

1927.

VICTORIA.

THE PARLIAMENTARY STANDING COMMITTEE
ON RAILWAYS.

THIRTY-SEVENTH GENERAL REPORT.

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 FIFTEENTH COMMITTEE.*

LEGISLATIVE COUNCIL.

The Honorable ALEXANDER BELL.

The Honorable ALFRED ELLIOTT CHANDLER.

LEGISLATIVE ASSEMBLY.

JAMES DAVIDSON DEANY, Esquire.

ALBERT ELI LIND, Esquire.†

ROBERT HENRY SOLLY, Esquire.

The Honorable GORDON CHARLES WEBBER

CHAIRMAN—The Honorable A. E. CHANDLER, M.L.C.‡

VICE-CHAIRMAN—The Honorable G. C. WEBBER, M.L.A.

* The fifteenth Committee was appointed on the 22nd July, 1924.

† Mr. A. E. Lind was Chairman of the Committee, in succession to Mr. J. D. Deany, from 3rd August, 1926, to 2nd February, 1927.

‡ The Hon. A. J. Chandler was appointed Chairman of the Committee on 3rd February, 1927, in succession to Mr. A. E. Lind.

THIRTY-SEVENTH GENERAL REPORT.

To His Excellency LIEUTENANT-COLONEL THE RIGHT HONORABLE ARTHUR HERBERT TENNYSON, BARON SOMERS, K.C.M.G., D.S.O., M.C., *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. Since the 10th June, 1926, the date of its last Report, the Committee has held 148 meetings and examined 117 witnesses in connexion with various proposals for new railways, and improved station, yard, and locomotive facilities at Ararat, Hamilton, and Mildura. In making these inquiries the Committee travelled 2,820 miles by rail, and 570 miles by road.

2. The Hon. A. E. Chandler, M.L.C., was elected Chairman of the Committee on the 3rd February, 1927, in succession to Mr. A. E. Lind, M.L.A., who succeeded Mr. J. D. Deany M.L.A., as Chairman on the 3rd August, 1926.

REPORTS PRESENTED DURING 1926 SESSION.

3. During the 1926 Session the Committee presented the following reports :—

Specific References—

- (1) Hurstbridge to Mitton's Bridge Railway ;
- (2) Orbost to Brodribb Railway ;
- (3) Darling to Glen Waverley Railway ;
- (4) Casterton to Nangeela Railway.

General References—

- (5) Casterton to Nangeela Railway ;
- (6) Keilor-Bulla District Railway (Progress Report) ;
- (7) Darling to Glen Waverley Railway ;
- (8) Dookie to Katamatite Railway ;
- (9) Corop District Railway ;
- (10) Darriman, Seaspray, and Stradbroke Railway ;
- (11) Keilor-Bulla District Railway (Second Progress Report) ;
- (12) Dederang, Tawanga, and Kiewa Valley Railway ;
- (13) Heathcote North District Railway.

Railway Works—

- (14) Ararat—Station, Yard, and Locomotive Facilities ;
- (15) Glenroy-Albion Connexion (First Progress Report) ;
- (16) Hamilton—Station, Yard, and Locomotive Facilities ;
- (17) Glenroy-Albion Connexion (Second Progress Report) ;
- (18) Glenroy-Albion Connexion (Third Progress Report).

General Report—

- (19) Thirty-sixth General Report of the Committee.

REPORTS READY FOR PRESENTATION.

4. The Committee has prepared reports on the following matters, and will submit them to Parliament at the opening of the 1927 Session, or shortly thereafter, viz. :—

General Report—

- (1) Thirty-seventh General Report of the Committee.

General References—

- (2) Gormandale, Callignee, and Carrajung Districts connecting Railway ;
 (3) Myrniong and Greendale Districts connecting Railway ;
 (4) Edenhope District connecting Railway.

Railway Works—

- (5) Mildura—Station, Yard, and Locomotive Facilities.

QUESTIONS BEFORE THE COMMITTEE.

5. The following questions are before the Committee for inquiry and report :—

- (1) Millewa District Railway Extension ;
 (2) Pine Plains District connecting Railway ;
 (3) Macarthur, Yambuk, Orford, Bessiebelle, Byaduk, and Warrong Districts connecting Railway ;
 (4) Charlton to Wycheproof and St. Arnaud to Birchip Railways connexion ;
 (5) East Gippsland connecting Railway ;
 (6) Tolmie District connecting Railway ;
 (7) Outer Eastern Suburbs (Doncaster and Warrandyte) connecting Railway ;
 (8) Wallaloo, Navarre, and St. Arnaud District connecting Railway ;
 (9) Black Rock to Beaumaris Electric Street Railway extension.

6. The Committee has visited the district and heard local evidence in the case of the Charlton to Wycheproof and St. Arnaud to Birchip lines and the East Gippsland connecting railway, and is now obtaining further information from the Railway and other public Departments on these matters. Owing to the length of time necessary for a thorough investigation it has not been practicable to visit the Millewa and Pine Plains districts, but the Committee purposes making a further inspection of these areas at the earliest practicable date and reporting to Parliament on the proposed railway extensions to serve them.

NON-PAYING LINES.

7. The net amount claimed by the Railways Commissioners for non-paying lines for 1926 was £175,458, being an increase of £40,179 over the 1925 figure of £135,289. The amounts claimed by and recouped to the Commissioners since 1918, when the first claim was made, are as under—

	£
1918	45,062
1919	73,424
1920	91,355
1921	99,494
1922	90,540
1923	108,569
1924	107,924
1925	135,289
1926	175,458
Total amount claimed	927,115
Less claims for 1918 and 1920 not allowed by Treasurer and written off by Commissioners in 1924	136,417
Total amount recouped	£790,698

8. The steady growth of these claims in recent years will be noted, and the following comparison of all the narrow-gauge lines and four broad-gauge lines for a period covering the last three years is interesting :—

Line.	Years.	Traffic Train Miles Run.	Total Revenue Credited to Line.	Working Expenses.	Interest Charge.	Annual Loss.
NARROW GAUGE.						
			£	£	£	£
Ferntree Gully-Gembrook	1924	42,960	16,081	25,166	4,002	13,087
	1925	39,959	15,156	23,454	4,243	12,541
	1926	39,359	13,457	25,309	4,317	16,169
Colac-Crowes	1924	57,727	24,888	31,387	6,559	13,058
	1925	56,678	24,587	31,288	6,560	13,261
	1926	64,232	23,943	34,401	6,661	17,119
Wangaratta-Whitfield	1924	10,292	5,632	7,397	2,225	3,990
	1925	10,550	5,513	8,741	2,241	5,469
	1926	10,280	5,087	8,609	2,160	5,682
Moe-Walhalla	1924	24,859	11,586	16,027	3,211	7,652
	1925	25,848	12,910	18,617	3,211	8,918
	1926	24,299	10,866	15,604	3,121	7,859
BROAD GAUGE.						
Bairnsdale-Orbost	1924	42,982	32,624	22,958	18,711	9,045
	1925	72,383	35,301	26,060	18,361	9,390
	1926	78,385	31,306	29,321	18,869	16,884
Tallangatta-Cudgewa	1924	22,048	13,538	13,024	12,264	11,750
	1925	25,489	16,877	15,313	12,380	10,816
	1926	24,351	14,904	16,523	12,319	13,938
Koo-wee-rup-Strezlecki	1924	11,737	8,438	7,786	1,815	1,163*
	1925	17,102	8,296	9,204	15,509	16,417
	1926	18,190	9,952	9,158	15,555	14,761
Eltham-Hurstbridge	1924	28,271	5,824	14,012	2,712	10,900
	1925	28,489	5,568	11,876	2,726	9,034
	1926	28,865	5,167	11,942	2,781	9,556

* During this year the Strezlecki line was not debited with the full annual interest charge.

9. It will be seen that the losses have not been in a direct ratio with the volume of traffic dealt with, nor the total revenue of the line, and that, further, a disproportionately high loss has generally been brought about by an increase in working expenses rather than by a decrease of traffic. For instance, on the Colac to Crowes line last year the loss increased by nearly £4,000, mainly due to an increase in working expenses to the extent of £3,113, while the revenue decreased by only £644. Although less revenue was earned on the line, the number of train miles necessary to deal with the traffic increased from 56,678 to 64,232. This explains the increased working expenses; but it is difficult to understand on the face of the figures why it was necessary to run 13 per cent. more train miles for 2 per cent. less revenue.

10. The Ferntree Gully-Gembrook line, with a lessened train mileage, and a decrease in the revenue of £1,699, showed an increase in working expenses of £1,855, the net loss on the line being £3,628 in excess of that of the previous year.

11. The two Garratt locomotives recently imported for use on the Crowes and Walhalla narrow-gauge lines are expected to enable a better showing to be made on these sections, but sufficient time has not elapsed for the figures to reflect the operation of these engines, as they were not put in commission until after the closing of the last financial year.

12. On the broad-gauge lines there has been a remarkable increase in the loss on the Bairnsdale-Orbost line. With an increase of only 8·2 per cent. in the traffic train miles the loss on the line has increased by no less than 79·8 per cent. This may be partly due to the fact that the timber carried over the line for departmental maintenance purposes is transported free of charge, so that an increase in the quantity of free freight would result in heavier working expenses without any compensating revenue. The Committee has previously expressed the view that lines such as this should be credited with freight on material conveyed for maintenance purposes.

However, even with the handicap of carrying a very large tonnage of free traffic, the revenue from this line more than met working expenses, but the interest charge of £18,869 brought about a loss, as shown, of £16,884.

13. In the case of the Koo-wee-rup-Strezlecki section, this line was recommended for construction in July, 1912, at an estimated capital cost of £145,750. On the "Specific Reference" in February, 1914, the estimate had increased to £183,235, including £11,074 for rolling-stock, but the line was again recommended at this figure. Owing, however, to the outbreak of war, with a consequent soaring of costs while the line was being constructed, the capital debit to-day is £317,101, representing an increased interest charge at $5\frac{1}{4}$ per cent. of £7,080.

14. The Eltham-Hurstbridge section continues to show a heavy deficit, the working expenses last year being more than double the revenue of the line, and to this must be added a further £2,781 for interest charge. The recent electrification of this section, however, should result in increased passenger and goods traffic on the line, and in lesser working costs.

RAILWAYS UNDER FORESTS COMMISSION.

15. The Forests Commission under its Act (No. 2976) has power, without the necessity of having the proposals referred to the Railways Standing Committee, to construct and operate "tramways" for the conveyance of timber and other forest produce, and has recently constructed a railway line on the 3-ft. 6-in. gauge, running from Collins' siding, near Erica, on the Walhalla line, for about 8 or 10 miles into the heavily-timbered hill country, and, if the safe-working conditions of the Railway Department are observed, the Forests Commission's trucks may be allowed to run through on the 3-ft. 6-in. gauge Walhalla line. This will mean only one handling into broad-gauge trucks at Moe, instead of an additional transfer at the junction near Erica, and consequently result in time and money saved.

16. The experience of all the narrow-gauge lines in the State has been disastrous from the financial point of view, and it is not likely that any further construction on that gauge will be carried out for the Railway Department. In this case the position was complicated by the fact of the Walhalla line being narrow-gauge, and it may of course be that an exceptionally rich timber area will justify such a line. Apart from the actual interest charges and working expenses to be debited against the line, and the freight earnings to be credited to it, the royalties obtained by the Forests Commission from this area, while not strictly railway earnings, will be a source of revenue to the Commission which would not otherwise have been forthcoming.

ROAD *v.* RAIL.

17. A recent press announcement is to the effect that in New South Wales consideration is being given to the construction of concrete roads in certain country districts as an alternative to building railways, the roads being built at right angles to the existing lines, and acting as feeders, instead of running parallel, and acting as competitors. In parts of Victoria where the cost of railway construction is almost prohibitive, owing to the physical configuration of the country, this proposal has a lot to recommend it, and this Committee has in many cases, where railway construction was not justified, recommended that certain roads in the district should be brought to such a standard as would afford the settlers substantial relief. At the same time concrete roads may be found financially practicable only where the cement and stone may be obtained at a reasonable price. In the Mallee districts of this State, for instance, the cost would be so heavy for material brought from a considerable distance as to make the proposal, as compared with a railway, possibly less attractive, and certainly possessing a considerably minimized financial advantage.

18. The continued growth of road motor competition further convinces the Committee of the necessity of some action being taken on the lines recommended in its last General Report regarding railway rates. Without a careful investigation it is not practicable to define exact measures, but, broadly, it would appear that Class 2 should be abolished and the commodities in that group distributed amongst lower classes, raising, at the same time, lower classified goods, with the exception of agricultural produce. The almost world-wide practice of framing railway rates on "what the traffic will bear" is based on sound and logical grounds, but it can be carried to extremes. This principle was initiated and established when slow-moving canal barges and lumbering horse-drawn wagons were the main competitors with railways for inland goods traffic, but in the face of the strong opposition offered by frequent and speedy road motor services, it would seem that the time has arrived for a universal review of the whole matter. Splitting the traffic into a multitude of classes automatically hands over to the road carriers all commodities rated by the Railways above the cost of road haulage, and it is not an effective answer to point out that other railway companies in close or distant countries follow the same practice. They do, of course, but they are losing their traffic also, or they will when the roads are improved.

19. A quite incomplete and highly unsatisfactory remedy would be to declare that road carriers should quote a consignor the same schedule of rates as the Railway Department; a better way would be to impose reasonable taxation on goods vehicles for the use of the roads, and for the Railway Department to lower the rates for high-class goods and raise the rates for low-class goods, subject always, of course, to the lowest possible rates being quoted for agricultural produce and other primary products.

DEVELOPMENTAL RAILWAYS ACCOUNT.

20. The balance at the credit of this account on 31st December, 1926, was £253,190, made up of cash, £128,190, and investments, £125,000. The estimated amount to meet the interest charge for capital expended on developmental roads is £17,300, leaving a balance available of £235,890. There are, however, certain commitments against the account, viz. :—

	£
Bowser to Peechelba line	14,000
Kooloonong to West Narrung	2,943
Red Hill to Red Hill South	16,000
Casterton to Nangeela	15,000
Kanagulk to Edenhope	35,000
Port Fairy to Yambuk	80,000
Total commitments	£162,943

If this amount were deducted it would leave a balance of only £72,947 to be expended, but as the Kanagulk-Edenhope and Port Fairy-Yambuk lines have not been proceeded with, being referred to the Committee on a "General Reference" as new inquiries, it is quite possible that a change may be recommended in these amounts in any conclusion arrived at.

LAND-OWNERS TO PAY FOR RAILWAY LINE.

21. An interesting departure from past methods of apportioning or wholly debiting construction costs was followed by the South Australian Railways Standing Committee, which in November last recommended to Parliament the construction of 40 miles of line from Capietha to Stoke's Corner, on Eyre Peninsula, on condition that the authorizing Act provided—

(1) That the capital cost of the railway, estimated at £181,804 (£175,596 for construction and £6,208 for rolling-stock), be made a charge on the land in the railway district, and be credited to the railway account.

(2) That the railway district comprise all land within 12 miles of the proposed railway, excepting land within 8 miles of the existing railway.

(3) That the cost of the proposed railway be added to the land in the railway district in proportion to its value, and according to its proximity to a proposed railway station or siding.

(4) That the added cost be paid by the land-owners in the same way that advances to settlers under the Advances to Settlers Act are repaid, with interest calculated at 5 per cent. (If the period of repayment be fixed at 25 years the average annual payment will be 5½d. per acre, including interest.)

(5) That the increased value of the land, due to the construction of the railway and the proportion of the railway cost the land shall bear, be determined by an assessment board, consisting of the Surveyor-General, the Chairman of the Land Board, and an officer of the Agricultural Department; each land-holder to have the right of appeal to the board against the assessment.

(6) That the Act shall not come into force until the conditions had been approved by a poll of the land-owners in the railway district.

22. In Victoria, except in the case of lines built exclusively for private companies, it has not been the practice to require construction costs to be paid for in this manner. Many years ago local rates were enforced, making a higher charge on the newly-constructed portion of the line, but these were abolished by Parliament in 1914. With a view to reducing the debit to capital for construction costs, the Committee has recommended in a number of cases that contributions of varying amounts should be applied from the Developmental Railways Account. In the case of the Kanagulk-Edenhope line a recommendation was made in 1923 that the line be built with a debit to capital of £90,000, provided the Government gave an additional £35,000 out of the Developmental Railways Account and the local land-owners, in accordance with a promise voluntarily made at a public meeting, subscribed a further £35,000. Residents of the district

however, represented later that it was not practicable to raise the money, and the proposal lapsed. Since then the matter has been referred to the Committee as a new reference for investigation and report.

23. In December, 1926, this Committee recommended in the case of the Darling-Glen Waverley suburban railway that the residents of that district should guarantee the sum of £10,000 per annum for five years, or £50,000 in all, as a Betterment Rate, which was the first application of the Betterment Rating principle to a purely railway proposal, as distinct from tramways.

24. On a proposal investigated in 1924 to construct a line from Jung to Wallup, the local land-owners offered to contribute a sum of £51,500, being half the total cost of the line, and in 1925 the residents of the Corack, Granite Flat, and Wooroonook districts offered to subscribe a sum of £47,762 for the construction of a line from Charlton. Of this sum £21,562 was made up on the basis of £1,250 per mile, and £26,200 covered five years' estimated loss at £5,240 per annum. Neither of these proposed lines were, however, recommended for construction.

MIGRATION AGREEMENT PROPOSALS.

25. The Committee has not yet had an opportunity of finalizing any of the proposed railways which might be affected by the Migration Agreement. It is obtaining further information regarding the proposed East Gippsland lines, and expected to visit the Millewa district in February or March, 1927, and issue a further report on the route of suggested railway extensions in that area. Owing, however, to the dissolution of Parliament on 5th March, 1927, and the consequent cessation of the Committee's activities, it was not found practicable to make the inspection, as had been desired. The Committee has conferred frequently with the State Rivers and Water Supply Commission and the Closer Settlement Board on the matter, and will visit this area as soon as circumstances permit, and present a report to Parliament.

A. E. CHANDLER,
Chairman.

Railways Standing Committee Room,
State Parliament House,
Melbourne, 1st March, 1927.