

1931.

VICTORIA.

REPORT

THE PARLIAMENTARY STANDING COMMITTEE

REPORT

FROM

THE PARLIAMENTARY STANDING COMMITTEE ON RAILWAYS

ON THE

Ouyen-Murrayville Non-Paying Railway Line ;

TOGETHER WITH

MINUTES OF EVIDENCE, AND MAP.

Ordered by the Legislative Assembly to be printed,

1931.

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RAILWAYS STANDING COMMITTEE REPORT No. 2.—[.].—4172.

EXTRACTED FROM THE VOTES AND PROCEEDINGS OF THE
LEGISLATIVE ASSEMBLY.

THURSDAY, 22ND MAY, 1930.

13. NON-PAYING RAILWAY LINES.—Motion made, by leave, and question—That the Parliamentary Standing Committee on Railways be requested to inquire into and report to Parliament upon the following matters relating to the undermentioned non-paying lines of railway, viz. :—

- (a) Colac to Crowes.
- (b) Koo-wee-rup to Strezleckie.
- (c) Ferntree Gully to Gembrook.
- (d) Ouyen to Murrayville.

1. Any changes that might with advantage be made in connexion with the operation of any of these lines, or in connexion with freights and fares, revenue, working expenses, and interest charges credited or debited to any of these lines.
2. Any other matters that appear to the Committee to be relevant to the Inquiry (*Mr. Cain*)—
—put and, after debate, agreed to.

MEMBERS OF THE PARLIAMENTARY STANDING COMMITTEE ON RAILWAYS.

(*Seventeenth Committee.*)

A. A. DUNSTAN, Esq., M.L.A., Chairman.

A. E. LIND, Esq., M.L.A., Vice-Chairman.

A. E. Cook, Esq., M.L.A.
Thos. Hayes, Esq., M.L.A.

The Hon. M. McGregor, M.L.C.
*The Hon. G. J. Tuckett, M.L.C.

* The Hon. G. J. Tuckett was first appointed a member of the Committee, in succession to the late Hon. Alexander Bell, on 12th May 1931, and again after re-election as a member of the Legislative Council, on 16th June, 1931.

APPROXIMATE COST OF REPORT.

Printing £ s. d.

REPORT.

THE PARLIAMENTARY STANDING COMMITTEE ON RAILWAYS, to which the Legislative Assembly referred the matter of inquiring into any changes that might with advantage be made in connexion with the operation of the non-paying railway line from Ouyen to Murrayville, has the honour to report as follows :—

DESCRIPTION OF DISTRICT.

1. The Ouyen-Murrayville line is in the north-western portion of the State, Ouyen, the junction station, being $288\frac{3}{4}$ miles from Melbourne, on the Mildura line. The Murrayville line runs due west through Underbool to Murrayville, and thence to Pinnaroo, just across the South Australian Border, the distance from that station to Melbourne being 373 miles, as compared with $161\frac{1}{2}$ miles to Adelaide. For the whole length of the line from Ouyen to Murrayville this geographical advantage is held by Adelaide over Melbourne, that factor applying also to intermediate points between Ouyen and Mildura, the respective distances to the principal stations in the district being :—

Railway Station.	To Adelaide.	To Melbourne.	Nearer to Adelaide,
	Miles.	Miles.	Miles.
Pinnaroo	161 $\frac{1}{2}$	373	211 $\frac{1}{2}$
Murrayville	177 $\frac{3}{4}$	356 $\frac{3}{4}$	179
Cowangie	189 $\frac{1}{4}$	345 $\frac{1}{4}$	156
Underbool	214 $\frac{3}{4}$	319 $\frac{3}{4}$	105
Walpeup	227	307 $\frac{1}{2}$	80 $\frac{1}{2}$
Ouyen	245 $\frac{3}{4}$	288 $\frac{3}{4}$	43
Redcliffs	299 $\frac{1}{4}$	342 $\frac{1}{2}$	43
Mildura	308 $\frac{1}{4}$	351 $\frac{1}{4}$	43

2. The district is practically wholly devoted to wheat-growing, the settlement extending for about 12 or 14 miles on each side of the line. The annual rainfall is about 12 inches. There are no regularly running streams, and the stock and domestic supply of water is obtained from the Wimmera and Lake Lonsdale storages, distant many miles, while further westward good bore water is usually obtainable. The country is typical Mallee, being flat and sandy, except for occasional parallel sand ridges running principally in a direction approximating east-north-east by west-south-west. Owing to the comparative slowness with which the sand parts with its moisture, the slight rainfall is sufficient to produce excellent crops of wheat throughout the whole district, except in unusually dry years.

RESULTS OF OPERATING THE LINE.

3. The line from Ouyen to Murrayville was opened on 25th June, 1912. From Murrayville to Pinnaroo, in South Australia, a connexion was made in 1915, that section of line being worked under the provisions of the South Australian Border Railways Act. The reference to the Committee by Parliament was in respect to the line from Ouyen to Murrayville, and the results on

this section since 1919-20, the first year for which the Department has complete records, have been as under :—

Line.	Year Ending 30th June.	Loss.	Profit.	Revenue.	Working Expenses.	Interest Charge.	Traffic Train Miles.
Ouyen-Murrayville : 68.23 miles. Construction Cost per mile, £2,598 ; total, £177,309. Estimated Loss, first year of operation, £604.							
		£	£	£	£	£	£
	1920 ..	5,395	..	18,372	..	7,872	.. 30,977
	1921 ..	..	12,563	..	30,054	..	8,976 .. 69,173
	1922 ..	1,369	..	34,676	..	8,723	.. 55,845
(a) £4,380	1923 ..	4,380	..	35,245	..	8,963	.. 57,069
	1924 ..	..	1,657	..	31,681	..	9,003 .. 73,286
	1925 ..	..	2,286	..	30,295	..	8,918 .. 70,087
(a) £11,814	1926 ..	11,814	..	31,240	..	9,090	.. 79,192
(a) £66	1927 ..	66	..	44,157	..	9,283	.. 76,893
(a) £246	1928 ..	8,258	..	27,670	..	8,525	.. 56,078
	1929 ..	2,012	..	35,024	..	8,666	.. 59,746
	1930 ..	13,148	..	21,176	..	8,444	.. 53,733
Total for period		46,442	.. 16,506	.. 382,993	.. 316,466	.. 96,463	.. 681,884
(b) Annual average		2,721	.. ..	.. 34,817	.. 28,769	.. 8,769	.. 61,939

(a) Less profits earned in previous years to extent of amount shown.

(b) In calculating the annual average loss, credit has been given for profits to the extent of the amounts shown in the various years.

4. It will be observed that the results have fluctuated in a remarkable manner, this being mainly due to the fact that the traffic offering on the line is entirely seasonal and dependent upon sufficient rain falling in the wheat-growing months to ensure a good harvest. In a year of drought in this area, for instance, such as 1929-30, the quantity of wheat conveyed over this section is seriously affected, the figures for the year ending 30th June, 1930, being as under :—

Station.	Tons of Wheat Railed.
Tiega	Nil
Galah	13
Walpeup	20
Torrata	46
Underbool	42
Linga	Nil
Boinka	36
Tutye	886
Cowangie	327
Danyo	154
Murrayville	676
Total	2,205 tons

5. A comparison with the previous table indicates that the season of this light wheat traffic coincided with the year in which the record loss for the line, viz., £13,148, was made. The Commissioners anticipated that with the crops harvested in December, 1930, there would be such a volume of traffic that the operation of the line for the year ending 30th June, 1931, assuming the whole of the wheat were railed from the line by that date, would result in a profit of £1,600. For comparison, it may be mentioned that while only 2,205 tons of wheat were carried in 1929-30, no less than 76,576 tons were carried in 1920-21, and in 1928-29 a total quantity of 30,788 tons was railed.

6. The following table indicates the relation between the wheat harvests and the losses on the line, showing the financial improvement consequent upon a good yield, viz. :—

Year Ending 30th June—	Tonnage of Wheat Despatched from Murrayville Line.	Loss on Line.	Profit on Line.
		£	£
1920	5,786	5,395	..
1921	76,756	..	12,563
1922	38,401	1,369	..
1923	34,112	4,380	..
1924	44,750	..	1,657
1925	44,208	..	2,286
1926	20,900	11,814	..
1927	46,591	66	..
1928	15,531	8,258	..
1929	30,788	2,012	..
1930	2,205	13,148	..

As a ready round-figure approximation, the figures show that a traffic of 40,000 tons from the line may be expected to practically balance the ledger. A volume of freight less than 40,000 tons results as a general rule in a loss, while a greater tonnage usually shows a profit.

7. The goods train mileage figures for the line are liable to wide fluctuation according to the nature of the seasons. There are some apparent anomalies, apart from that factor, such as running 69,173 train miles (goods, mixed, and passenger), in 1920-21, with a profit of £12,563, and running 77,192 train miles in 1925-26 for a loss of £11,814, or a worse financial showing by £24,377. The wheat tonnage transported decreased from 76,576 to 20,900, which should ordinarily have led to a large decrease in goods train miles, but during 1925-26 a great number of water trains were run, conveying water for the departmental requirements, and for drought-stricken settlers. The water for the department was carried free, and no revenue whatever was credited to the line from this source, although it was charged the working expenses so incurred.

8. One of the factors which has caused increased expenditure within recent years has been the increased price of Wonthaggi coal, which rose from 11s. per ton in 1911-12, to 24s. 6d. per ton in 1928-29. The quantity used last year was 1,199 tons, while the average yearly consumption for the last five years has been 1,556 tons.

9. Another matter affecting the figures showing the results of operation is that of the 40 per cent. credit given to the line on account of traffic emanating from it and conveyed over other lines. In 1920-21 there was a record tonnage of wheat carried, viz., 76,576 tons. The line earnings totalled £22,696, and to this was added £28,897 on account of the 40 per cent. credit, giving a gross revenue credited to the line of £51,593. The amount of £28,897 is quite out of proportion to all other payments under this heading. For instance, in the preceding year it was £6,347, and in the succeeding year £15,987. Last year it was £7,288. The explanation offered by the Department appears, however, to be correct, viz., that it is apparently due to the long-haul wheat traffic, the distance to the nearest port, Geelong, from stations on the line varying from 281 to 354 miles. The shorter distance general traffic would not afford such a high extraneous addition. A general approximation would appear to show that, supplementary to the general traffic, the carriage of wheat to the extent of 20,000 tons would result in a 40 per cent. credit of about £12,000, 30,000 tons would represent £14,000, and 40,000 tons £18,000.

10. The capital cost of the line itself, apart from rolling-stock, increased between 1915-16 and 1929-30 by £13,606, the respective figures being £163,703 and £177,309. This amount was made up principally of a new residence at Underbool, £2,379; a reservoir between Ouyen and Tiegga for £1,120; water supply at Murrayville, £1,002; a residence at Murrayville, £854; trucking facilities and cattle-yards at Walpeup, £523; similar works at Cowangie, £470; similar works at Underbool, £491; a siding at Linga, £531; Railway Construction Branch expenditure on the line during 1916-17 to the extent of £2,769; and various small works making up the balance.

11. Dealing generally with the increase in working expenses within recent years, the Commissioners state that comparing the five years ending 1920, when the working expenses averaged £14,463 per annum, with the nine years ending 1929, when the working expenses averaged £30,521 per annum, the increase in the average annual train mileage from 42,457 to 65,333 was occasioned by the mixed train service being increased from three to six days per week in May, 1920. An alteration was made in July, 1923, to a mixed train on three days per week, and a rail motor on three days. This accounted for increased expenditure to the extent of £5,600, most of this (£4,500) being on account of the Rolling-stock Branch. Other factors were:—

- (a) increases in wages and improved conditions granted under Classification Board and Arbitration Court Awards, approximately £5,000;
- (b) increases in the price of coal, £1,100;
- (c) sleeper renewals 1920 to 1929 were extensive as compared with very small renewals from 1912 (the date of the construction of the line) to 1920, the average annual increase under this heading being approximately £900;
- (d) increase in the cost of repairs owing to the operation for a time of the 44-hour week, and an increase in the price of materials other than coal.

12. The paramount necessity of keeping the train mileage in close check is exemplified by the statement of the Commissioners to the effect that the Rolling-stock Branch cost of operation per train mile has increased in the following manner, viz.:—

					s. d.
1919-20	..	..	..	..	4 7
1920-21	..	..	..	..	5 3
1926-27	..	..	..	..	5 9
1927-28	..	..	..	..	6 3

Within the last three years the Commissioners have, however, effected a substantial curtailment in the train mileage run, as will be seen from the following table of train miles for the Ouyen-Murrayville section, viz.:—

1918-19	35,014	1924-25	70,087
1919-20	30,977	1925-26	79,192
1920-21	69,173	1926-27	76,893
1921-22	55,645	1927-28	56,078
1922-23	57,069	1928-29	59,746
1923-24	73,286	1929-30	53,736

13. A statement supplied by the Commissioners shows that while the goods mileage has varied widely according to the wheat harvests, the combined mixed train mileage and rail motor mileage has been practically stationary for the last ten years. This is evidenced in the following table, viz.:—

STATEMENT SHOWING TRAIN MILEAGE ON OUYEN-MURRAYVILLE LINE FOR THE PERIOD 1919-20 TO 1929-30.

Year.	Goods Mileage.	Mixed Mileage.	Total Steam Mileage.	Rail Motor Mileage.	Total Mileage.	Total Mileage Excluding Goods.
1919-20	7,306	23,664	30,970	..	30,970	23,664
1920-21	26,605	42,568	69,173	..	69,173	42,568
1921-22	13,077	42,568	55,645	..	55,645	42,568
1922-23	14,501	42,568	57,069	..	57,069	42,568
1923-24	30,922	22,168	53,090	20,196	73,286	42,364
1924-25	27,630	21,173	48,803	21,284	70,087	42,457
1925-26	35,572	21,384	56,956	22,236	79,192	43,620
1926-27	32,069	21,364	53,433	23,460	76,893	44,824
1927-28	13,578	21,284	34,862	21,216	56,078	42,500
1928-29	17,158	21,216	38,374	21,216	59,590	42,432
1929-30	10,420	21,284	31,704	22,032	53,736	43,316
Totals	228,838	301,241	530,079	151,640	681,719	452,881

14. For the eight years ending 1919-20 the average annual expenditure of the Rolling Stock Branch on the Ouyen-Murrayville section was £6,114. For the ten years ending 1929-30 the average annual expenditure of the Branch was £18,925, an increase of £12,811 per annum. The explanation of this very large increase lies mainly in the better train service provided, which was increased from three to six days weekly in 1920. It was reduced again to three days a week in September, 1930. Whether it should during all those intervening years have remained at six days per week, especially in view of the higher wages and improved conditions in operation, is a matter for conjecture. This matter is further dealt with under the heading "Views of the Committee."

15. The passenger revenue on the line has decreased seriously, there being a fall from £5,575 in 1925 to £2,073 for the year ending June, 1930. The records of the department include two additional stations between Murrayville and Pinnaroo, and those figures show a decline in the number of passenger journeys during the two years mentioned from 15,620 to 4,877, the falling off being attributed to private motor vehicles, poor seasons and the prevailing depression.

THE SOUTH AUSTRALIAN BORDER RAILWAYS AGREEMENT.

16. The South Australian Border Railways Agreement is incorporated in Act No. 2424 of 1912, and it is provided therein that 40 per cent. of the revenue derived on other lines in respect of traffic carried over the Puralka to Mt. Gambier and the Ouyen to Pinnaroo lines should be applied in the following manner :—

Firstly.—Crediting the working expenses and interest charges on the Puralka-Mt. Gambier and the Pinnaroo-Murrayville lines to the extent of any deficiency on those lines.

Secondly.—Crediting the working expenses and interest charges on the Ouyen-Murrayville line to the extent of any deficiency on that line.

Thirdly.—Crediting each State equally with a maximum amount of £5,000 per annum.

Fourthly.—Crediting each State equally, subject to adjustment at the date of capitalization.

Under this agreement the following payments have been made by Victoria to South Australia, viz. :—

In respect to the Period—		Amount paid.
		£
29th July, 1915, to 30th June	1918	14,521
Year ended 30th June	.. 1919	3,199
	1920	2,005
	1921	3,879
	1922	3,938
	1923	3,297
	1924	2,849
	1925	1,630
	1926	1,367
	1927	6,156
	1928	2,662
	1929	4,684
Total to 30th June, 1929	.. ..	£50,187

In accordance with other provisions of the Act, a further sum of approximately £235,000 will also require to be paid by Victoria to South Australia.

17. The anomalous position has therefore arisen of Victoria paying money to South Australia on account of alleged profits, while at the same time the Commissioners are being reimbursed by the Victorian Treasurer for losses. This has been caused, as was pointed out by Mr. J. A. Norris, Auditor-General, in evidence before the Committee, through the provisions of the Act specifying that 40 per cent. of the revenue shall be applied in a certain manner, the assumption apparently being that 60 per cent. of the revenue would be sufficient to cover working expenses, and 40 per cent. would be profit. In no year since the passing of the Act (1912), has the percentage of working expenses to gross revenue been as low as 60 per cent. It has ranged from 68·95 per cent. to 81·88 per cent., while last year it was 79·27 per cent. The figure of 40 per cent. specified by the Act should thus in respect of the year ending 30th June, 1930, have been only 20·73 per cent. in order to carry out the apparent intention of first deducting the working expenses.

ECONOMIES EFFECTED IN OPERATION.

18. The Committee ascertained that in September, 1930, two rail motor drivers and a vanman were withdrawn from this line, while an operating porter was removed from Underbool in October. Earlier reductions were made in January, 1928, when a porter was removed from Murrayville, and in October and November, 1929, when two operating porters were withdrawn; also in March, 1929, when the track force for the line was reduced by three gangers and two repairers, consequent upon the motorization of the lengths. The present staffing of the line is :—

Tiega	..	No one in charge.	
Galah	..	Caretaker, Class 3	.. .. 3s. 2d. per day.
Walpeup	..	Stationmaster, Class 8	.. .. £269 per annum.
Torrita	..	Caretaker, Class 3	.. .. 3s. 2d. per day.
Underbool	..	Stationmaster, Class 8	.. .. £269 per annum.
Linga	..	Caretaker, Class 3	.. .. 3s. 2d. per day.
Boinka	..	Caretaker, Class 3	.. .. 3s. 2d. per day.
Tutye	..	Caretaker, Class 4	.. .. 1s. 10d. per day.
Cowangie	..	Stationmaster, Class 8	.. .. £269 per annum.
Danyo	..	Local resident caretaker	.. .. £1 per month.
Murrayville	..	Stationmaster, Class 7	.. .. £289 per annum.
"	..	Operating porter	.. .. 15s. 2d. per day.
"	..	Vanman	.. .. 14s. 2d. per day.

19. Apart from staff temporarily utilized for busy season traffic, there has not been any increase in the staff of the line during the past three years. In addition to the staff reductions mentioned, the train service was reduced on 8th September, 1930, from three mixed trains and two rail motor trips in each direction weekly to three mixed trains in each direction per week.

DO PRESENT WHEAT RATES PAY THE DEPARTMENT?

20. The average freight rate per ton per mile for the financial year ended 30th June, 1930, was 1·7d. for goods, and 2·1d. for live stock, or an average total charge of 1·8d. for goods and live stock combined. The average length of haul for wheat for the year 1929-30 was 147 miles, and the average rate per ton per mile ·9d. Owing to the poor harvest in the portions of the State more distant from the seaboard, the average haul in 1929-30 was comparatively short, being in a normal season 173 miles for an average rate per ton per mile of ·8d. From the stations along this line, however, the wheat rates per ton per mile are (including the subsidy paid by the Government) slightly less on account of the long-distance taper, being:—

Distance. Miles.	Wheat Rate per Ton per Mile. Pence.
150	1·08
200	·905
250	·776
300	·693
350	·637

All the stations on this line are beyond 288 miles from Melbourne.

21. Mr. Commissioner Molomby stated in evidence that though the average rate for all goods and live stock was 1·8d. per ton per mile, it could not be stated that the low rates quoted for wheat were not payable, nor in fact that the average rate of 1·8d. per ton per mile was payable, seeing that the year's operations on the whole system had resulted in a loss of £1,036,997. Dealing with the matter of the Commissioners receiving a subsidy from the Government (in accordance with section 102 of the *Railways Act 1928*) for the carriage of agricultural produce at rates lower than those formerly charged, Mr. Molomby gave evidence to the following effect, viz., (Q.) "Can you say whether or not wheat is carried at a profit? . . . (Ans.) I could not. (Q.) Can you say whether it is carried at a loss? (Ans.) I could not say one way or the other, because we have not the means of properly dissecting costs and revenue over lines where passenger and goods traffic is so interwoven as it is on our system."

22. It was pointed out by the Committee that with a heavy harvest in the Murrayville district, viz., 76,576 tons hauled, the line showed a profit of £12,563 in 1921, while with a poor harvest (viz., 15,531 tons of wheat hauled) in 1928 there was a loss on the line of £8,258. The Commissioners stated that in view of the results they were receiving from year to year it was not likely that wheat was being carried at a profit. At the same time there were instances where there might be an irreducible mixed train service running on certain lines with a permissive load of, say, 350 tons. It might be carrying 250 tons, and as the train had to run it would cost practically no more to haul an additional 100 tons of wheat.

REVENUE FROM LAND SETTLEMENT.

23. It was represented to the Committee by residents of the district that one of the best means of bringing additional revenue to the line would be by opening up further land for settlement north of the parishes bordering the Ouyen-Murrayville line on the north side, viz., Pallarang, Koonda, Woatwoara, Purnya, Mamengorooock, Gnarr, and Kattyong. A report on this matter was obtained from the Surveyor-General, Mr. A. E. W. Tobin, who states that within a distance of 40 miles westward from about Walpeup there are 298,000 acres, of which only 66,000 acres are fit for settlement.

24. The Sunset and Birthday Plains country was the most extensive suitable area, comprising about 36,000 acres, being distant from 18 to 30 miles by road from Cowangie Railway Station. Three other areas in the south-east of the County of Millewa amount to about 21,300 acres, while an area of 8,830 acres in the parishes of Gnarr and Kattyong, which are already subdivided, comprise light sandy soil, and should, in the opinion of the Surveyor-General, be re-divided into larger areas. Mr. Tobin states:—"These isolated areas are so distant from existing railway facilities that the cost of road transport in my opinion would be a heavy burden on the settler."

VIEWS OF THE COMMITTEE.

25. The Committee has heard evidence in the district as well as hearing in Melbourne the evidence of Mr. T. B. Molomby, Railways Commissioner, and Mr. J. A. Norris, Auditor-General. This line is one which is influenced largely by the seasons, and every allowance must be made for this in analysing the results of operation. At the same time this factor does not automatically remove it from the possibility of extravagant management in dealing with the traffic for commodities other than wheat. At present, however, the line is not excessively staffed, and the train service appears reasonable for a normal year's traffic. It does, however, appear to the Committee that, from a financial point of view, the train service has been in excess of requirements for most of the time from May, 1920 (when it was increased from three days weekly to a daily service), until September, 1930, when it was decreased from a daily service to three trains weekly. An extract from the evidence of Mr. Commissioner Molomby on the matter of the train service provided is as under:—

“(Q.) Apparently you were more generous to the people in that year, 1920-21, than you are to-day? (Ans.) Judging by the questions that have been asked by the Committee they think so too. (Q.) Do you not think you were over generous in those days? (Ans.) The people in Victoria have had much more service than they were probably entitled to; but those were the days of progress, and we had to keep abreast of the times. We had to reasonably meet the situation as it arose; that is, generally speaking. Now we are making comparisons between what we were doing then and what we are compelled to do through the financial position of the State—force of circumstances. We did pay a considerable amount of regard to convenience as against absolute necessity, and we did give a generous train service. Probably the train service would have been continued had not this financial depression come upon us overnight. We did not at the time look into the question of the train service and did not regard it as extravagant in any way. It was a newly-settled country; we hoped it would be developing every day, and we offered encouragement to the people accordingly.”

During that period of increased service a remarkable advance in costs occurred in connexion with the Rolling-stock Branch. For the twelve months ended June, 1920, the Rolling-stock Branch's costs were £7,084. For the next twelve months they were £18,189, an increase of 156 per cent. in twelve months to meet an increase of 100 per cent. in the train service.

26. The Commissioners were questioned on the increase in Way and Works Branch expenditure between 1919 and 1927, the amount rising from £4,070 to £9,834. In the latter year the sum of £1,425 was expended for the materials for sleeper renewal, as compared with practically nothing in 1919-20, and a sum of £1,611 was expended on the maintenance of residences, station buildings, &c. Apart from the fact that the sum of £1,611 appears very high, these two sums combined represent £3,036 of the increase of £5,764, leaving £2,728 apparently caused by increased staff, and increased wages to gangers and repairers. The Committee is of opinion that this large expenditure was in excess of requirements and could with perfect safety to the line have been materially reduced. The latest figures of the Commissioners are fortunately tending in that direction, the expenditure for 1930 being £8,018.

27. On the matter of increased costs generally, and particularly in regard to the increase from an average annual expenditure of £14,463 per annum prior to 1920 as compared with £30,521 after that date, it should be pointed out, in fairness to the Commissioners, that many of the costs were quite beyond their control. These factors are enumerated in paragraph No. 11 of this Report, and comprise briefly—

- (a) increased wages under various awards;
- (b) increased cost of coal;
- (c) increased cost of repairs;
- (d) increased cost of maintenance in the later period as compared with earlier years.

28. In respect to water traffic, which occurs only in drought years, an important principle is involved, inasmuch as the Department has been in the habit of carrying water for its own use free of charge, but debiting the line with the working expenses involved, and claiming on the Treasury for the greater loss thus brought about. The following is an extract from Mr. Commissioner Molomby's evidence on this matter, viz.:—Q. “You say no credit is given to the line for either water trains or timber carried over the line in special trains for the Department, but I take it that you charge the expense of running that train mileage; a train cannot run without some expense being involved? . . . Ans. Yes, it is charged on the mileage that is run; the line is debited with that.” This practice applies not only to the Ouyen-Murrayville line as far as water is concerned, but on other lines where water conveyance may be necessary during drought periods. There was a heavy water traffic in 1925-26, and in that

year the number of train miles run was 79,192, the record for the section. Mr. Commissioner Molomby stated in evidence that the Commissioners have now no records of the train mileage incurred in hauling water or of the quantity purchased for departmental or settlers' use. It would appear, however, that the exceptionally heavy loss that year of £11,814 was very largely brought about by the Department charging up the operating expenses to the line, and giving it no credit for water carried for departmental purposes. It seems to the Committee that it would be proper when no credit is given a line in such circumstances as this, to also refrain from debiting it with the train operation costs involved. The present practice in the opinion of the Committee wrongfully augments the amount to be received from the Treasurer as a "loss."

29. On the matter of "through" rates being quoted to and from South Australian stations, as compared with the present practice of charging the sum of each State's local rate to and from the Border, the Commissioners state that exhaustive investigations made a few years ago disclose that as between Victoria and South Australia there would be a loss of £74,000 per annum to Victoria by the adoption of the through rating system at Pinnaroo and Mount Gambier, both of which stations are much closer to Adelaide than to Melbourne. Assuming that through rating were at the same time made uniform throughout the Australian States, there would, on the other hand, be a more than compensating gain to Victoria by the flow of Riverina traffic to Melbourne rather than to Sydney. The loss to New South Wales would, however, be so great (being estimated in 1922 as £388,000 per annum), that it is not likely any agreement will be reached on this matter between the Commissioners of the various States for many years to come.

30. Adelaide is closer to all the stations on this line than is Melbourne, and in the higher classes of goods the South Australian rates are lower, resulting in a large portion of the storekeepers' goods coming from South Australia. With respect to wheat, however, the position is that at present the Victorian rates to Geelong or Williamstown from all stations between Ouyen and Murrayville are less than the rate to Port Adelaide, and practically all the wheat comes over the Victorian lines. If through rating were introduced there would be a slightly cheaper rate from Murrayville only to Port Adelaide.

31. The Committee has considered the matter of bringing additional revenue to the line by the opening up of further land for settlement to the north of the area now occupied along the north side of the Ouyen-Murrayville section, but does not consider this a suitable time for throwing open further allotments in that territory. The report of the Surveyor-General is not optimistic, and it would seem that the long distance from existing stations, coupled with the lightness of the soil in some parts, would jeopardize at present the success of further settlement projects. The Sunset and Birthday Plains country offer the best prospects, but even there the most extensive suitable area of 36,000 acres is between 18 and 30 miles from a railway station.

32. The Commissioners estimate that for the year ending 30th June, 1931, the result of operating this line will be a profit of £1,600, following a loss last year of £13,148. This estimate was based on an anticipated revenue of £48,000, working expenses £35,500, and interest charges £11,900, and was conditional upon practically all the wheat from this line being railed from the district before 30th June, 1931. The economies effected by the Commissioners, by the reduced time-table inaugurated after this matter had been referred to the Committee by Parliament, will, it is estimated, result in a total saving of £2,030 per annum, including £1,115 on account of reductions in staff.

A. A. DUNSTAN,
Chairman.

Railways Standing Committee Room,
Parliament House, Melbourne,
9th July, 1931.

[Minutes of Evidence and Map are not printed.]