first year of operation, which was much in excess of that anticipated, and when evidence was taken in the district by the Committee in August, 1924, the offer of the railway leagues was reconsidered and amended to one of sharing equally in the total cost of constructing the line. The revised estimate of Mr. Perrin (April, 1924) for the total cost of construction on a mileage of 22 miles 45 chains is £103,000 (plus £7,995 for rolling-stock), and on this basis the contribution of the local residents would be £51,500, and that of the Department £59,495, making a total cost, including rolling-stock, of £110,995. This contribution of £51,500 at interest at 5 per cent. would represent £2,575, and would reduce the loss estimated by the Railways Commissioners from £5,285 to £2,710. In addition, if it were found practicable to use the line for inward loading other than manure without incurring additional expense there would be a credit of £170 from the carriage of 200 tons of cornsacks and woolpacks and 300 tons of general goods, including agricultural machinery and building materials, reducing the loss to £2,540 for the first year of operation. The estimated revenue of £211 that might be obtained if Barrett's Reserve were cultivated has not been included, because of the opposition of the Forests Commission to the proposal that this reserve should be made available for farming purposes.

VIEWS OF THE COMMITTEE.

13. The Committee re-inspected the district and took further local evidence after the receipt of the departmental estimates, and on returning to Melbourne re-examined Mr. Olsson, Special Traffic Officer, on the matter. The chief point of contention was in regard to the traffic to be credited to the line, the local people holding that the line should be credited with all the traffic it carried, and the Railways Commissioners taking the view that 22,500 of the 25,000 tons of wheat expected to be carried represented traffic diverted from existing stations. Therefore, while the proposed new line was credited with the revenue on 25,000 tons from Wallup or intermediate stations to Murtoa credit was given, as previously explained, for only 2,500 tons on the 40 per cent. basis for the journey from Murtoa to Melbourne, the latter tonnage being the new traffic developed by the construction of the proposed line. The Committee asked the Commissioners whether a different financial result to that given in the estimate supplied the Committee would not be shown for the revenue of the line as published in the Annual Reports of the Department, for the reason that it would be impossible to determine when wheat was brought to a station on the proposed Jung-Wallup line whether it was the product of fields now under cultivation or of fields that would be brought under cultivation as the result of the new railway construction. The Secretary for Railways replied on 24th May, 1924, as follows :—

“ if the usual practice of calculating the results of non-paying lines were adopted in respect of the line from Jung to Wallup—if constructed—the results would, as assumed, be different from those set out in the estimate submitted to your Committee.

The difference would, in fact, be very material, because, in accordance with the usual practice, the estimate embodies (in addition to the revenue upon the line itself) 40 per cent. of the revenue brought to the railway system in respect of *new* traffic only, whereas the line would also carry an abnormally large proportion of traffic which would be diverted to it from other lines. This traffic, if the usual method of calculating the actual results of working were adhered to, would have the effect of increasing the revenue beyond the estimate to the extent of 40 per cent. of the revenue earned by the conveyance over existing lines of the diverted traffic brought to them by the new line.

The position in this respect would be so abnormal that the Commissioners are of opinion that the usual practice of calculating the results of working the line (if constructed) should not be followed, and that the calculation should be made on the same basis as the estimate submitted to your Committee."

14. The result of the adoption by the Commissioners of this method of computing the revenue of the line is to render it well-nigh impossible for the line to become a paying one. Had the 40 per cent. basis been applied right through to Melbourne, Geelong, or Portland on the 22,500 tons, as was claimed by local witnesses, the line would have received in the departmental accounts a further revenue credit of between £5,000 and £6,000, which would have had the effect of converting it from a non-paying proposition on the estimates submitted to a paying proposition in actual working. The last paragraph, however, of the letter quoted, stating in effect that this line should be singled out for exceptional treatment, and should not be credited beyond Murtoa on nine-tenths of the traffic brought to existing lines, renders the proposal much less attractive than was the case when the previous report of the Committee was submitted to Parliament; and, in fact, because of the limited development that can be expected in this well-settled area, with consequent "new" traffic, makes the future of the line financially hopeless.

15. The Railway Department's estimate allows for no increase in production in the southern portion of the area affected following on the construction of the proposed line, but in the 42,500 acres beyond 10 miles from an existing railway an increased production of 10 per cent. has been assumed in the revenue computations. The Committee is of opinion that, generally speaking, the area under consideration contains a very high proportion of cultivated land which is already so well farmed that the increase in production is not likely to be much beyond the departmental estimate.

16. This skeleton line would be under a further disability in that it was intended to work it at infrequent and irregular periods, except for two or three months in the year when the grain harvest was being carried (the train being requisitioned for when a full freight load was offering), and the annual interest charge would therefore be relatively high through being spread over a few train loads instead of many, as would be the case with a frequent and regular service throughout the year. The interest charges and the maintenance expenses would run on throughout the year, and would be out of all proportion to the small revenue earned. As a matter of fact, the original estimated loss of £5,285 on the line is nearly wholly the interest charge—the revenue being shown as £3,282, and the working expenses as £2,810, so that with the exception of this difference of £472 the line would lose an amount equal to the whole of the interest charge. In other words, if the residents of the district, instead of contributing half the cost of the construction of the line, as was proposed, paid the full amount it would show a profit of only £472 for the first year of operation. If they paid nothing it would show a loss of £5,285. On the amended estimate of the Chief Engineer for Railway Construction and the offer of the settlers to pay half the cost of construction, the loss for the first year, as previously stated, would be £2,710, or £2,540 if £170 worth of inwards loading could be transported without incurring additional expense.

17. With a district in an early stage of development such a loss might be borne for a commencement in the almost certain knowledge that with progress in the district, due to the railway, the loss would diminish to vanishing point, and ultimately be converted into a profit; but in this comparatively old-established and well-cultivated area such a transforming development cannot, in the opinion of the Committee, be expected.

18. Another phase of the matter which was inquired into by the Committee was that of utilizing road-motor traction to the existing railway stations. The farmers stated that, as the motor tractors in use on the farms were equipped with wheels having "grips" projecting 2 or 3 inches from the outer surface of the tire, it was impracticable to use these tractors to convey wheat to the stations, because, firstly, the councils would not permit tractors with "gripped" wheels to use the roads; secondly, that the "grips" could not conveniently and quickly be removed and replaced according to whether the tractor was operating on the road or in the fields; and thirdly, that the roads were in too bad a condition to permit of motor traction.

19. The Committee considers that despite these objections road-motor traction will afford a large measure of relief in the carting of wheat. It is, of course, desirable that the horses doing the long-distance carting should not be overworked to the stage of leg-weariness and become unfit for the following following the carting, and just as this reason was strongly urged in support of the construction of a railway line it should operate in favour of road-motor traction if a railway be not obtainable. Inquiries made by the Committee show that at Kyabram a large portion of the fruit harvest this year (1924) was removed to the railway station by the commercial motor lorries of the Railways Auxiliary Motor Company, which works in co-operation with the Railway Department, feeding the lines with produce drawn from remote districts, and refusing to compete for traffic where the road parallels the line. A fleet of eight large motor lorries was used for the purpose, collecting the fruit from under the trees in the orchards, and running on the roads to the station, where the Railway Department had trucks drawn up in readiness in such a position that the lorries were able to back right up against the truck and unload direct, saving double handling either at the orchards or at the railway platforms or stacks. The motors can be hired out to wheat farmers for a season's carting, or a group of distant farmers could, of course, by co-operative effort, purchase such motor lorries for their joint needs, resulting in the wheat being transported to the station without undue strain upon horses or men.

DECISION OF THE COMMITTEE.

20. The Committee is of opinion that, for the reasons stated, it is not expedient to construct a 5 ft. 3 in. gauge line of railway from Jung to Wallup.

21. It may be explained that, although on the preliminary or "general" reference a previous Committee recommended the construction of a "5 ft. 3 in. skeleton line starting at Jung and . . . terminating at Wallup," this was done, as stated previously, prior to the receipt of the departmental estimates of revenue and expenditure, and without the knowledge that the Commissioners would adopt the attitude stated in the last paragraph of their letter of 24th May, 1924, and refuse credit on the 40 per cent. basis for nine-tenths of the traffic beyond Murtoa. The Committee wishes to add that, while it fully realizes the great hardship to men and horses entailed in long cartage to railway stations, and is most anxious to help settlers so situated, it cannot overlook the cold facts and figures relating to the proposition, especially in such an instance as this, where, because of the already high proportion of cultivated land and excellent methods of farming, the transformation within a few years of a heavy initial deficit to a small increasing surplus may not be expected as readily as with a partially-developed district.

22. The Committee desires to place on record also its high appreciation of the public spirit which was evidenced by the residents of the Jung-Wallup district in offering to contribute the large sum of £51,500 towards the building of this proposed 22 miles of railway line, and it much regrets that the financial prospects of the line do not warrant such an unusually generous offer being accepted.

R. H. SOLLY,
Vice-Chairman.

Railways Standing Committee Room,
State Parliament House,
Melbourne, 25th November, 1924.

[Minutes of Evidence, &c., are not printed.]