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VICTORIA

VICTORIAN RAILWAYS

REPORT

OF THE

VICTORIAN RAILWAYS BOARD

FOR THE

YEAR ENDED JUNE 30, 1975

ORDERED BY THE LEGISLATIVE ASSEMBLY TO BE PRINTED, 14TH APRIL, 1976.

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**ANNUAL
REPORT**

'74 | '75





Wagon loads of wheat at Mangalore awaiting consolidation until the passing of the Albury-bound passenger train.

(Front cover)

Glen Waverley bound train approaches Kooyong Station.

Lineside beautification is part of an upgrading project.

'74 '75

'74'75 REPORT

OF VICTORIAN RAILWAYS BOARD

FOR THE YEAR ENDED JUNE 30, 1975



OFFICE OF THE BOARD
67 SPENCER STREET
MELBOURNE 3000

November 26, 1975

The Honorable E. R. MEAGHER, M.B.E., E.D., M.P.,

Minister of Transport

Dear Mr. Minister,

In accordance with Section 105 of the Railways Act, the Report of the Victorian Railways Board for the year ended June 30, 1975 is submitted to Parliament.

Yours sincerely,

Chairman
Victorian Railways Board

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A CHARTER AT THE CROSSROADS



The Board entered its second year of office in a spirit of confidence. Its charter was clear; the course that had to be pursued to implement this charter was defined; it judged its management resources to be equal to the task; necessary changes in organization and systems had been implemented or initiated. The new accounting and costing system, designed to furnish management with the necessary information and controls to operate the Railways as a commercial organization responding to the needs of the market, had been progressed to the stage of initial implementation by July 1, 1975. Admittedly, daunting problems had been identified—problems brought about by inflation, by financial starvation of the Railways in the past, and by lack of clear community objectives expressed in consistent Government policy over earlier years. However, the Board was still confident that once these problems had been defined and the way pointed to courses of action that would lead to their ultimate solution, together with the necessary funds to implement the modest improvements proposed, measurable progress would be made towards the concept of an independent, commercially-oriented railway system which the Board was established to achieve.

It is accordingly a matter for regret that at the end of its second year the Board must report little progress in any real sense towards overall achievement of this new concept of the Railways.

Irrespective of the action taken by the Board to reconstruct the Railways and initiate internally the systems and procedures inseparable from a successful commercial enterprise, the Board's task in implementing its charter from the Government will stand or fall on external factors beyond its control. Of these the most important and far reaching are:

- (i) *the availability of capital funds;*
- (ii) *the power to set prices in response to market forces;*
- (iii) *the existence of conditions conducive to equal competition with other modes for*

potentially payable classes of traffic; and

- (iv) *the ability to rationalize services and shed traffic which is not potentially payable even under conditions of equal competition.*

Of all these vital matters, the most important is the Railways' urgent and imperative need for an adequate flow of capital funds. With labour representing approximately 80 per cent of costs and inflation running at its present rate, capital investment in labour-reducing processes or facilities—particularly those that improve market penetration by increasing capacity and/or standards of service—is the most effective avenue to improvement in the annual accounts.

Additional remunerative traffic cannot be sought and won without adequate motive power and suitable rolling stock, which to meet today's market needs must often be of a specialized nature. The intolerable financial burden of maintaining outworn, outmoded vehicles—both passenger and freight—must be overcome by the provision of funds for a greatly accelerated programme of replacements. On main lines, semi-manual, labour-intensive signalling systems must be replaced by modern automatic installations with centralized control.

As pointed out under the heading "Works and Services Programme", the 1974/75 allocation of Loan Funds from State services was \$19.769 million, which compares with \$16.444 million in the previous year. Commonwealth funds made available for urban works increased from \$5.093 million to \$15.072 million, with the result that total expenditure on works and services increased from \$21.537 million to \$34.841 million.

Whilst this total increase of \$13.304 million was most encouraging, at the same time it must be noted that \$12.603 million of the increase (including \$2.624 million State Funds) was devoted to the urban improvement programme in pursuance of the social objective of reducing road congestion and costs by encouraging the use of public transport. In the vital non-urban areas

where the Board must look to pursue its commercial objectives the expenditure increase was only \$0.701 million, far less than sufficient to offset the effects of monetary inflation on the costs of new works and replacements.

It is accordingly vital that substantial increases be made in future years in the funds made available to the Board for non-urban works, over and above amounts needed to match Commonwealth grants for urban works and to offset the effects of inflation.

It goes without saying that the Board is pursuing, and will continue to pursue, all practicable means of increasing efficiency by the implementation of modern management techniques and aids, and by improved planning and operating methods, and details of what is being achieved in these directions will be found elsewhere in this report. Nevertheless, the facts remain that the Railways are labour-intensive in terms of manpower as a proportion of total costs; that known and proved labour-saving techniques require only the availability of funds for their implementation; that excessive maintenance costs are being incurred on outworn and obsolete passenger and goods vehicles that require only adequate funds for their replacement; and that there are excellent prospects of big tonnages of potentially profitable types of bulk freight to be won if capital funds are made available for the necessary motive power and rolling stock.

A matter of very great concern to the Board in its endeavour to implement its charter is its realization that in one of the most vital activities of a business undertaking, that of price fixing, under present conditions its discretionary powers in relation to setting levels of charges are virtually non-existent. The Board comprehends and acknowledges the right of the Government to require—subject to the implementation of satisfactory procedures to reimburse the Board any loss of revenue so entailed—that charges be set at levels that do not require rail-users to meet the full costs of the services provided. It is nevertheless still a matter of the utmost

The Victorian Railways Board (from left) Messrs N. G. Wilson C.M.G., I. G. Hodges (General Manager), G. F. Brown, C.M.G., A. G. Gibbs, A. O. (Chairman), J. J. Brown, L. M. Perrott, R. W. Ellis.

importance that charges be set in accordance with consistent principals and with full regard to the Board's assessment of the market situation. A charging policy which varies from time to time in response to changes in the overall Government budgetary situation rather than purely market factors cannot fail to frustrate the Board's endeavours to operate according to accepted commercial principles.

In the field of competitive road transport, some action has been taken by the Government to implement the Bland recommendations, but much is yet to be achieved before road and rail are competing on an equitable basis. In particular, the Government has been unable to take any effective action to counter the problem of border-hopping, to which attention was directed in detail in the Board's last Annual Report.

Notwithstanding subsequent debate concerning the accuracy of the assessment contained in the Bland report of the extent to which charges paid by the operators of heavy road vehicles fall short of the costs attributable to their operations, it is indisputable that road operations enjoy a considerable subsidy for this reason, and this fact must be taken into account when determining what subsidies should be paid to maintain comparable railway services.

In its last annual report the Board expressed its encouragement at the appointment of an Independent Investigating Authority to examine the future of a number of non-paying lines and services but at the close of the year this appointment had been totally devoid of result. The only non-paying branch line—that from Morwell to Mirboo North—which has been closed since the Board came into existence in May, 1973, was in fact the result of an approval given before that date.

The closure of non-paying branch lines and substitution of buses for non-paying rail passenger services will not solve the Board's financial problems; in fact, with inflation at its present level the purely financial benefits will, compared with the Railways' overall financial problems, be relatively minor.

The fact nevertheless remains that perpetuation of these activities represents a needless distortion of the true function of the rail mode combined with a wasteful use of community resources.

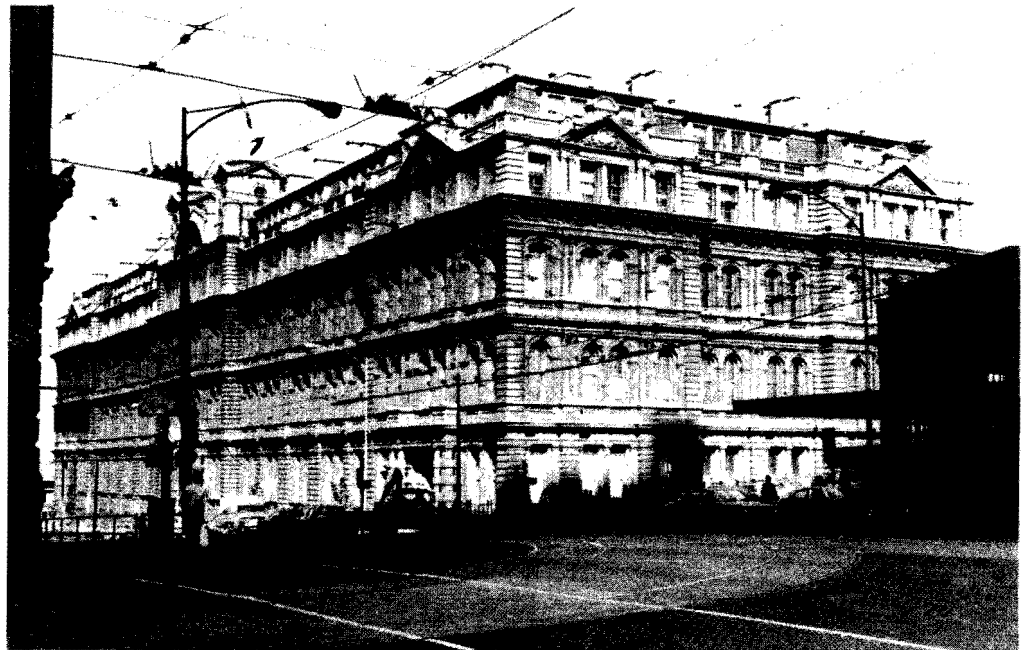
The Board is continuing to plan and progressively implement the establishment of regional freight centres and rationalization of freight distribution within the limits imposed by availability of funds.

In a comprehensive report dated April 18, 1975, to the Honorable the Minister—a report which was foreshadowed in the 1973/74 Annual Report—the Board surveyed the financial problems facing it and set out what in its opinion should be done, in both the areas of investment and rationalization, during the period 1975/76 to 1979/80, in order to have the Railways by 1980—

(i) performing only those functions which are justified, either in the limited business sense or the broader community sense;

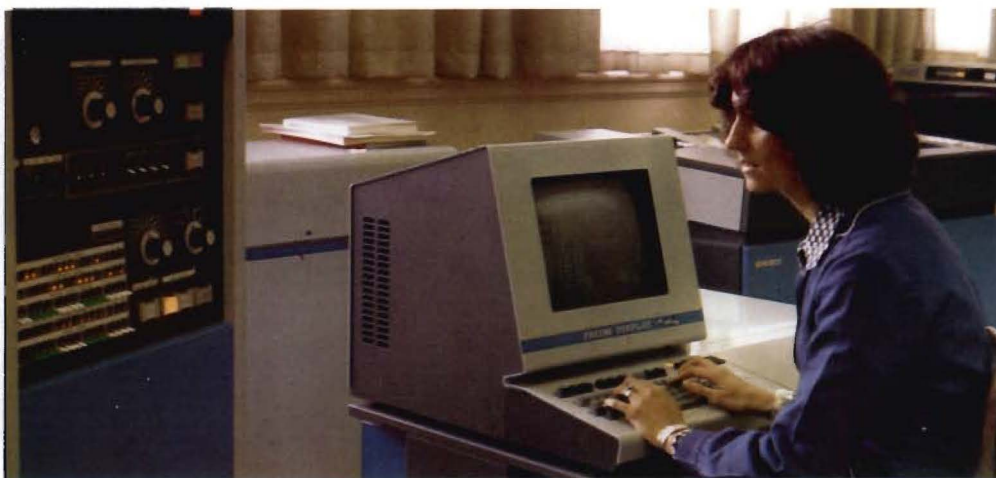
- (ii) steadily gaining in physical efficiency;*
- (iii) presenting financial results which will realistically reflect the Railways' contribution to community welfare and provide a sound basis for future development;*
- (iv) operating as an independent entity with access to capital funds and relying upon the Treasury only for the payment of essential subsidies.*

In both reports it was emphasised that without the full support of the Government—financial and otherwise—the Board's task in pursuing the above objectives would be an impossible one. Unfortunately, the events of the past year, together with the indications at the end of the financial year in respect to limited additional financial assistance from Federal and State sources, have done little to engender confidence that the target which the Board still considers to be possible by 1980 will in fact be attained.



Victorian Railways Administrative Building – headquarters of the Board.

FINANCE AND ACCOUNTS



THE YEAR'S RESULTS

	1974-75	1973-74
GROSS INCOME	\$ 129,003,645	\$ 114,211,966
WORKING EXPENSES CHARGED AGAINST REVENUE	243,778,843	188,906,167
LOSS ON CURRENT OPERATIONS	114,775,198	74,694,201
Interest charges and expenses	12,042,595	10,893,013
Exchange on interest payments	54,962	44,326
Contribution to the National Debt Sinking Fund	496,969	454,821
TOTAL INTEREST, EXCHANGE, ETC.	12,594,526	11,392,160
"DEFICIT"	127,369,724	86,086,361

It is with satisfaction that the Board now reports that these principals have been accepted by the Government and that preliminary steps to implement them are in course.

The principal aspects that will require to be covered in the appropriate amending legislation are—

- The setting up of a separate Railways Fund into which all monies due to the Board (including subsidies) will be payable and from which all expenditure for which the Board is liable will be met.
- Definition of the circumstances in which subsidies will be payable to the Board in respect of the performance of non-commercial functions, and of the basis of calculation of such subsidies.
- Separation of funds invested in the Railways into "equity capital", on which no interest would be payable, and "loan capital" on which interest would be payable.
- The granting to the Board of the power to raise its own loans.

Income

Compared with the previous year, income increased by \$14.8 million, of which \$8.4 million was derived from freight and livestock; \$2.7 million from passengers and parcels; and the balance from trading and catering operations, rentals and miscellaneous sources.

On the freight side, tonne-kilometres declined by 1 per cent and the revenue gain was due to a 14 per cent increase in the average return per tonne-kilometre, brought about by higher Victorian and intersystem freight charges introduced during the year.

Passenger revenue increased by \$1.9 million, due to increased suburban and country travel and to higher fares for intersystem journeys.

Operating Expenses

Expenditure during the year increased by no less than \$54.9 million. It is a sufficient comment on the vulnerability of railways to inflationary wage increases that the increase in wages and associated costs alone—\$45.2 million—in itself equalled the total loss that was incurred on current operations only two years ago. Unless ways can be found to accelerate the flow of funds to permit the introduction of labour-saving technologies,

the future effect of continued wage inflation can be contemplated only with foreboding.

The balance of the increase in expenditure was accounted for by higher material prices and increased pension payments.

While every effort continues to be applied to increase productivity, the current tempo of inflation is far too rapid to permit costs to be effectively contained by administrative action.

Separation of Railways Accounts

In its last Annual Report the Board stressed the need for replacing the existing method of financing railway operations—namely, by annual deficits—with a system of specific subsidies, by way of direct payments into railway revenue, to cover the net cost to the Board of performing services or pursuing courses of action prescribed by the Government.

The Board has also from time to time stressed that, in conjunction with such a change in the approach to railway financing, it should be given the power to manage its own financial affairs by amendment of those provisions of the Railways Act which require all railway revenue to be paid into the Consolidated Fund and all expenditure to be appropriated by Parliament.

The action necessary on the Board's part to permit these changes to be implemented is also well advanced. The new Accounting and Costing System, referred to in the 1973-74 Annual Report, which is an essential prerequisite to the calculation of subsidies with an acceptable degree of accuracy, was introduced as planned on July 1, 1975. Necessary detailed studies towards revaluation of railway assets, the appropriate treatment of depreciation, and separation of investment into "equity" and "loans" were proceeding.

The whole basis of traffic and revenue forecasting and budgeting has also been reviewed. A computer-based system has been developed to handle the freight section of revenue budgeting, and similar systems are in course of development for passenger and parcels business.

Operator at the keyboard of the new Facom computer.

The form and presentation of the Balance Sheet have also been receiving attention, with the object of presenting meaningful information in a simple and concise manner in harmony with modern accounting principles and practices. While the determination of the ultimate format must necessarily await final policy decisions on financial arrangements for the Railways, the following revised form of Balance Sheet, with accompanying notes incorporating formal Treasury accounting detail, is presented here as an indication of the Board's thinking and as a bridge between the old format (which will be found at the end of the narrative section of this Report) and the new—

STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 1975
FUNDS PROVIDED

	\$M	\$M
FROM LOANS (Note 1)		
State		504.215
Commonwealth		4.740
OTHER FUNDS (Note 2)		71.759
		<u>580.714</u>
LESS UNDER PROVISION FOR DEPRECIATION ON EXISTING BASIS		129.468
		<u>451.246</u>
NET WORTH ON EXISTING BASIS (Note 3)		
REPRESENTED BY		
SPECIAL FUNDS HELD BY STATE TREASURER (Note 4)		2.701
CURRENT ASSETS (Note 5)	30.741	
LESS CURRENT LIABILITIES	25.969	
EXCESS OF CURRENT ASSETS OVER CURRENT LIABILITIES		4.772
FIXED ASSETS (Note 6)		
Track	242.500	
Rolling Stock	246.873	
Machinery & Plant	33.494	
Land	6.944	
Buildings	69.074	
Other Assets	7.722	
	<u>606.607</u>	
Less Depreciation	162.834	443.773
NET ASSETS		<u>451.246</u>

Note 1

The amount of \$508.955 million provided from Loans includes \$504.215 million representing advances for capital purposes from loans raised on behalf of the State. It specifically excludes from such Loans—

Loans for Renewals, Replacements and Maintenance Works not represented by assets, \$1.050 million

Discounts and Expenses on Loans, \$7.645 million

The Commonwealth Government provided funds to meet expenditure on the construction of the standard gauge line between Melbourne and Albury. Victoria was required to bear \$4.740 million of the expenditure of \$31.6 million, with prescribed repayments of the principal of the associated loan.

The State of Victoria has an Equity of \$87.666 million in the National Debt Sinking Fund in respect of State Loans; this arises from Sinking Fund Repayments by the State on behalf of the Railways. The State has made repayments of principal totalling \$1.350 million on behalf of the Railways in respect of the Commonwealth loan.

Note 2

	\$M	\$M
The advanced from Other Funds relate to—		
Level Crossing Fund		10.888
Boom Barriers—Acts 7746, 7925		.647
		.471
Funds from Public Account		7.886
Sundry Special Funds		13.722
Commonwealth Grants		
Urban Transport	15.725	
Less Amount not paid at 30.6.75	4.440	11.285
		<u>26.860</u>
		71.759

Note 3

The Net Worth on the existing basis represents the total advances to the Railways for Capital purposes provided from Loans and Special Funds after deducting depreciation not provided for by cash appropriations. The figure takes no account of a realistic valuation of Assets. However, a review of Asset values is being made and the results will be incorporated in the Statement of Assets and Liabilities as at June 30, 1976.

Note 4

The balances as at June 30, 1975, in the Special Funds held by the State Treasurer were—

	\$M	\$M
Railway Accident & Fire Insurance Fund	0.200	
Less Accrued Liability	0.200	—
		<u>2.236</u>
Railway Charges in Suspense Account		.457
Railways Stores Suspense Account		.008
Railway Repayment Account		
		<u>2.701</u>

The balance in the Railway Charges in Suspense Account represents the difference between creditors and debtors (apart from Stocks Creditors and Debtors, Revenue Debtors and Trust Creditors).

The Railways Stores Suspense Account is an account out of which payment is made for all stores stock, except Refreshment Services stocks and equipment.

The Railway Repayment Account represents cash held at the Treasury in trust on behalf of railway clients who lodge deposits pending the completion of certain work.

Note 5

Current assets as at June 30, 1975—

	\$M
Cash Advances	1.838
Debtors:	
Revenue	10.263
Works	3.103
Other	1.765
Stores and Materials	11.684
Work-in-progress—Manufacturing	1.387
Refreshment Services stock and equipment	.701
	<u>30.741</u>

Current liabilities were—

Trade Creditors	15.488
Trust—Liabilities less securities held in Trust	.009
Treasury—Current Account	10.472
	<u>25.969</u>
EXCESS OF CURRENT ASSETS OVER CURRENT LIABILITIES	4.772

Note 6

Expenditure on fixed assets, including renewals and replacements to June 30, 1975, was \$606.607 million including \$34.841 million spent during 1974–75.

Depreciation provided by cash appropriations to June 30, 1975, was \$33.366 million, of which \$0.431 million was provided in 1974–75. Asset values have been adjusted for total depreciation assessed on original cost including depreciation not provided for by cash appropriations.

ORGANIZATION

No major change in organization was initiated during the year. However, consequent upon the retirement of the then Superintendent of Refreshment Services on September 4, 1974, the management and functions of that Branch came under review and it was decided to change the name of the Branch to the more correctly descriptive title of "Trading and Catering Services". Concurrently, Mr. G. Mensforth, an ex-Manager of the Trading and Catering Services Division of the South Australian Railways, was engaged as a Consultant to report on the organization and operations of the Trading and Catering Services Branch. Mr. Mensforth's report was still under consideration at the close of the year.

PLANNING

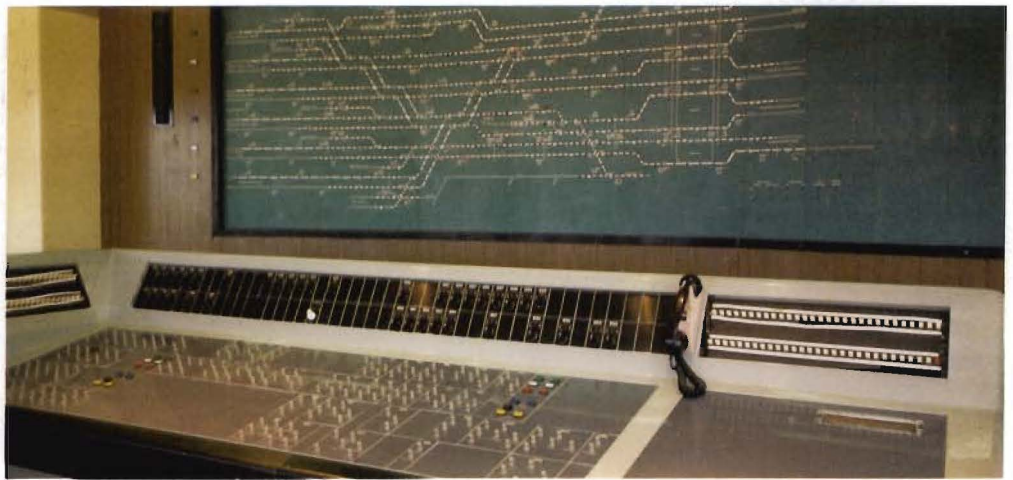
The Development and Planning Division

During the year the Development and Planning Division participated to an increased extent in general community planning, particularly in connection with the "growth areas" of Albury/Wodonga, Geelong, Melton and Sunbury, and in the Melbourne area, in connection with areas declared by the Government as "Investigation Areas" and "Preferred Development Areas". In response to this widened participation, arising from developments in both Commonwealth and State Government spheres involving the vital relationship between transport—particularly railway—planning and land use planning generally, a qualified Urban Planner was appointed to the staff of the Division.

In consequence of a decision by the Commonwealth Government to meet two-thirds of the cost of approved transport research projects, several such projects were put in hand during the year. These include "before and after" studies of the market impact of the Glen Waverley model line project; studies of passenger train loadings and car park usage; and research into communications systems, urban train comfort and performance and automatic ticket vending. Research is being carried out by Railway staff, with the assistance of Consultants in appropriate cases.

In pursuance of its function to advise the Board concerning the selection of future investment projects, the Division has conducted investigations and co-operated with staff of the Victorian Ministry of Transport in the preparation of submissions which have resulted in agreement of the Commonwealth Government to support the following additional projects under the Urban Public Transport Agreement:

- Duplication of single line, and associated improvements, between Ringwood—Bayswater and Ringwood—Croydon
- Signal box consolidation at Melbourne and Newport
- Upgrading of the metropolitan communications network



Other aspects of planning in which the Division has been active are—

- The regional freight centre at Horsham
- Identification of locations for further regional freight centres
- Development of a corporate planning model to assist in the fields of budgeting and forward planning
- Development of costing and budgeting models to assist the Marketing Branch

The Management Services Division

Supporting the total plan for increased efficiency and economies of operation is the Board's Management Services Division which reviews clerical, administrative and physical activities, in addition to providing a Data Processing service.

The small group engaged on general procedures reviews also provides a consulting service on office machines and is responsible for the design and control of all forms.

Recent projects of this group have included—

- Costing and operation of road motor services
- Claims procedures
- Method of icing wagons
- Provision of improved office accommodation
- Potential for flexible working hours
- Organization of watching services

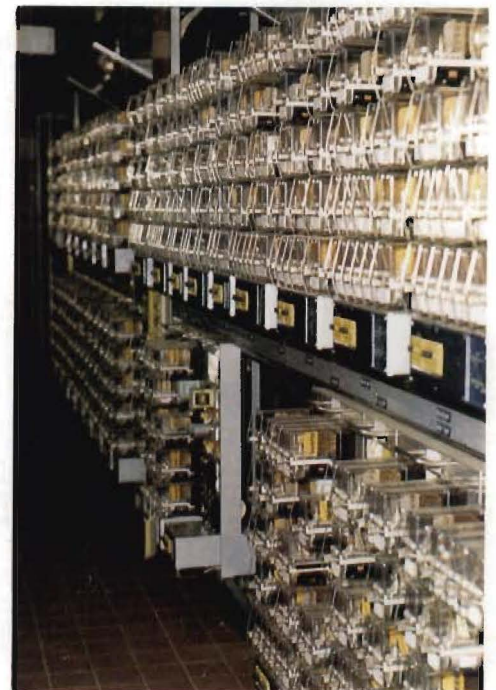
Use is made of terminals connected to commercial timesharing computers which provide very large computer power for engineering problems, financial analysis and mathematical modelling.

Outside consultants are being used in fields where they offer some particular expertise and where our own resources are not sufficient to meet a desirable time schedule.

Currently they are being used to supplement project teams engaged on—

- Design and implementation of the new management accounting and costing system
- Review of asset valuations and the appropriate treatment of depreciation
- Design and specification of rail facility signs, platform nameplates, directional signs and information signs, including train indicator signs
- Development and implementation of a computer based system of freight accounting
- Design and installation of an integrated personnel and payroll system which will provide a data base for reporting a variety of management information

(above) Control room of E box, showing panel and indicator lights.



Portion of the intricate relays in E Box.

CAPITAL WORKS PROGRESS



Construction works at Moorabbin for third track project.

Expenditure on Works and Services during the year amounted to \$34.8 million, allocated as follows—

	\$	\$
CAPITAL WORKS		
Fixed assets		13,422,725
RENEWALS AND REPLACEMENTS		
Fixed assets	3,082,806	
Rolling stock	18,335,858	21,418,664
		<u>34,841,389</u>

Of the total expenditure of \$34,841,389 it is expected that \$15,072,439 will be reimbursed by the Commonwealth under its urban transport programme, leaving a net expenditure from State funds of \$19,768,950. However, a final adjustment of expenditure between State and Commonwealth cannot be effected until outstanding claims relating to cost escalation and other factors have been resolved.

Urban works completed during the year were—

- A new route setting power interlocking system at Oakleigh, which replaced two manually-operated signal boxes
- A new relay interlocking at Springvale to replace a mechanical installation
- Provision between Glenhuntly and Bentleigh of automatic power signalling, with boom barriers at two level crossings, to replace three mechanical interlocking machines and manual double line block safeworking
- A new electrical traction substation at Flinders Street
- Reconstruction of station buildings at Rosanna, Dandenong, Hampton, Gardiner and Mount Waverley

The following works were in hand—

- Glen Waverley line: Upgrading project
- South Kensington-Footscray: Quadruplication of line
- Caulfield-Mordialloc: Third track
- Macleod-Greensborough: Duplication of line
- Sunshine-Deer Park West: Duplication of line
- Ringwood-Bayswater: Duplication of line
- Ringwood-Croydon: Duplication of line
- New stations at Kananook (between Seaford-Frankston) and Yarraman (between Noble Park-Dandenong)
- Reconstruction of station buildings at Glenberrie, Glenroy, Macaulay, West Footscray, East Malvern and Ringwood East

Works continued in the Jolimont, Spencer Street and North Melbourne areas during the year in connection with construction of the Melbourne Underground Rail Loop.

Outside the ambit of the suburban passenger system, relay interlockings were provided



Excavations for construction of the Underground advance at Spencer Street.

at Werribee and Maitland Street Sidings, Geelong, to replace mechanical interlocking machines; improved facilities for freight traffic were provided at Dynon, Melbourne Yard and Westall; and the first stages of track rearrangements and signalling works to suit present and foreseeable future requirements were put in hand at Horsham. Planning for the capital works entailed in installation at the latter location of the State's first regional freight centre proceeded.

Track relaying and associated works continued throughout the year to the extent dictated by the funds available, and 233 kilometres of track were relaid with heavier rail. Further progress was made in the programme of mechanical track maintenance, and 1,000 kilometres of broad gauge track were surfaced and lined by mechanised surfacing gangs. Delivery was taken during the year of a track recording car and analyser which will be used to control the work programme of the tie and surfacing gangs to the best advantage.

Deliveries of concrete sleepers commenced during the year, the first use of these sleepers on the Victorian system. They are being used initially on the Sunshine-Deer Park West duplication, South Kensington-Footscray quadruplication and Caulfield-Mordialloc third track projects.

Work proceeded both by contractors and in departmental workshops on the production of 50 six-carriage stainless steel electric suburban trains, and during the year 64 new carriages were placed in service. Preparation of specifications for a further number of trains, to follow expected completion of the present order in 1978, was put in hand.

During the year wagon construction continued in departmental workshops, and the following new bogie vehicles, 167 in all, were placed in service:

- 92 'VSX' Louvre vans
- 50 'ELX' Open wagons
- 11 'JSX' Sand hopper wagons
- 9 'JQX' Quarry products hopper wagons
- 1 'JCX' Cement hopper wagon
- 4 'FOX' Flat wagons for containers and general traffic

In addition, an equity was purchased from the Public Transport Commission of New South Wales in 5 'MBK' motor car carrying vehicles utilized in joint service on "Southern Aurora" between Melbourne and Sydney.

Seven hundred and fifty seven obsolete freight vehicles were withdrawn from service and scrapped.

At Newport Workshops, provision of a consolidated wheel maintenance shop where all wheel repair activities will be concentrated was put in hand and the first stage, involving installation of a new Hegenscheidt measuring unit and portal wheel lathe, was completed.



Stainless steel suburban train trailer carriages on the production line at Newport Workshops.



New modern brick complex which replaced old buildings at Ormond.



The new Kananook station, between Seaford and Frankston.



Boom barriers installed in conjunction with third track project at McKinnon.



Pre-stressed concrete sleepers are being used on Sunshine-Deer Park West duplication.

THE MARKET



Consignment of caravans for Darwin being loaded at South Dynon.

In continuation of the policy to expand and develop the functions of the Marketing Branch, a new group known as the Marketing Information Section was set up within the Branch to further refine traffic costing techniques and, in conjunction with the Marketing Managers, to develop and institute revenue budgeting procedures and mathematical, econometric and market-based forecasting techniques.

Freight Operations

A general increase in goods tariff freight rates was applied from October 7, 1974, as follows—

<i>Grain, superphosphate, petroleum products and livestock</i>	10 per cent
<i>Wool</i>	20 per cent with a 10 per cent concession for lots of 20 bales minimum
<i>Maximum rates (general merchandise)</i>	15 per cent
<i>All other goods, except unseasoned hardwood timber on which no increase was applied</i>	22.5 per cent

Increases in minimum charges were also applied, and special rates under contract for intrastate traffic were increased by up to 15 per cent.

Railways of Australia interstate tariff rates were increased by 20 per cent as from August 1, 1974.

Interstate contract freight charges over Eastern Seaboard routes were increased from August 1, 1974, by 20 per cent, except for rates in the lightly loaded direction to Melbourne which were increased by 10 per cent. Between the Eastern States and Western Australia, contract rates were increased from the same date by 15 per cent westbound and 5 per cent eastbound.

Block trains were instrumental in moving much of the season's wheat.

	1974-75	1973-74	1972-73
Total goods and livestock tonnes	11,056,834	11,370,162	11,475,336
Average haul per tonne of goods (kilometres)	280	275	271
Total net tonne kilometres (goods and livestock) in millions	3,091	3,126	3,164
Average kilometres per wagon per day	58.06	56.76	55.86
Average daily wagon output (net tonne kilometres)	647	655	615
Average net wagon load (tonnes)	16.67	16.89	16.25
Average tonne kilometres (net) per goods train hour	6,785	6,854	6,676
Average net train load (tonnes)	300	301	293
Standing time (hours) per 1,000 train kilometres	6.20	5.73	6.28

Freight business generally was adversely affected by economic conditions during the year and, compared with the 1973-74 figure of 3,126 million tonne-kilometres the total freight traffic task performed fell by 1.1 per cent. A marked decline was reflected in all classes of industrial traffic, together with superphosphate which experienced a particularly heavy fall in the second half of the year following withdrawal of the Commonwealth bounty, and the effect would have been much more serious had it not

been for a substantial increase in wheat railings. A diagram illustrating the principle commodity variations appears on page 12 of this Report.

Notwithstanding the appointment by the Transport Regulation Board of additional staff to police the operations of "border hoppers", such operations continued to extend their penetration into the State from border areas with consequent loss of rail traffic and revenue.





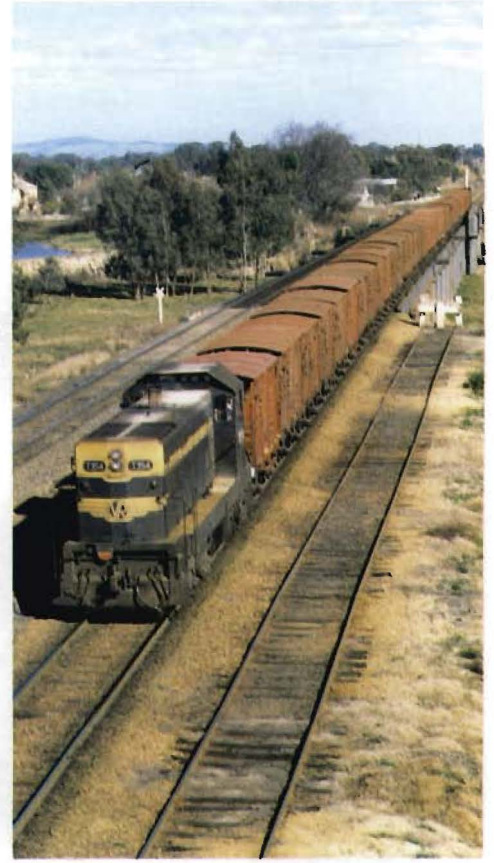
Unloading pipes at Somerton for the Melbourne-Albury natural gas pipeline.



These 13.2 tonne steel coils are loaded at Victoria Dock for railing to Long Island.



Paddy rice from the N.S.W. Riverina is railed in bulk hopper wagons to Echuca (Vic) mill.



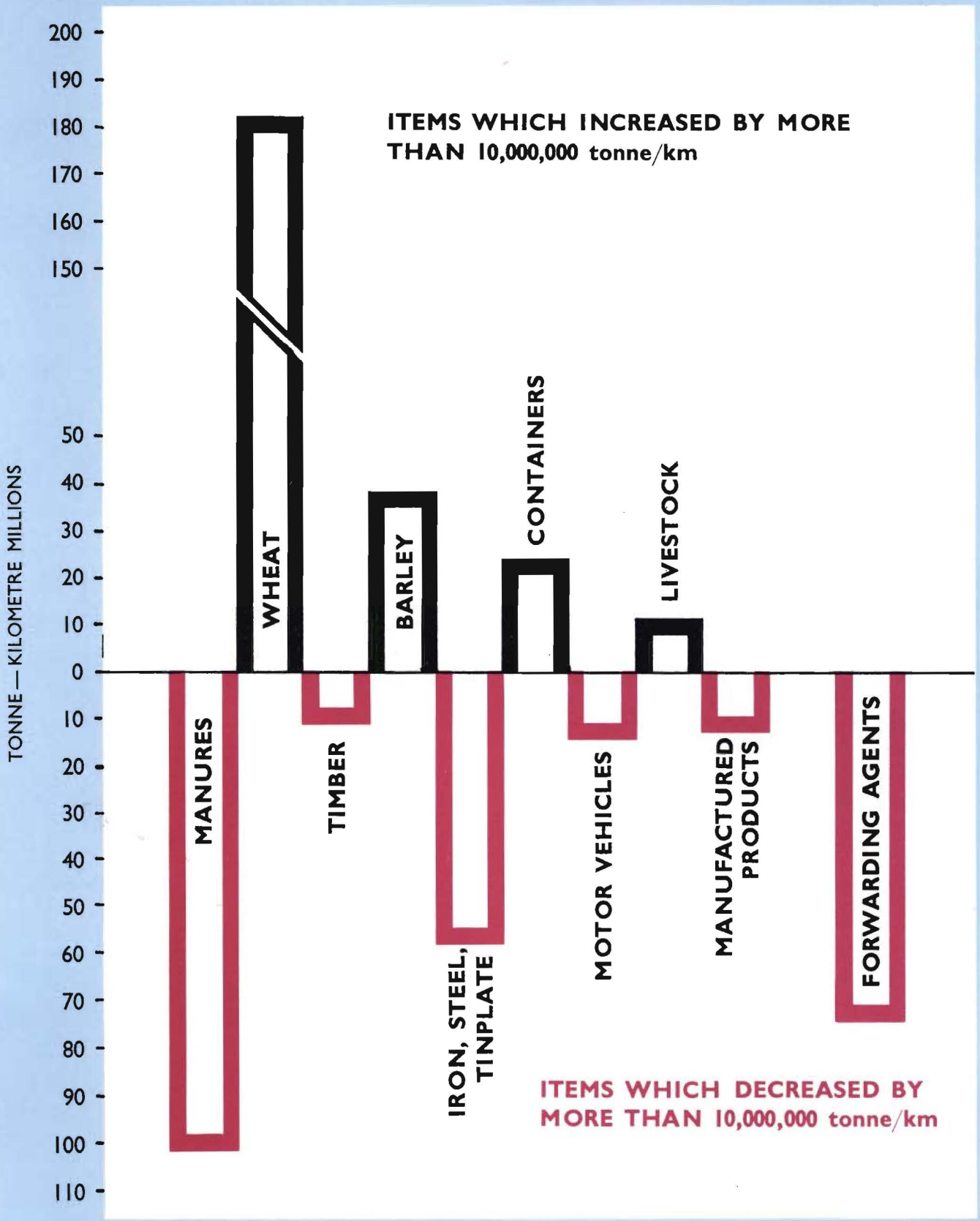
Livestock train. The humane handling of animals is a Victorian Railways speciality.



Victorian Railways has special wagons for heavy commodities such as this transformer for the Latrobe Valley.

A container train of export Sunraysia valencia oranges for New Zealand en route to shipside in Melbourne.

FREIGHT tonne/km 1974/75 COMPARED WITH 1973/74
TOTAL DECREASE 35,000,000 tonne/km



Public Relations, Promotion and Advertising

During the year endeavours were made, within the constraints of a moderate budget, to increase the impact of railway advertising campaigns by increasing the size of advertisements at some sacrifice in exposure.

In accordance with accepted modern practice the technique was applied of establishing a solid theme by heavy impact which, once the concept has been absorbed by potential customers, can be adequately followed up by smaller insertions.

In both the fields of advertising and public relations a planned schedule was initiated to involve all Branches of the Department so as to achieve the maximum in customer goodwill. A permanent contact has been established between the Marketing Branch and creative writers and artists, and results have proved this move to be highly successful.

Public relations campaigns have been mainly

involved with specific programmes concerned with publicising existing services; future plans; and campaigns with a substantial community involvement such as vandalism and level crossing protection.

As in the previous year, the opportunity was taken by Board Members to participate in district functions celebrating occasions of local railway significance.

During the year two such events took place:

- July 6-7, 1974—Visit to Maryborough and Creswick to coincide with the centenary of the opening of the Maryborough rail link
- April 5-6, 1975—Visit to Ararat and Beaufort to coincide with the centenary of the opening of the Ararat rail link

On each occasion the Board was highly gratified by the enthusiastic community response to these celebrations.

ZZZ puts more ZZip

into business or holidays

...interstate or in Mildura

VicRail



A large crowd gathered at Maryborough to greet the V.R. Board train flanked by a steam train.



Unveiling a cairn to commemorate the historic "Battle of the Coloured Lines" was a feature of the V.R. Board trip to Ararat.

The Chalet, Mount Buffalo National Park

Arising from an inquiry by the State Development Committee into Tourism in Victoria, the Board has given considerable thought to the future of the Mount Buffalo Chalet which has been operated by the Railways since 1924.

Following the presentation of evidence to the Committee in October, 1974, Consultants of appropriate expertise were engaged under the guidance of the Director of Travel Development, Australian National Travel Association, to undertake an independent study of the operation and promotion of the Chalet.

The Consultants' June, 1975, report, contained many findings and recommendations directed towards revitalising the Chalet's presentation and design while retaining its unique characteristics, and proposed a carefully planned programme of improvements supported by estimates of additional occup-

ancy and revenue sufficient to justify the cost involved.

The Board has accepted the findings of the Consultants, in principle, and a further submission of evidence to the State Development Committee setting out the Board's proposed future strategy in relation to the Chalet is pending.

Worthy of mention is the highly successful results achieved by a departmental publicity campaign, directed at pensioners, with the objective of improving the occupancy of the Chalet during a low trough period in October and November. As the result of the overwhelming response it was necessary to extend the low tariff plan until mid-December. Other promotional activities featuring the Chalet have subsequently been initiated and there is every indication that a high level of occupancy throughout the year is capable of achievement.

is Mt. Buffalo too steep for pensioners?

What do you mean — too much money, or too much mountain?

Certainly it can't be money. A five-day package is \$60 to pensioners with a free travel voucher — \$72.20 if you've used yours. Offer is for Victorian Government concession fare certificate holders.

And just look at all the holiday **money here!** First class rail travel to Wangaratta, with light refreshments on the train supplied. You are met at the station and taken to Mt. Buffalo Chalet. At dinner you discover the great food and charming civilized amenities like linen napkins and silver table ware.

All the meals are included! Local fruit lites & dainties.

After coffee you can settle by the fire for a quiet game with beer & food, or keep up with your favourite show on the TV screen. The following day brings a full day coach tour down the mountains. Bright with its lovely trees and crystal waters. When the coach heads for home that evening, you'll have seen it all — all the rugged grandeur of the Victorian Alps and the peaceful valley. The following day you find that Mt. Buffalo is not so much mountain for a pleasant stroll. And that is all it is — a pleasant stroll so some of the most glorious scenery your eyes will ever behold. By the time dinner rolls around you'll feel a little disbelieving that it is possible to see so much within a short walk from the Chalet.

The next day buses take you down to the valley once more, this time through the Queen Valley with its fields of redwoods and deep to Beechworth and its many historical attractions.

Another exciting at the Chalet introduces the cozy side more of your holiday: the next day is the last day, and after a memorable lunch at the Chalet the coach takes you to Wangaratta station. Light refreshments are supplied while the train speeds you home to Melbourne.

Make plans now: this offer is available from October 6 to November 24, 1975. Prices quoted in this advertisement include accommodation without private facilities — rooms with private facilities cost a little more.

Ring VicRail, 620771 (ext 6 or 7) for bookings or further information.



MotoRail on the Mildura and Sydney–Murwillumbah routes had another boom year.

Country and Intersystem Passenger Operations

Country fares were not varied during the year.

The increase in country passenger travel, first recorded last year following the reduction of certain fares in October, 1973, continued at an encouraging rate, with gains of 12 per cent in journeys and 8 per cent in revenue being recorded compared with 1973–74. Credit for at least portion of this increase must be accorded the activities of the Passenger Marketing Division in fostering group and tourist travel.

In an endeavour to offset rising costs, intersystem fares were increased by 10 per cent on July 1, 1974. On December 1, 1974, intersystem single fares were increased by a further 10 per cent and return fares (previously single fares plus 75 per cent) became double single fares. Sleeping berth charges were also increased on both occasions. As a result, although passenger journeys declined marginally, revenue increased by 18 per cent compared with the previous year.

As from July 1, 1974, the method of cal-

culating concession fares for students and approved groups for intersystem travel was considerably simplified. The varying conditions which previously applied to students were replaced by a single concession of half fare for all children under 16 years of age, students of any age and children travelling in approved parties. The concessions applicable to adults making intersystem journeys in approved parties were amended to a simple percentage reduction below total charges otherwise applicable.

The new conditions applicable to fares for children and students were extended to Victorian country journeys on December 1, 1974, and those applicable to adult group travel on March 18, 1975. On April 1, 1975, student identification cards were introduced for both intersystem and Victorian country travel in lieu of the previous system of presentation of concession forms signed by school authorities. All these changes have been designed to facilitate booking procedures and reduce costs.

(below) Modern twinette sleeping apartments are a feature of all overnight trains from Melbourne.



Displays promoting package tours were placed at numerous locations.



Continuous buffet facilities are available on Melbourne–Sydney "Intercapital Daylight".



Inauguration of the suburban electric service extension from Dandenong to Pakenham in January 1975.



The Chairman, Mr. A. G. Gibbs, with winners of the competition for a design for a new Heyington station.

Commuter Passenger Operations

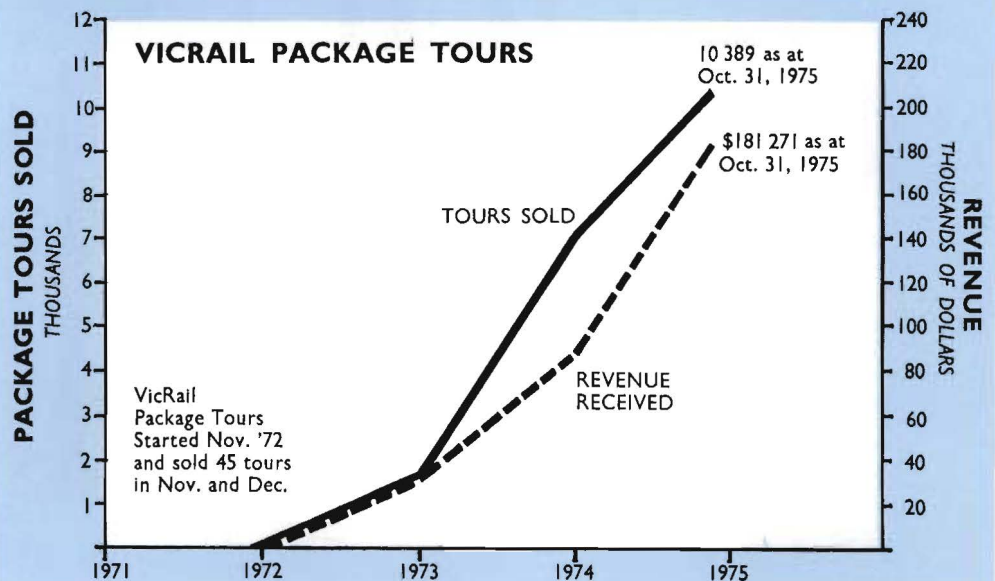
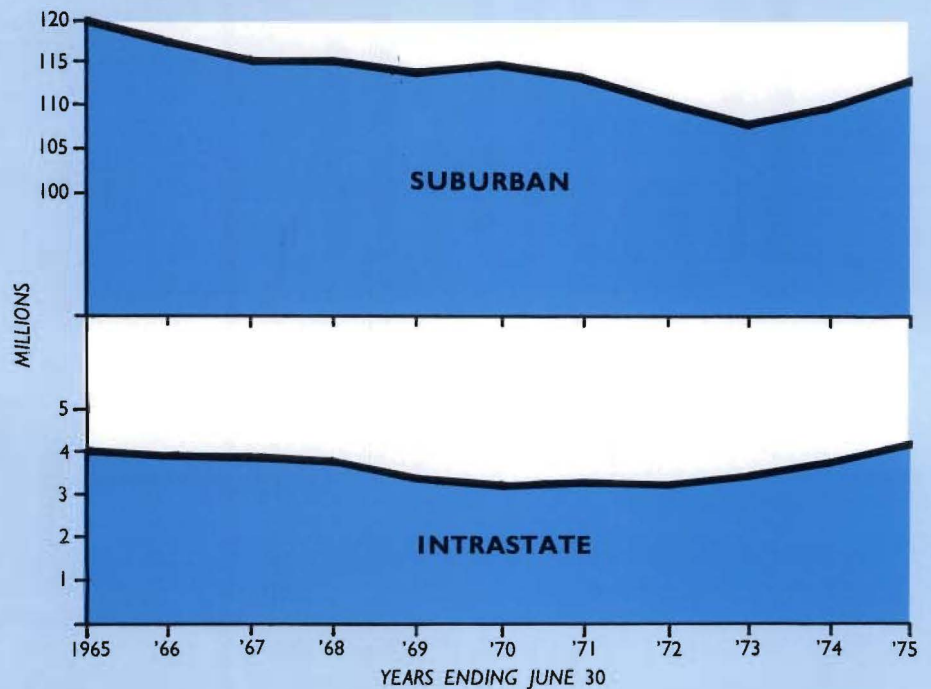
Suburban fares were not varied during the year. The small but encouraging increase (approximately 1 per cent) in suburban passenger travel which first emerged after fares were reduced in 1973-74 continued, with a 2 per cent increase in revenue during the year under review. Unfortunately, this was far too small to offset the inflationary increases in costs which were incurred during the year.

On January 20, 1975, the first major extension of the suburban system for some years was effected with the introduction of multiple unit electric train operations between Dandenong and Pakenham, this section having previously been served only by Gippsland line country stopping trains.

Concurrently with this extension a new working timetable, providing for improved peak period services on most suburban lines, was introduced. The new schedules were based on maximum use of the available terminal platform capacity, trains and crews but in the event stretched these resources beyond practical working limits and the resultant spate of haphazard daily train cancellations led to considerable public criticism.

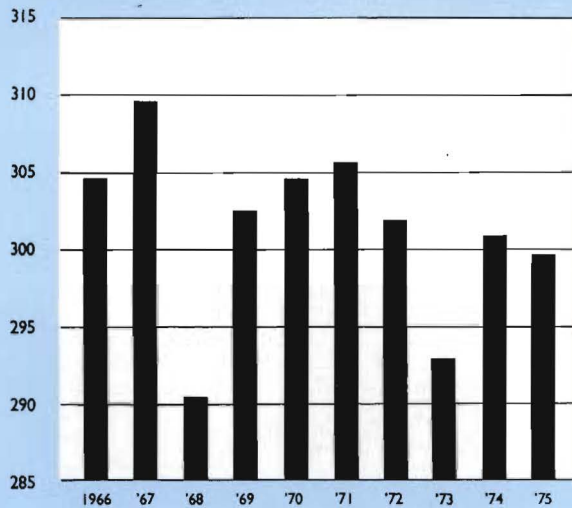
As the result of corrective action, involving the temporary regular withdrawal of a number of scheduled trains and an accelerated programme of crew training, operation of the suburban service had satisfactorily stabilized by the end of the year under review. The overall situation in regard to suburban train timekeeping and reliability of service is continuously monitored by the Board. The Board's objective is progressive restoration of the full peak period frequency provided for in the January, 1975, timetable, but this will be dependent upon completion of the two additional tracks planned for the Flinders Street-Spencer Street viaduct.

PASSENGER JOURNEYS Suburban and Intrastate

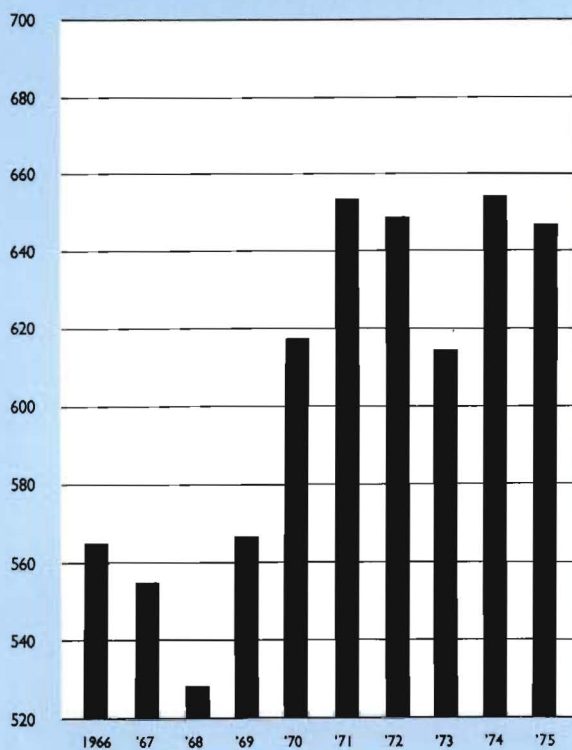


FREIGHT OPERATING STATISTICS (YEARS ENDING JUNE 30)

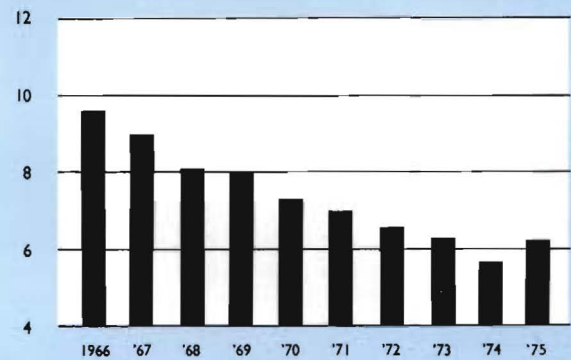
AVERAGE NET TRAIN LOAD (tonnes)



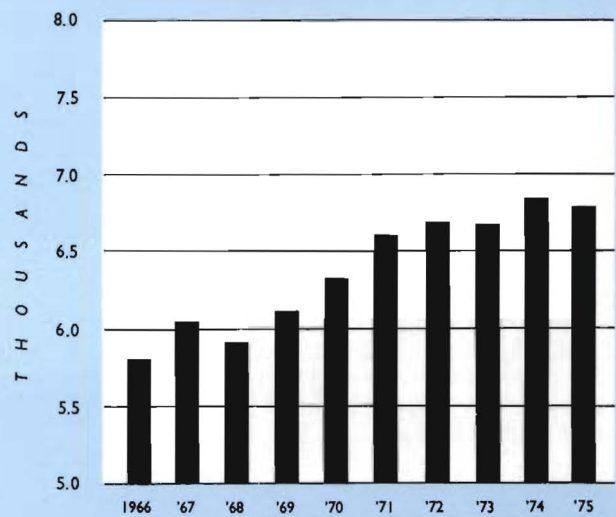
AVERAGE DAILY WAGON OUTPUT (NET tonne/km)



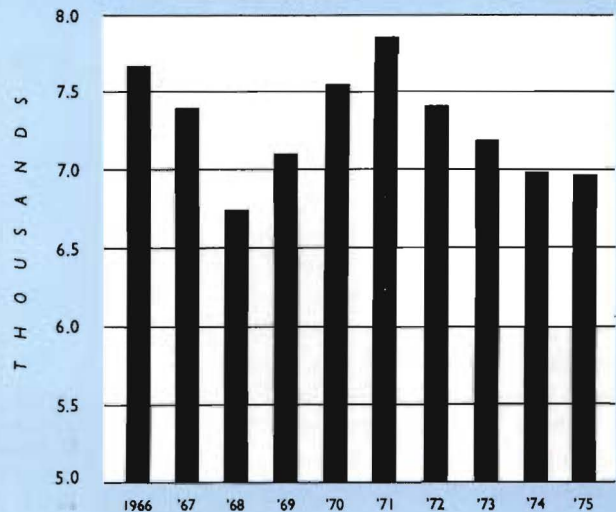
STANDING TIME PER 1,000 TRAIN km (HOURS)



AVERAGE HOURLY TRAIN OUTPUT (NET tonne/km)



AVERAGE ANNUAL OUTPUT PER tonne OF ROLLING STOCK CAPACITY (NET tonne/km)



PERSONNEL AND ADMINISTRATION

The Railways comprise one of the largest business organizations in Victoria. Railway operations are spread widely throughout the State and their success depends in large measure on the men in the front line, who often have to work under difficult conditions and without close supervision. We wish to place on record our appreciation of the loyal service rendered throughout the year by those many thousands of staff who have done everything in their power to uphold the traditions of railway service.

At June 30, 1975, the total staff (including casual labour equivalent to 681 men working full time and 110 staff employed under R.E.D. and C.G.E. Schemes) was 25,691 compared with 25,213 at the end of last year.

Staff training programmes were expanded throughout the year where courses covering a wide range of railway operations were conducted under the control of the Education Officer. As in past years, senior officers have attended business and higher management courses at the Administrative Staff College, Mt. Eliza, the Melbourne University School of Business Administration and the University of New South Wales. Other staff are continuing part-time studies in several disciplines at Universities and technical institutions.

During the year the Australian Conciliation and Arbitration Commission granted substantial salary and wage increases to staff estimated to cost an additional \$24.7 million in a full year.

The average annual payment, including overtime and penalty payments to all officers and employees including juniors, was \$7,368 compared with \$5,837 the previous year.

Mr. A. M. Hurse, Assistant Engineer of Maintenance, and Mr. L. A. Dickson, Assistant Engineer of Tests (Electrical), visited New Zealand, United States of America, Canada, Japan, Europe and the United Kingdom to investigate the purchase of modern plant and equipment with sophisticated electrical involvement, associated with the mechanisation of permanent way maintenance.

Consequent upon the retirement of Mr. J. C. Crute on July, 1, 1974, Mr. M. W. B. Ronald was appointed Chief Traffic Manager. Mr. J. L. Anderson, Superintendent of Refreshment Services, retired on September 4, 1974. As from September 5, the Branch was renamed the Trading and Catering Services Branch and Mr. K. J. Feltscheer was appointed Manager.

Mr. R. M. Wright, Manager, Personnel, retired on January 14, 1975, and was succeeded by Mr. V. A. Winter.

Board Membership

On January 8, 1975, Mr. J. G. W. Urbahns was granted by the Minister leave of absence from meetings of the Board until December 31, 1975, to permit him to undertake an engineering assignment in the United States of America.

On June 10, 1975, Mr. J. J. Brown was appointed to act as the deputy of Mr. Urbahns in his capacity as a member of the Board for the period from June 11, 1975, until December 31, 1975.

MANAGEMENT

At June 30, 1975—

General Manager I. G. HODGES
Deputy General Manager L. A. McCALLUM
Assistant General Manager N. H. RASHLEIGH

Heads of Branches

CHIEF TRAFFIC MANAGER M. W. B. Ronald
CHIEF CIVIL ENGINEER D. D. Wade
CHIEF MECHANICAL ENGINEER S. F. Keane
CHIEF ELECTRICAL ENGINEER A. Firth
MANAGER, PERSONNEL V. A. Winter
COMPTROLLER OF ACCOUNTS J. K. McGowan
SECRETARY C. W. Miller
CHIEF MARKETING MANAGER A. W. Weeks
COMPTROLLER OF STORES MANAGER, TRADING AND CATERING SERVICES A. Fell
K. J. Feltscheer

Certificates of Heads of Branches

I hereby certify that the rolling stock, machinery and equipment under my control were maintained in good working order and repair during the year ended June 30, 1975.

S. F. KEANE,
Chief Mechanical Engineer
September 29, 1975.

I hereby certify that the permanent way, stations, buildings, bridges, signalling, safeworking equipment and other works under my control were maintained in good working order and repair during the year ended June 30, 1975.

D. D. WADE,
Chief Civil Engineer
September 29, 1975.

I hereby certify that the sub-stations, transmission system, overhead equipment and depots under my control were maintained in good working order and repair during the year ended June 30, 1975.

A. FIRTH,
Chief Electrical Engineer
September 29, 1975.

I hereby certify that the stock of Stores has been carefully and systematically inspected during the year and that its value as at June 30, 1975, was \$10,508,255.

A. J. FELL,
Comptroller of Stores
September 29, 1975.

Victorian Railways Board

A. G. GIBBS Chairman
G. F. W. BROWN Member
J. J. BROWN Member
R. W. ELLIS Member
I. G. HODGES Member
L. M. PERROTT Member
N. G. WILSON Member

APPENDICES

The balance sheet for the year and various accounts, statements and other information are embodied in the appendices, a list of which appears at the front of this Report.

BALANCE SHEET AS AT

1974	Nature and source of funds	1975				
\$		\$	\$	\$	\$	\$
	FUNDS PROVIDED BY THE STATE TREASURER:					
	For capital purposes—					
	From loans raised on behalf of the State				512,909,653	
	Less—Equity in the National Debt Sinking Fund				87,665,569	
	Net liability				<u>425,244,084</u>	
	Less—Loan for renewals, replacements and maintenance works not represented by assets			1,050,000		
	Discounts and expenses on loans			<u>7,645,149</u>		
403,352,448	Total net funds provided from Loans				<u>8,695,149</u>	416,548,935
	For special purposes—					
	From—					
	Sundry special funds				13,722,240	
	Boom barriers				471,088	
	Level Crossings Fund				10,888,613	
	Transport Fund				646,742	
	Uniform Railway Gauge Trust Fund			31,600,000		
	Less repayment to Commonwealth			<u>1,349,887</u>		
	Commonwealth Grants—Urban Public Transport				<u>30,250,113</u>	
					15,725,664	
					<u>71,704,460</u>	
	From Public Account—					
	Act 6345 Section 15			3,429		
	" " " 16 (I)			949,969		
	" " " 17 (I)			1,396,714		
	Railway Charges in Suspense			<u>5,535,772</u>		
62,313,171					<u>7,885,884</u>	79,590,344
	RESERVES—					
	National Debt Sinking Fund Reserve				87,665,569	
	Railway Accident & Fire Insurance Reserve				200,000	
	Uniform Railway Gauge Reserve				<u>1,349,887</u>	
83,325,170						89,215,456
	CURRENT LIABILITIES—					
	Sundry creditors—					
	Stores and services				14,649,605	
	Revenue				838,029	
	Trust				<u>4,428,050</u>	
23,114,897						19,915,684
	SPECIAL FUNDS FOR WORKING PURPOSES—					
	Sundry provisions prior to 30.6.74		6,247,559			
	Commonwealth Grants—Employment Schemes		508,960			
	Works & Services Act—Metric Conversion		<u>31,700</u>			
					6,788,219	
	Amount contributed from general revenue of State to meet losses—					
	To 30.6.37				38,949,674	
	From 1.7.37 to 30.6.74		363,235,618			
	Contribution for year ended 30.6.75		<u>127,369,724</u>			
					<u>490,605,342</u>	
					529,555,016	
	Loss on operation					536,343,235
	To 30.6.37				40,390,243	
	From 1.7.37 to 30.6.74		358,654,528			
	For year ended 30.6.75	126,286,030*				
	Commonwealth Grants—Employment Schemes		508,960			
	Works & Services Act—Metric Conversion		<u>31,700</u>			
			<u>126,826,690</u>			
					<u>485,481,218</u>	
					525,871,461	
9,388,081	Outstanding income 30.6.75					10,471,774
581,493,767						615,742,193

* This amount is exclusive of provision for depreciation \$8,644,824 and for—
Annual leave accrued during the year, 51,202 days.
Annual leave aggregate liability at 30.6.75 (656.688 days) \$14,525,939

The above statement has been examined and is in agreement with the accounts and records of the Victorian Railways Board. Subject to comments contained in Part V of my Report to the Legislative Assembly for the year 1974-75, the above statement, in my opinion, fairly summarises the nature and source of the funds provided to the Board and the purposes to which such funds have been applied.

B. HAMILTON
Auditor General.
24th November 1975

1974	Disposal of funds			1975
\$		\$	\$	\$
	EXPENDITURE ON—			
	Railways—			
	Way, works, building, machinery and plant	315,266,827		
	Rolling stock general equipment	127,042,978		
			442,309,805	
	Road motor public services—			
	Buildings and equipment	14,382		
	Rolling stock	4,750		
			19,132	
	Railways under construction	187,419		
	Surveys	843,072		
			1,030,491	
	Lines closed for traffic—			
	Railways		412,240	
			443,771,668	
	DEPRECIATION ACCOUNT—			
	Depreciation not provided for by cash appropriations to 30.6.74		120,823,214	
	Normal depreciation for the year	9,075,846		
	Less amount provided	431,022		
			8,644,824	
	Under provision for the year		129,468,038	
537,862,585				573,239,706
	FUNDS FOR SPECIAL PURPOSES held by the State Treasurer—			
	Railway Accident & Fire Insurance Fund		200,000	
	Railway Charges in Suspense Account		2,236,383	
	Railways Stores Suspense Account		456,902	
	Railways Repayment Account (Including cash in transit)		8,557	
14,809,593				2,901,842
	CURRENT ASSETS—			
	Works in progress—Manufacturing account		1,386,750	
	Materials in transit	949,969		
	Stores and materials on hand—			
	Railways	10,508,255		
	Construction Board	11,373		
	Equalization Account	214,517		
			11,684,114	
	Trading and Catering Services stock & equipment	736,993		
	Less provision for losses & breakages	36,160		
			700,833	
	Securities held in trust		4,419,493	
	Sundry debtors—			
	Revenue	10,262,982		
	Others	9,308,073		
			19,571,055	
	Income cash on hand and in transit		1,046,822	
	Advances—			
	To Accounting Offices, Stations, etc.	737,584		
	To Agent General for purpose of stores etc.	53,994		
			791,578	
28,821,589				39,600,645
581,493,767				615,742,193

SUMMARY OF THE FINANCIAL RESULTS BY CONTRAST WITH THOSE IN THE
PRECEDING YEAR

—	Year 1974-75	Year 1973-74	Increase (+) or Decrease (—) In 1974-75
	\$	\$	\$
GROSS REVENUE—			
Railways	129,998,037.72	115,651,362.09	+ 14,346,675.63
Road motor public services	89,301.51	76,047.00	+ 13,254.51
Total	130,087,339.23	115,727,409.09	+ 14,359,930.14
WORKING EXPENSES—			
Railways	243,393,004.43	188,599,145.88	+ 54,793,858.55
Road motor public services	385,838.30	307,020.66	+ 78,817.64
WORKING EXPENSES CHARGED AGAINST REVENUE	243,778,842.73	188,906,166.54	+ 54,872,676.19
DEFICIT ON CURRENT OPERATIONS	113,691,503.50	73,178,757.45	+ 40,512,746.05
Interest charges, exchange and contribution to the National Debt Sinking Fund	12,594,526.25	11,392,160.47	+ 1,202,365.78
DEFICIT	126,286,029.75	84,570,917.92	+ 41,715,111.83

RECONCILIATION OF THE RAILWAY AND THE TREASURY FIGURES RELATING TO REVENUE AND WORKING EXPENSES, FOR THE YEAR 1974-75

REVENUE

	\$	\$
Revenue shown by the Railways	130,087,339.23	
To bring this amount into agreement with the Treasury figures deduct—		
Outstanding at June 30, 1975, not included in the Treasury figures	10,471,774.04	
	119,615,565.19	
and add—		
Outstanding at June 30, 1974, collected in 1974-75 and therefore included by the Treasury in that year	9,388,080.25	
Revenue as shown by the Treasury		129,003,645.44

WORKING EXPENSES

Working expenses as shown by the Railways	243,778,842.73	
Add—Interest and exchange charges, loan conversion expenses and contribution to the National Debt Sinking Fund shown by the Railways and the Treasury	12,594,526.25	
	256,373,368.98	
Less deficit as shown by the Treasury	127,369,723.54	
Working expenses as shown by the Treasury		129,003,645.44

RAILWAY POSITION SUMMARIZED

Revenue	130,087,339.23	
Working expenses	243,778,842.73	
Loss on current operations	113,691,503.50	
Interest and exchange charges, loan conversion expenses and contribution to National Debt Sinking Fund	12,594,526.25	
Deficit	126,286,029.75	

STATISTICAL STATEMENT (EXCLUSIVE OF ROAD MOTOR PUBLIC SERVICES.)

Particulars		Year 1974-75	Year 1973-74
1.	Average Kilometres of Railways open for Traffic	6,658	6,685
PASSENGER TRAFFIC			
2.	Passenger Train Kilometres	Interstate .. 1,027,207 Country .. 6,788,130 Suburban .. 14,291,217	1,110,302 6,692,547 13,583,876
3.	Earnings from Passengers Carried	Interstate .. \$4,878,646 Country .. \$6,957,356 Suburban .. \$28,371,201	\$4,119,552 \$6,452,262 \$27,704,954
4.	Number of Passengers Carried	Interstate .. 618,753 Country .. 4,344,213 Suburban .. 112,756,545	626,929 3,880,492 110,140,832
5.	Number of Passengers Carried One Kilometre	Interstate .. 247,313,913 Country .. 454,484,153 Suburban .. 1,698,613,633	249,365,172 402,568,142 1,704,902,046
6.	Average Kilometres each Passenger was Carried	Interstate .. 399.70 Country .. 104.62 Suburban .. 15.06	397.76 103.74 15.48
7.	Average Number of Passengers per Carriage	Interstate .. 19 Country .. 11 Suburban .. 20	17 12 21
8.	Average Earnings from each Passenger Journey	Interstate .. 788.46c Country .. 160.15c Suburban .. 25.16c	657.10c 166.27c 25.15c
9.	Average Earnings per Passenger Kilometre	Interstate .. 1.97c Country .. 1.53c Suburban .. 1.67c	1.65c 1.60c 1.63c
<i>Per Average Kilometre of Railway Open</i>			
10.	Number of Passengers Carried	Interstate .. 788 Country .. 665 Suburban .. 234,909	799 594 230,420
11.	Number of Passengers Carried One Kilometre	Interstate .. 315,050 Country .. 69,525 Suburban .. 3,538,778	317,663 61,583 3,566,741
12.	Passenger Train Distance	Interstate .. 1,309 Country .. 1,038 Suburban .. 29,773	1,414 1,024 28,418
13.	Earnings from Passengers Carried	Interstate .. \$6214.84 Country .. \$1064.30 Suburban .. \$59,106.67	\$5,247.83 \$987.04 \$57,960.15
<i>Per Passenger Train Kilometre</i>			
14.	Average Number of Passengers	Interstate .. 241 Country .. 67 Suburban .. 119	225 60 126
15.	Average Number of Carriages	Interstate .. 13 Country .. 6 Suburban .. 6	13 5 6
16.	Average Earnings from Passengers Carried	Interstate .. 474.94c Country .. 102.49c Suburban .. 198.52c	371.03c 96.41c 203.95c
GOODS AND LIVE STOCK TRAFFIC—PAYING			
17.	Goods Train Kilometres	11,769,439	11,958,231
18.	Earnings from Goods and Live Stock	\$71,914,853	\$61,973,973
19.	Number of Tonnes Carried	11,056,834	11,370,162
20.	Number of Tonnes Carried One Kilometre	3,091,439,393	3,126,164,213
21.	Average Haul per Tonne of Goods (Kilometres)	280	274.94
22.	Average Tonnage per Loaded Wagon	16.67	16.89
23.	Average Train Load (Tonnes)	298.73	299.80
24.	Average Earnings per Goods Train Kilometre	611.03c	518.25c
25.	Average Earnings per Tonne	650.41c	545.06c
26.	Average Earnings per Tonne Kilometre	2.33c	1.98c
<i>Per Average Kilometre of Railway Open</i>			
27.	Number of Tonnes Carried (Paying Traffic)	1,661	1,701
28.	Number of Tonnes Carried One Kilometre (Paying Traffic)	464,320	467,639
29.	Goods Train Distance	1,768	1,789
30.	Earnings from Goods and Live Stock	\$10,801.27	\$9,270.60
GOODS AND LIVE STOCK TRAFFIC—GROSS			
31.	Average Tonnage per Loaded Wagon	30.48	30.78
32.	Average Train Load (Tonnes)	670.45	661.74
33.	Average Number of Vehicles per Train—Loaded	17.92	17.75
34.	Average Number of Vehicles per Train—Empty	8.92	8.24

NEW LINES UNDER CONSTRUCTION AT JUNE 30, 1975.

Section	Kilometres
Caulfield to Mordialloc, Third Track	15.91
Macleod to Greensborough, Duplication	5.23
Melbourne Underground Loop	3.22
Ringwood to Bayswater, Duplication	5.09
Ringwood to Croydon, Duplication	5.28
South Kensington to Footscray, Two additional tracks	2.42
Sunshine to Deer Park West, Duplication	9.66

LINES CLOSED FOR TRAFFIC DURING THE YEAR ENDED JUNE 30, 1975.

Section	Kilometres	Date closed
Nil.		

LENGTH OF RAILWAYS AND TRACKS

		Kilometres open for Traffic at June 30												
		Tracks			Railways									
		Tracks	Sidings	Total	Ten tracks	Eight tracks	Seven tracks	Six tracks	Four tracks	Three tracks	Two tracks	One track	Total	
Year 1974-75	1600 mm gauge	7352.15	1496.01	8848.16	} 0.61	2.16	1.42	2.49	27.49	101.90	720.07	5788.97	6645.11	
	1435 mm gauge	332.26	66.42	398.68										
	Dual gauge	8.59	6.10	14.69										
	762 mm gauge	13.65	1.50	15.15										
	Total	7706.65	1570.03	9276.68										
Year 1973-74	1600 mm gauge	7349.90	1515.42	8865.32	} 0.61	2.16	1.42	2.49	27.49	101.90	720.02	5786.81	6642.90	
	1435 mm gauge	332.26	65.53	397.79										
	Dual gauge	8.59	6.10	14.69										
	762 mm gauge	13.65	1.50	15.15										
	Total	7704.40	1588.55	9292.95										
		Average Kilometres open for traffic during the year												
		Tracks			Railways									
		Tracks	Sidings	Total	Ten tracks	Eight tracks	Seven tracks	Six tracks	Four tracks	Three tracks	Two tracks	One track	Total	
Year 1974-75	1600 mm gauge	7351.70	1500.99	8852.69	} 0.61	2.16	1.42	2.49	27.49	101.90	720.04	5788.58	6644.69	
	1435 mm gauge	332.26	66.42	398.68										
	Dual gauge	8.59	6.10	14.69										
	762 mm gauge	13.65	1.50	15.15										
	Total	7706.20	1575.01	9281.21										
Year 1973-74	1600 mm gauge	7377.44	1517.79	8895.23	} 0.61	2.16	1.42	2.49	27.49	101.90	719.18	5816.02	6671.27	
	1435 mm gauge	332.26	65.45	397.71										
	Dual gauge	8.59	6.10	14.69										
	762 mm gauge	13.65	1.50	15.15										
	Total	7731.94	1590.84	9322.78										

RAILWAYS STORES SUSPENSE ACCOUNT

	\$	\$		\$	\$
Funds provided at the date of the authorization of the Stores Suspense Account (June 30, 1896)	1,118,881.62		Stores and materials on hand—		
Less expended on special and deferred repairs in accordance with Section 3 of Act 1820	100,000.00		Railways	10,508,255.07	
Advances from Loan Account subsequent to June 30, 1896		1,018,881.62	Construction Board	11,372.21	
		7,981,118.38	Equalization Account	214,517.46	10,734,144.74
Total funds provided		9,000,000.00	Sundry debtors		137,736.33
Sundry creditors		2,382,776.74	Cash in Treasury at June 30, 1975		456,901.71
		11,382,776.74	Advances with Agent General		53,993.96
					11,382,776.74

RAILWAYS RENEWALS AND REPLACEMENTS FUND

Nature and source of funds	Disposal of funds			Disposal of funds	
	During the year ended June 30, 1975	Period July 1 1937, to June 30, 1975		During the year ended June 30, 1975	Period July 1, 1937, to June 30, 1975
	\$	\$		\$	\$
Balance at June 30, 1974	—	—	Renewals and replacements		
Funds specially appropriated under Act No. 6355	400,000.00	15,200,000.00	Traffic	—	486,131.42
Additional funds authorised by Parliament	—	11,500,000.00	Rolling Stock	188,849.35	114,908,859.88
Rail motor and road motor, &c. depreciation	31,021.69	4,571,924.74	Way and Works	1,160,846.16	42,644,169.12
Sundry sales, abolitions, &c.	918,673.82	12,608,623.53	Electrical Engineering	—	6,441,154.19
Interest on investments	—	1,406,582.80			
Amount charged Item 5 Loan Acts	—	119,193,183.54			
	1,349,695.51	164,480,314.61		1,349,695.51	164,480,314.61

DEPRECIATION—PROVISION AND ACCRUAL

	During the year ended June 30, 1975	Period July 1, 1937, to June 30, 1975		During the year ended June 30, 1975	Period July 1, 1937, to June 30, 1975
	\$	\$		\$	\$
Special appropriations	400,000.00	15,200,000.00	Normal depreciation—		
Additional funds authorised by Parliament		11,500,000.00	Way, works, buildings, &c.	2,384,391.00	45,755,624.53
Sundry depreciation provided in working expenses	31,021.69	4,571,924.74	Rolling stock (including machinery and equipment in Rolling Stock Workshops)	6,294,688.00	102,935,108.35
Provision from sundry sales &c., included as additional depreciation	—	687,993.39	Electrical Engineering plant and equipment	378,041.00	9,670,836.32
Interest on investments	—	1,406,582.80	Rail motors and road motors	18,725.69	4,472,939.32
Balance at June 30, 1975 amount short provided	8,644,824.00	129,468,037.59			
	9,075,845.69	162,834,538.52		9,075,845.69	162,834,538.52

STATEMENT OF CAPITAL EXPENDITURE

	Year ended June 30, 1975	Year ended June 30, 1974
	\$	\$
New lines and surveys—		
Gross expenditure	410,475	127,576
Credits	—	—
Net expenditure	410,475	127,576
Additions and improvements on existing lines—		
Gross expenditure	16,801,485	11,762,357
Credits	1,160,846	1,427,153
Net expenditure	15,640,639	10,335,204
Rolling stock—		
Gross expenditure	18,430,021	10,821,332
Credits	188,849	155,112
Net expenditure	18,241,172	10,666,220
Electrification of Melbourne suburban lines—		
Gross expenditure	549,103	408,217
Credits	—	—
Net expenditure	549,103	408,217
Total railways—		
Gross expenditure	36,191,084	23,119,482
Credits	1,349,695	1,582,265
Net expenditure	34,841,389	21,537,217
Road motor public service (including garage accommodation)—		
Gross expenditure	—	—
Credits	—	—
Net expenditure	—	—
Total—		
Gross expenditure	36,191,084	23,119,482
Credits	1,349,695	1,582,265
Net expenditure	34,841,389	21,537,217