

**VICTORIA**

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*Report*

of the

**VICTORIAN RAILWAYS BOARD**

for the

Year ended 30 June 1982

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*Ordered by the Legislative Assembly to be printed*

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1982



1982

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VICTORIA

# VICTORIAN RAILWAYS

## REPORT

OF THE

## VICTORIAN RAILWAYS BOARD

FOR THE

## YEAR ENDED JUNE 30, 1982

## VICTORIAN RAILWAYS BOARD

A. S. REIHER	Chairman
R. W. ELLIS	Member
R. H. HODGES	Member
L. M. PERROTT, O.B.E.	Member
F. R. G. STRICKLAND, O.B.E.	Member
N. G. WILSON, C.M.G.	Member

30th September, 1982

*The Honourable Steve Crabb. M.P.,*

*Minister of Transport,*

Dear Minister,

In accordance with Section 105 of the Railways Act, the Report of the Victorian Railways Board for the year ended June 30, 1982 is submitted to Parliament.

Yours sincerely,

A. S. Reiher,  
Chairman,  
Victorian Railways Board.

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## **MAJOR ACHIEVEMENTS**

- Arrest and reversal of declining passenger patronage.
- Attainment of Operating budget after absorbing additional cost increases of \$7M not provided in the Treasury budget estimates.
- Record Industrial Relations harmony.
- Introduction of intermodal travel/Travel Card.
- First 'Comeng' air-conditioned suburban passenger trains in service.
- 'New Deal' for country passengers commenced.
- First 'N' Class country passenger carriages completed in Workshops, and into service.
- An increase of over 50% in the capital works program.
- New Financing Arrangements–
  - Leverage Leasing
  - Borrowings.

## **FROM THE BOARD**

During the year the Board placed major emphasis on–

- improving the performance and reliability of the Metropolitan Passenger System;
- reorganisation and upgrading of the Country Passenger Services;
- an expanded capital works programme.

Whilst acknowledging that a great deal is still to be done to provide satisfactory service standards, the Board considers that significant progress was achieved during the year, resulting in the provision of improved services to its customers.

The Board records, with satisfaction, the attainment of the operating expense budget under the difficult financial conditions which prevailed during the year and after absorbing \$7 million of additional costs, mainly wage award increases.

The year's results were also enhanced by the significant reduction in industrial disputes which resulted in the provision of more reliable services.

The Board is appreciative of the effort and the co-operation of its staff, which made the year's achievements possible.

## FINANCE

### 1. Operating Result

The operating result for 1981/82 as recorded in Treasury figures is as follows –

	1981/82	1980/81	Increase
	\$M	\$M	%
Operating Expenditure	494.849	441.460	12.1
Receipts	264.120	252.272	4.7
Budget Revenue Supplement	233.100	165.067	
	497.220	417.339	
Operating Surplus (Deficit) after Budget Revenue Supplement	2.371	(24.121)	

The reduction in the revenue supplement of \$2.37 million, compares with an overrun of \$24.12 million in 1980/81. The reduction was as a result of a close control over costs, despite a reduction in revenue which was mainly outside the Board's control.

The expenditure appropriation in the 1981/82 Budget was \$502.8 million. Actual expenditure in Treasury books was \$494.8 million. The difference of \$8.0 million represents a reduction in expenditure below budget to which must be added other additional costs of \$7.0 million, mainly wage increases which were not provided for in the Treasury budget estimates, and which were absorbed in the total operating costs for the year. The real saving in budgeted expenditure was therefore \$15.0 million.

Despite these savings, costs of operating all services increased by 12.1% in 1981/82; revenue receipts increased by only 4.7% with a consequent increase in the budget supplement.

Labour attrition was not fully replaced in the early part of the financial year. Due to the uncertainty over funding future cost increases, commencement of the Ararat to Serviceton rail relaying was deferred until January, 1982. Material usage was below budget; greater use was made of serviceable material particularly track and electrical stores. Price increases of stores averaged 9.6% for 1981/82 – this was below the wholesale price index. Major cost increases were in traction power 25% from September, 1981; rail and steel costs increased by 16% and diesel fuel 7%.

The increase in average employee earnings was 16.3% for 1981/82 which compares with the national average minimum weekly wage increase for railway services of 15.6%.

Revenue for 1981/82 was \$264.1 million which was below the budget by \$5.6 million. Income from freight was \$8.7 million below the budget estimate. The reduction was mainly due to causes outside management's control. Grain movement was 12% below budget.

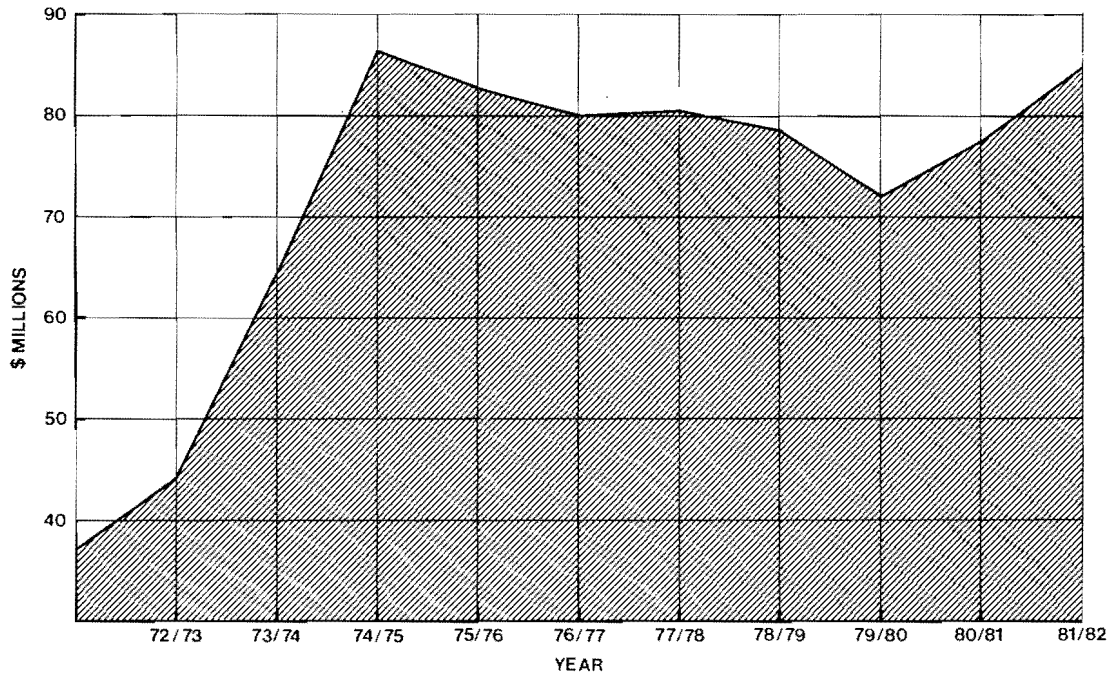
Passenger income was \$4.6 million above budget.

An interstate industrial dispute in July, 1981 resulted in lost revenue from container traffic and forwarding agents; several strikes at customers' plants also reduced income. The depressed state of the economy was an additional factor. The continuing effects of de-regulation and increased road competition reduced L.C.L. tonnage. The effect of these reductions was partly offset by increased growth in interstate traffic, mainly forwarding agents and containers, and in rice traffic.

Passenger fares were revised during the year with the introduction of a zonal fare system and Travelcard, and multi-modal ticketing on trams, trains and buses.

## ANNUAL REVENUE SUPPLEMENT

**EXPRESSED IN TERMS OF CONSTANT MONEY VALUES  
(1972/73 PRICE LEVELS)**



### Business Categories

The analysis of the results for 1981/82 apportioned over the various business categories is as follows—

Business Category	1981/82		Govt. Contribution 1981/82		Govt. Contribution 1980/81	
	Receipts \$M	Exp'ture \$M	\$M	%	\$M	%
Metropolitan Services,— Passenger & Parcels	74.2	148.8	74.6	50	57.4	46
Inter City—Passenger and Parcels	25.2	63.7	38.5	60	42.4	67
Inter Urban—Passenger and Parcels	5.5	15.8	10.3	65	7.2	62
Intersystem—Passenger and Parcels	15.3	29.2	13.9	48	8.7	41
Victorian Freight	110.4	194.8	84.4	43	72.0	39
Intersystem Freight	33.5	42.5	9.0	21	1.5	4
	<u>264.1</u>	<u>494.8</u>	<u>230.7</u>	<u>47</u>	<u>189.2</u>	<u>43</u>

Comments on the increase in Government contribution of \$230.7 million for 1981/82 and \$189.2 million for 1980/81 for the business categories are as follows.—

### Metropolitan Services – Passenger & Parcels

The budget supplement increased by \$17.2 million. Fare and patronage increases were insufficient to offset increased costs, mainly labour and traction power.



## Inter City/Inter Urban–Passenger & Parcels

For analysis the results of these groups should be consolidated as service boundaries were altered in 1981/82—the main change being that Ballarat and Traralgon are now classified as Inter Urban. Operating costs increased by 6%. Revenue rose 21% as a result of increased fares and patronage on the upgraded services.

## Intersystem–Passenger & Parcels

Income increased 20%, mainly fare increases. Costs include a proportionate charge for rail relaying between Ararat and Serviceton.

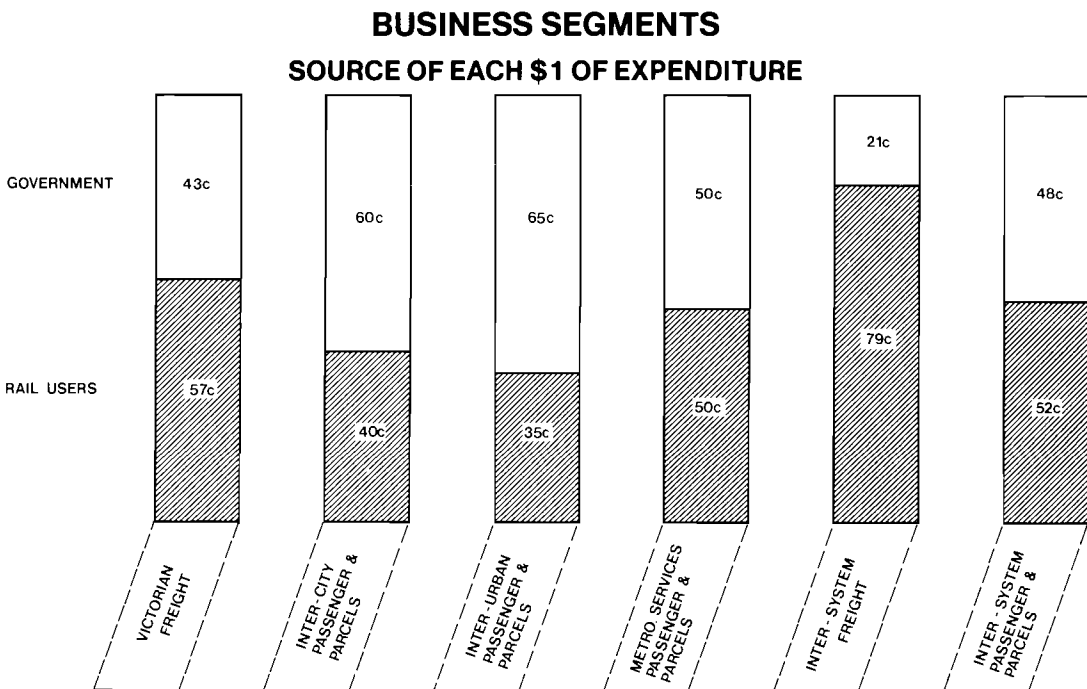
## Victorian Freight

The budget supplement increased by \$12.4 million. Tonnage shipped was 12% lower. Rate increases averaged 10% per tonne kilometre. Costs per tonne kilometre increased 20% and reflected the effect of standing costs on the lower tonnage railed. Further gains were made in wagon productivity. Interchange charges were reduced.

## Intersystem Freight

The supplement was increased by \$1.8 million due to a delayed payment of an intersystem account carried over from 1980/81. Costs include a proportionate charge for rail relaying between Ararat and Serviceton.

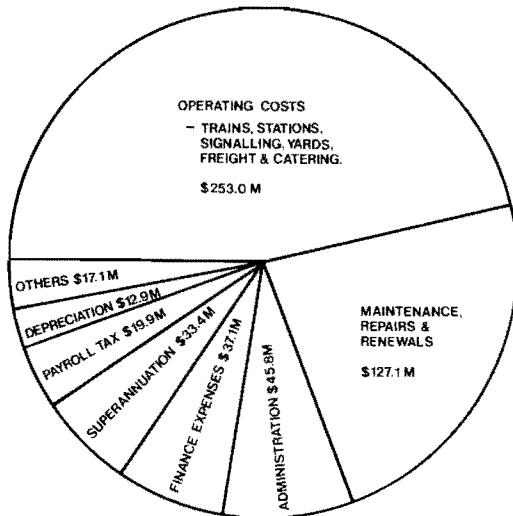
The following graph sets out the relationship between user payments and the Government contribution for each business sector.



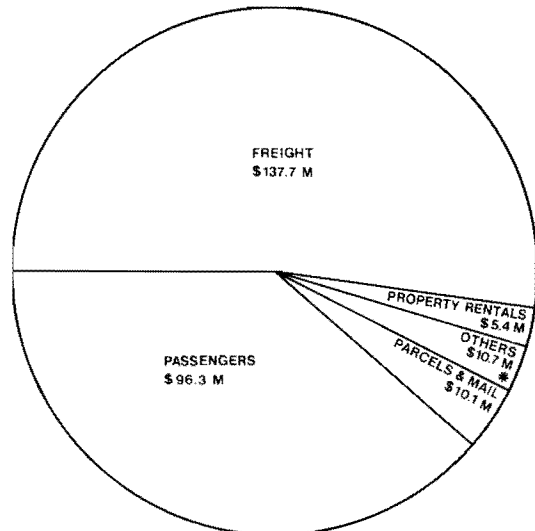
## 2. Accrual Accounting

Accrual Accounting is being progressively introduced. After allowing for accrued revenue and expenditure and bringing to account the full provision for depreciation, and interest charged by Treasury on loan funds, the net deficit for the year was \$286.1 million (1980/81 – \$236.3 million). This figure is not comparable with any previous deficit figure. Costs incurred for 1981/82 totalled \$546.3 million, less revenue earned \$260.2 million, leaving a net operating loss of \$286.1 million. This figure does not include any cost in respect of the year 1981/82 for accruals and provisions for annual leave, long service leave and retiring gratuity. Liability for these amounts, which totals \$148 million has been included in the Statement of Financial Position. The movement will be included in the accounts in future years.

**1981/82 COSTS**  
\$546.3 million



**1981/82 REVENUE**  
\$260.2 million



\* (includes agency work for outside parties & other systems \$5.0 million.)

**3. Works and Services**

Costs incurred on capital works for 1981/82 totalled \$109.3 million; this compares with \$69.8 million in 1980/81.

Major items included in the capital program, either completed or in progress in 1981/82, were as follows

	Expenditure \$M
Suburban Electric Trains— New air-conditioned Comeng trains, and refurbishing of Harris trains.	40.9
Country Passenger Carriages— new air-conditioned 'N' class carriages.	14.2
Freight Wagons	5.9
Track Improvements—	
● Suburban—including electrification of the Altona Junction to Werribee line, duplication of the Ringwood–Bayswater line, track re-arrangement at Franklin Street and North Melbourne, automatic signalling, signal box amalgamation and electrical supply improvements.	17.7
● Non Urban—duplication of Geelong line, Ararat to Serviceton Centralised Train Control and Crossing Loops.	5.2
● Bridgeworks	6.3
Freight Terminal— the new South Dynon Container Terminal.	3.4

Funds were provided under the Works and Services Appropriation Act totalling \$71.1 million, and from the Transport Fund \$4.8 million. Included in funds provided under the Works and Services Appropriation Act was an amount of \$2.1 million provided by the Commonwealth Government under the National Railways Network (Financial Assistance) Act and borrowings of \$20 million which were made during the year pursuant to the Railways (Borrowing Powers) Act. Funds totalling \$26.6 million were provided from the Railway Renewals and Replacements Fund, and included \$25 million for rollingstock now leased.

Projects funded from the Transport Fund included the Ashley Street, Tottenham grade separation \$2 million, Boom Barriers and Flashing Lights at Level Crossings \$2 million, and the new station at Furlong Road \$.2 million.

#### **4. Leverage Leasing**

On 1st April, 1982, VicRail entered into its first leverage lease covering 54 'N' Class Country Passenger Carriages and 26 'B' class locomotives which are to be refurbished. The total value of the equipment to be leased is estimated at \$65.6 million.

Negotiations are complete for leverage leasing 19 new Suburban Passenger trains for an estimated total value of \$66.2 million. A Heads of Agreement covering the leverage lease was signed on 23rd June, 1982. The Commonwealth Government effectively withdrew the ability of statutory bodies to economically leverage lease equipment on 24th June, 1982, unless formal contractual arrangements had been entered into by that date. Discussions have taken place with the Commissioner of Taxation regarding this leverage lease and approval has recently been received for the participants to enter into the lease, under contractual arrangements made prior to 24th June, 1982.

#### **5. Borrowings**

During 1981/82 the Board was given authority pursuant to the Railways (Borrowing Powers) Act 1981 to raise \$20 million by the issue of Railways Inscribed Stock. These loan funds were raised by private placement.

### **METROPOLITAN SERVICES**

The Government subsidy provided to operate the metropolitan services was \$74.6 million which compares with \$57.4 million for 1980/81.

A major restructuring of the Metropolitan fare system was made on the 4th October, 1981, with the introduction of multi-modal ticketing on trains, trams and buses.

Fares were increased by a weighted average of 13%. The metropolitan area was re defined to include all metropolitan electrified lines, and rail services to Werribee, Melton, Sunbury and Craigieburn; and bus services to Healesville, Clyde, Stony Point, Mornington, East Kew, Coolaroo, and Beaumaris-Southland.

Passenger counts at city barriers have indicated an increase of 5% in patronage, which reverses the decline which had occurred over past years.

Improvements in timekeeping, train cleanliness and the introduction of new rollingstock have all helped to achieve the increased patronage figures.

The eight section fare system was replaced by a three zone fixed boundary fare system. Metro Card Daily, Inter-modal Railway and Tramway tickets were renamed 'Travel Card' and extended to include private bus services. 'Travel Cards' are available on the day of issue for unlimited inter-modal travel. A 'Rail Plus 4' fare provided for journeys not exceeding four stations. On the 23rd May, 1982, 'Rail Plus 4' was supplemented by 'Rail Plus 2' with a reduction of 50% in the fare cost.

Quarterly, Half-Yearly and Yearly tickets were replaced with Date to Date tickets, where passengers can purchase a number of weeks travel with a minimum of 10 weeks, and a maximum of 52 weeks. Weekly Travel Cards were introduced on 5th February, 1982. In addition to unlimited inter-modal travel within the zones specified, this ticket can be used as a family ticket on Sunday.

Other changes were made to concession fares, off-peak ticketing, and first class fares to outer metropolitan stations were abolished.

With the introduction of inter-modal travel, the fare structures were changed. Daily Travel Cards cost between \$2.00 and \$3.60 and Weekly Travel Cards between \$10 and \$18 depending on the zones of use. The 'Rail Plus 2' fare of 35 cents provided short distance travellers with a more economical fare structure.

Free Sunday travel was introduced for December, 1981, and January, 1982, and was extended into February, 1982. Patronage exceeded expectations with City station tallies of between 66,000 and 158,000 being recorded; the normal average is 30,000 on Sunday.

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Sunday and weeknight services on the St. Kilda and Port Melbourne lines were re-introduced on 16th May, 1982, these services had been withdrawn in August, 1981. In addition six-car train sets now operate on these routes in peak periods.

The Altona–Newport off peak shuttle service was withdrawn on 4th October, 1981, and replaced by buses connecting with North Williamstown station. The rail service has been re-introduced as of 26th July, 1982.

Operating schedules for 'Silver' and 'Blue' trains were changed. These trains now operate on weekends on the Sandringham and Clifton Hill Group; on the peak runs on the Burnley and Caulfield/Northern Groups and on the Port Melbourne line, and have replaced the 'Tait' trains giving passengers a better standard of service.

The program of improving the operating performance on the suburban network continued. The percentage of all suburban trains now arriving at Flinders Street within 3 minutes of the timetable is 79%. In 1981/82 the number of trains arriving late at Flinders Street was reduced by 11,145, which represented an improvement of nearly 16%. A total of 92% of trains reach Flinders Street within 6 minutes of the timetable. Train cancellations due to non-industrial causes totalled 4,303 compared with 8,452 cancellations for 1980/81—an improvement of nearly 50%.

Although the on time performance of the suburban system has improved, much more has to be done to upgrade maintenance standards and equipment before a satisfactory standard of performance can be achieved.

An extensive review has been made of suburban train maintenance procedures and the monitoring of faults to establish trends causing delays and cancellations. Changes are being progressively made to introduce preventative maintenance programs, replacing components before failure, based on statistical recording of faults. Extra servicing staff have been employed to reduce the backlog of deferred maintenance, and improved methods of train inspection have been introduced. Stocks of changeover components are being built up as the results of the review are available.

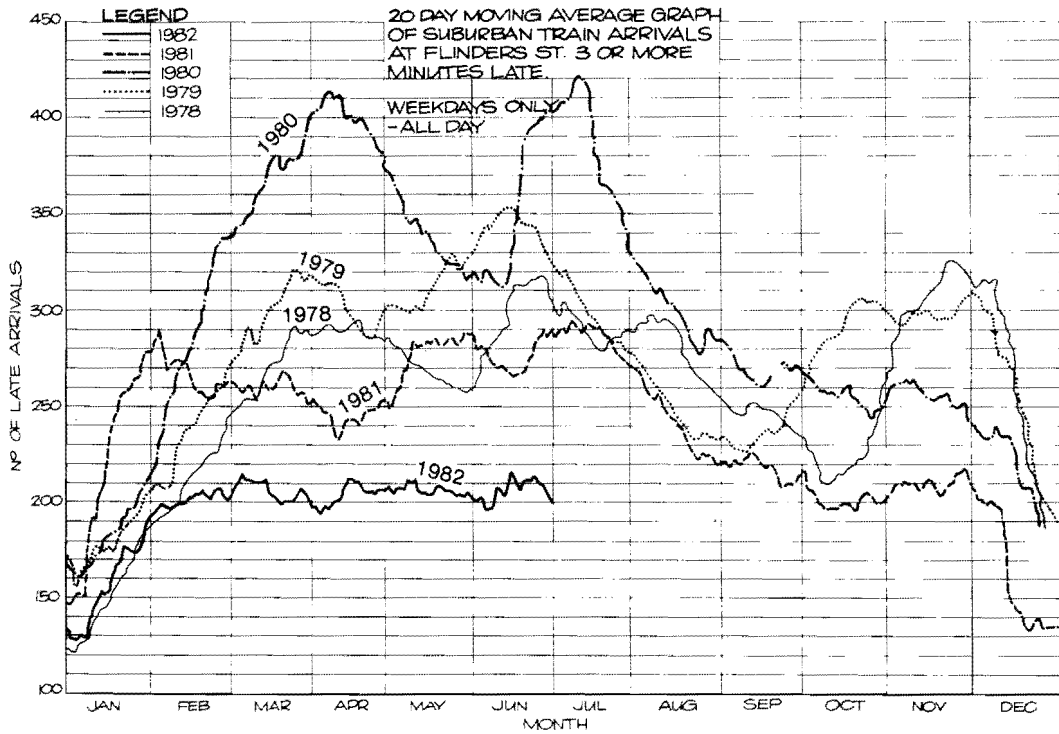
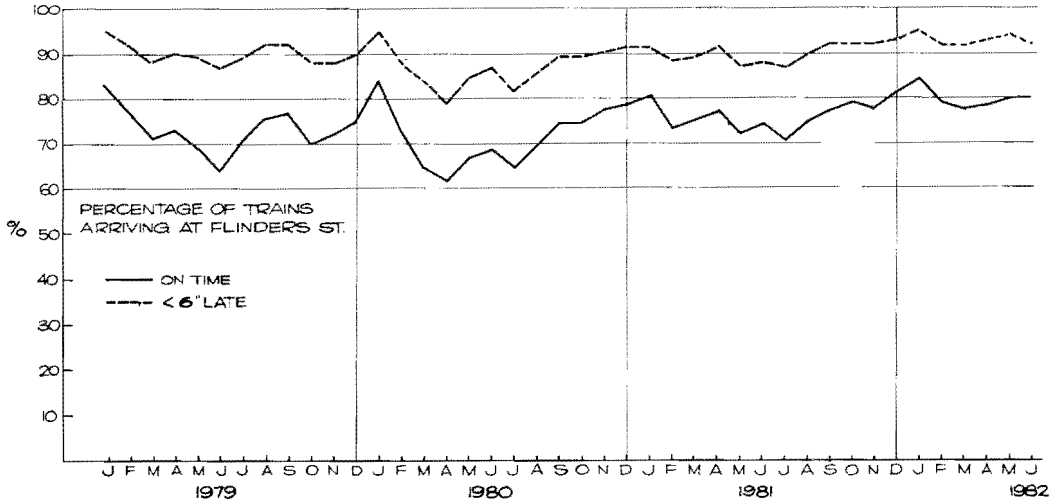
Train cleanliness has been improved; more supervisory staff have been engaged, and servicing procedures revised.

On 28th September, 1981, the first new generation 'Comeng' air-conditioned train was brought into revenue service. Five new six-car trains were in revenue service at 30th June, 1982. A total of 50 new trains will be built to be delivered at the rate of 10 each year. Negotiations are in course to double the rate of delivery.

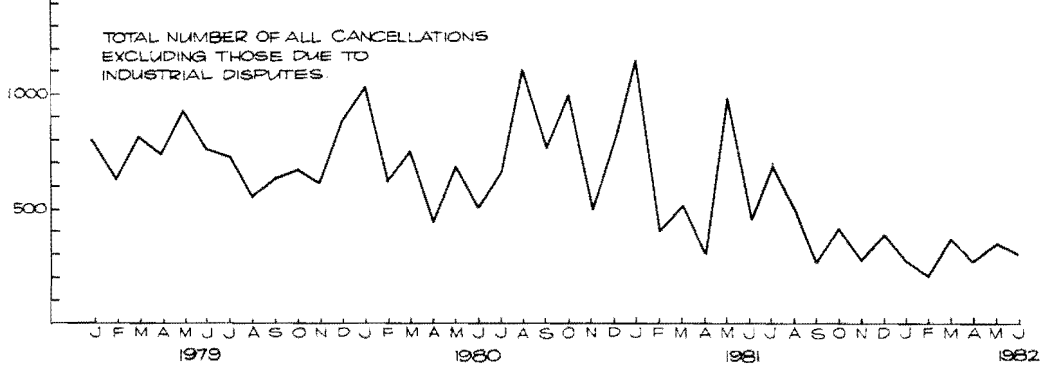
The initial reliability of these new trains was unsatisfactory, and they were temporarily withdrawn from service while additional corrective measures were taken. The train is an advanced modern unit incorporating new technology. In retrospect, many of the teething problems would have been eliminated had a proto-type been constructed prior to manufacture. The operating performance of the train has improved, and modifications are being made to further improve its reliability to an expected 50,000 kms. between motor car failures.

A total of 130 trains are required to operate the morning peak and 128 trains are needed for the evening peak. In addition, train sets are required to cover maintenance and overhaul requirements.

## TIMEKEEPING OF SUBURBAN TRAINS



## CANCELLATIONS OF SUBURBAN TRAINS



At 30th June, 1982, the suburban train fleet consisted of—

5	Air-conditioned new generation 'Comeng'
57½	'Hitachi' (Silver).
54	'Harris' (Blue).
31	'Tait' (Red).
<hr/>	
147½	Trains Sets.

'Tait' trains will be progressively phased out of service as further new Comeng trains are delivered.

Major track works carried out in the metropolitan area include:

- Duplication of the Ringwood to Bayswater line—to be completed in 1983.
- Electrification of the Altona Junction to Werribee line—scheduled to be completed in 1983.
- Re-arrangement and upgrading of track and signalling to accommodate the 10 foot wide Comeng trains through North Melbourne and Franklin Street Junctions.
- At Tottenham, grade separation works to eliminate the Ashley Street level crossing are in progress.

The West entrance of Museum station was opened for public use on 5th April, 1982.

Reconstruction of stations at Victoria Park and Balaclava were completed. Reconstruction of Collingwood station is in progress; platforms and ramps were completed, but work has been delayed pending further discussion with local interests over the station design.

Construction of a new station at Furlong Road, between Albion and St. Albans is nearing completion.

Signal boxes in the Flinders Street Yard area were converted to relay interlockings within Metrol, preparatory to being transferred to remote control within the Train Descriptor System. Track and signal information in the inner suburban network is being monitored by the Train Descriptor System. Construction of box sections, trackwork and signalling continues in the Flinders Street and North Melbourne Areas for the Melbourne Underground Rail Loop Authority.

Work continued on Parliament Station which is expected to be opened in October, 1982, in conjunction with the opening of the Clifton Hill Loop.

Transmark (the consulting subsidiary of British Rail) completed a preliminary study of the feasibility of decentralising rail activities from the Jolimont Yard. The report recommends that train stabling and maintenance depots be moved to suburban yards. Estimated costs associated with the project are high and the economics of the project are being reviewed.

Radio to Driver and Guard was introduced onto the suburban system on 15th June, 1982. Radios were installed in 55 suburban trains, thereby improving security to both passengers and crews. The radios also provide a communication link to a base station at Metrol to monitor any disruption to services.

Public address systems were installed at Broadmeadows, West Footscray, Carrum and Chelsea stations.

Commuter Car Parking—An additional 242 car parking spaces were provided at 28 locations. There are 18,166 car spaces provided at 141 locations within the Metropolitan area.

Bicycle lockers have been installed at Museum station and at several suburban stations.

A Transportation Emergency Resources and Information Plan has been introduced in the metropolitan network. The plan covers procedures and action to be taken in case of emergencies and major interruptions to services. Emergency kits have been located at 10 strategic locations, and contain radios, tapes for broadcasting emergency announcements and associated equipment.

The Uniform Section of the Railways Investigation Division was increased to 40 personnel during the year. This is a group which is utilised in those areas which are most trouble prone.

The Crime Prevention Bureau which visits schools, lecturing students on anti-social behaviour on trains and the dangers of trespass and misbehaving on VicRail property, introduced a mobile display bus. Together with lectures, and video displays, the bus has already created a great deal of interest, and is used at fetes, shopping centres and other venues throughout the State.

## **INTER CITY/INTER URBAN/INTER SYSTEM SERVICES**

These services required a subsidy in 1981/82 as follows

	Government Contribution			
	1981/82 \$M	1980/81 \$M	1981/82 %	1980/81 %
Inter City	38.5	42.4	60	67
Inter Urban	10.3	7.2	65	62
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	48.8	49.6	61	66
Inter System	13.9	8.7	48	41
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### **Inter City/Inter Urban**

For many years the inter city and inter urban passenger services were operated with run-down equipment with declining performance standards, with a consequent loss in patronage, and with little capital investment for over 20 years.

The year 1981/82 saw a marked change in direction for the country passenger business. On 4th October, 1981 services were substantially re-organised with new timetables giving increased frequency of services and shorter journey times, and a program to upgrade rollingstock.

A core route network was established covering inter city services to Albury, Bairnsdale, Bendigo, Dimboola, Horsham, Mildura, Numurkah, Sale, Shepparton, Swan Hill and Warrnambool. Inter urban services operate from Bacchus Marsh, Ballarat, Geelong, Kyneton, Seymour, Traralgon and Warragul. A total of 35 stations were closed for passenger business; 9 of which are now serviced by road coach.

The radical revision of timetables allowed for increased service levels to all inter urban cities and to most regional cities. The increased frequencies were achieved by maximum seat utilisation, operating shorter fixed consist trains on faster schedules, with a more rapid train turnround at terminals. Some journey times have been reduced by 10-20%. Operating distance has increased by 27% and has been accomplished with a 13% reduction in rollingstock. This increase in services was achieved without any significant increase in manpower.

Patronage has increased by 13% for the period 4th October, 1981 to 30th June, 1982-this has reversed the declining trend over past years.

Fares were increased by an average of 15% on 4th October, 1981. The fare differential between first class and economy was increased from 25% to 35%; other changes were also made to fare structures.

The maximisation of seating capacity necessitated the booking of seats. To accommodate this, VicRes was introduced. This reservation system which is similar to the systems used in the airline industry controls 6,000 seats on inter city trains. Stations, travel agents and the public have ready access to reservations through 36 booking terminals in Melbourne and regional country cities. The number of accredited Travel Agents was increased to 200 (110 at 30/6/1981).

After some initial difficulties, the new services have settled down, but reliability is still not completely satisfactory despite a very substantial improvement in performance. To 30th June, 1982, an average of 75% of all Inter City and Inter Urban trains ran to within 5 minutes of timetable. The main problems are old unreliable rollingstock, track and bridgeworks maintenance and delays due to lack of line capacity, particularly on the Serviceton line.

Carriage failures will be progressively reduced as the new 'N' Class carriages are brought into service.

The first of the air-conditioned 'N' Class country carriages was brought into service in September, 1981. At 30th June, 1982, 9 consists (27 new carriages) were in service. Air-conditioned carriages have been used on several heavily patronised peak period trains on the Geelong line. The new carriages also operate on a considerable proportion of the Ballarat and Bendigo services. A total of 18 consists (54 carriages) are to be built at the Newport Workshops for completion by December, 1983. These consists will enable nearly all inter city trains to be operated with air-conditioned carriages.

Modernisation of the steel-bodied 'S' and 'Z' carriages is proceeding—a total of 37 carriages are to be refurbished at Ballarat and Bendigo Workshops.

The conversion to an all steel-bodied carriage fleet will offer passengers safer and more comfortable travel and will enable the old wooden-bodied carriages to be phased out. In 1981/82, 83 wooden-bodied carriages were withdrawn from service.

Locomotive failures have also caused delays. This problem will be reduced with the refurbishment of 26 'B' Class locomotives, and an on-going program to improve locomotive maintenance procedures. A contract is currently being negotiated for the rebuilding and upgrading of the 26 locomotives.

Negotiations are nearing completion for the rebuilding of 28 suburban 'Harris' carriages and 8 'T' Class locomotives for use on Inter Urban services. Four Tulloch rail motors will also be refurbished to improve reliability on Inter Urban routes.

A review has been made of carriage servicing and maintenance. Preventative maintenance procedures are being developed. Consultants, Transmark, have reported on the need for upgraded servicing facilities in the Dudley Street area, and construction work on a completely new maintenance facility will commence in 1983.

Daily internal carriage cleaning is carried out at 11 country terminals – arrangements are being made for train cleaning at the remaining 4 terminals. The standard of external cleanliness is however still not satisfactory due to the lack of a carriage washing plant. This will be incorporated in the upgraded servicing facilities planned at Dudley Street.

To reduce terminal turnaround times, new locomotive release tracks were constructed at Platforms 6 and 7 Spencer Street, Sunbury, and at South Geelong.

Train catering facilities are to be improved. On-board train catering facilities are now provided on 16 services. A prototype catering module fitted to a BRN carriage has been tested, and will be introduced into service in 1982/83. A total of 17 BRN catering carriages are to be built and the standard catering module will be installed in 10 existing carriages which are being refurbished. These units will provide a 'take away' food service on country routes. With the extension of on-board catering facilities, refreshment rooms at Seymour, Ararat, Warragul and Serviceton have now been closed.

Construction of a new centralised catering complex at Spencer Street will be completed in late 1982. This facility will centralise food and beverage provisioning for all trains replacing the present arrangements, which are inefficient and operate from Spencer Street, Dudley Street and Flinders Street Central Store.



Other service changes include—

- Murtoa–Hopetoun – as from 6th July, 1981, the coach service was altered to originate at Stawell, and the service routed via Rupanyup providing a much needed service to that town.
- Yarram–Leongatha–Melbourne – coach services operate daily giving service to all towns between Melbourne and Yarram. Reviews were made of this service in August, 1981 and April, 1982 to meet passenger and operational requirements.
- Ararat–Hamilton–Portland – the rail motor service was withdrawn on 14th September, 1981 and replaced by road coach services. Concurrently, co-ordinated road coach services were introduced between Warrnambool and Portland, providing a connection through to Mt. Gambier. Portland passengers were given a choice of travel via Warrnambool or Hamilton.

## b) Inter System

Interstate trains include the 'Southern Aurora', 'Spirit of Progress', 'Inter-Capital Daylight', and the 'The Overland'.

Generally traffic levels have improved. MotoRail usage was virtually unchanged.

The overall timekeeping of interstate passenger services improved 12% in 1981/82. Timekeeping improved on all services, except the 'Overland'. Problems still exist on interstate routes with track capacity and speed restrictions.

Fares for travel were increased by an average of 10% on 1st September, 1981 and by 14% on 1st March, 1982. On 1st September, 1981 motor rail charges from Melbourne to Sydney were increased by 8% and to Adelaide by 7%. A further increase of 7% was made on 1st March, 1982.

A market research study of customer service requirements including an on-train customer profile questionnaire has recently been completed, and results are being evaluated.

## FREIGHT SERVICES

### Grain–Victorian, Intrastate and Intersystem

The budget supplement required to operate the freight services was as follows—

	1981/82 \$M	1980/81 \$M	Government Contribution	
			1981/82	1980/81
Victorian Freight (including grain)	84.4	72.0	43%	39%
Intersystem	9.0	1.5	21%	4%

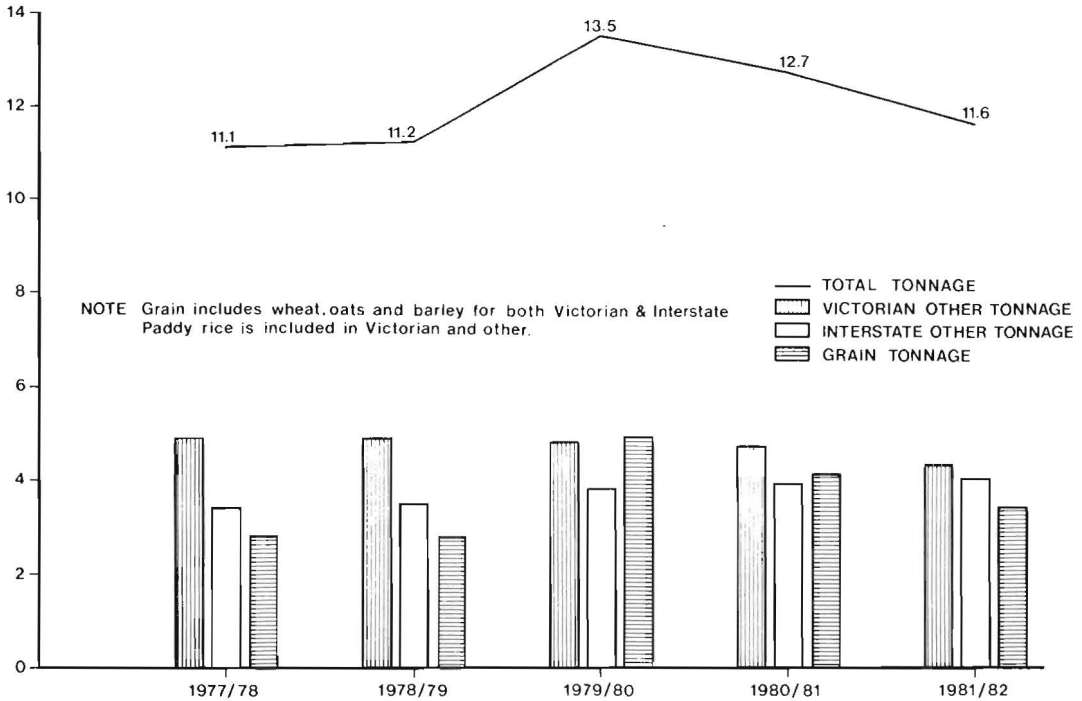
Total freight moved in 1981/82 was 11,622,571 tonnes (1980/81–12,720,780 tonnes) which was a reduction of 8.6% or 1,098,209 tonnes on the tonnage shipped in 1980/81.

The lower tonnage in 1981/82 was mainly Victorian traffic. Victorian Grain traffic reduced by 16% due to the lower harvest.

Other Victorian freight reduced by 8%. Factors which caused the reduction included the flow on effect of external strikes which affected cement, paper and beer traffics, loss of tonnage due to de-regulation, poor seasonal conditions, lower briquette traffic, and the general effects of the economic recession. The reduction was despite an improvement in rice traffic.

Intersystem tonnage declined marginally, mainly due to lower grain traffic from the Riverina. This reduction was offset by increases in container traffic and forwarding agents.

## FREIGHT TONNAGE (1977/78 - 1981/82)



A breakdown of the tonnage hauled is-

	1981/82 (000's Tonnes)	1980/81 (000's Tonnes)	Decrease (000's Tonnes)	%
Victoria-				
Grain	3,245	3,863	618	16
Other Freight	4,298	4,673	375	8
Intersystem	4,080	4,185	105	2
	<u>11,623</u>	<u>12,721</u>	<u>1,098</u>	<u>9</u>

A summary of major freight movements in 1981/82 with the comparative figures for 1980/81 are as follows-

	1981/82 Tonnes	1980/81 Tonnes
Grain	3,375,536	4,129,658
Forwarding Agents	1,066,981	1,038,336
Containers	1,067,454	1,034,431
Mining & Quarry Products	913,961	907,731
Cement	718,408	778,494
Steel and other Metals	694,063	737,261
Briquettes (solid fuels)	487,022	633,380
Superphosphate	557,407	618,467
Manufactured Products	462,370	494,801
Rice (Paddy and Processed)	430,547	319,557
Petroleum Products	399,924	383,256
Foodstuffs	343,761	368,318
Paper Products	258,175	242,472
Motor Vehicles	167,000	157,476
Timber	149,326	177,162
Beverages	125,993	162,097

Significant events were–

- A record level of rice traffic of over 400,000 tonnes was carried – traffic has increased by 40% over the past 5 years.
- Introduction of additional block train operations to carry petroleum products to several regional country centres in Victoria.
- Block train operations for an additional 80,000 tonnes of steel billet from N.S.W. to Geelong, and 50,000 tonnes of coiled steel ex Westernport.
- Further growth in container traffic and completion of the first stage of the new container terminal at South Dynon, enabling speedier and more efficient handling of containerised traffic.

The new South Dynon Container Terminal was opened on 11th December 1981, but due to industrial problems, the terminal was not used commercially until March, 1982. Initial problems with operating the cranes have been overcome. Block train operations commenced on 2nd July, 1982.

Operations at Melbourne Freight Terminal sheds No's 9 and 10 (Footscray Road) were transferred to the main Melbourne Freight Terminal on 5th October, 1981. This relocation affords customers a more centralised access and improves productivity.

Block train operations increased during the year. Major traffics gained were rice from Deniliquin, Echuca and Tocumwal, livestock to Brooklyn, petroleum to Barry Beach, Mildura and Shepparton and billet and coiled steel traffic.

De-regulation of road transport has had a marked effect on 'less than wagon load' freight. The reduction in tonnage has been general throughout Victoria; Gippsland traffic was the worst affected. Tonnage lost in 1981/82 was 20%, mainly beer, hardware and general merchandise. Loss of this traffic has further reduced productivity in country freight centres.

There are five interstate expresses running daily from Melbourne to Adelaide, and four trains from Adelaide to Melbourne.

Nine express freight trains operate a scheduled service each way from South Dynon to Albury—the average daily haulage is 8,000 tonnes each way.

Through working of locomotives on three "jet services" between Melbourne and Adelaide commenced on 15th February, 1982, which improved transit times, and gave better customer service. The through working of one "jet" each way was subsequently withdrawn when the through working between Sydney and Melbourne did not eventuate. Negotiations are continuing with N.S.W. Railways to enable through running to operate between Melbourne and Sydney.

During the year agreement was reached with the Australian Railways Union for an expansion of the operation of 80 foot flat top bogie wagons for forwarding agents container traffic. The operation of these wagons will give improved productivity and customer service.

The introduction of a Computerised Wagon Status System greatly improved wagon turnround, service to customers, and substantially reduced interchange charges.

Comments on the various traffics are–

## **Grain**

Total Grain railed in 1981/82 was lower at 3,375,536 tonnes a reduction of 754,122 tonnes or 18% on the 1980/81 movement. The reduction was due to a lower harvest in 1981/82.

A Grain Plan was prepared in conjunction with the Grain Elevators Board, and generally the harvest was moved with few complaints.

Some problems did occur later in the year at Portland, where upgrading work on silos limited storage capacity.

Shipping was constant at both Geelong and Portland, except for short periods during February, and June, which caused some disruption to the movement of grain to the sea board terminals.

Due to the reduced harvest wagon loadings were lower. Wheat loadings totalled 130,844 wagons (1980/81–150,358 wagons)—a reduction of 13%. Shipments of barley and oats were also down on 1980/81.

Construction of Stage 1 of the North Geelong Grain Loop has been completed. This balloon loop will enable bottom door discharge wagons to be unloaded in a continuous operation without the train needing to be uncoupled or separated from the locomotive. It will facilitate block train movements giving improved train running performance, increased wagon turnround and lower costs.

## **Victoria and Intersystem**

Comments on major traffics are—

### **Rice**

A record level of rice was carried of 430,547 tonnes, an increase of 35% over the 1980/81 movement. Block trains now operate from Deniliquin, Echuca and Tocumwal. A key factor in this successful operation was the expansion of the Ricegrowers facilities, and the extension of the rail siding at Deniliquin as a joint project by VicRail and the Ricegrowers.

### **Steel and other Metals**

Total tonnage reduced by 6% in 1981/82, mainly due to lower shipments of merchant steel from N.S.W. Steel railed from Long Island increased 16%. Slab steel shipped by rail ex N.S.W. increased 31%, this movement has been helped by increased crane capacity at Albury. Coil steel is now being railed from Long Island to McIntyre Siding at Sunshine and to interstate destinations via Dynon in block train movements.

Other increases were in billet steel and wire products.

### **Livestock**

To avoid further heavy financial losses, livestock traffic operations were rationalised during 1982. Rates were increased for small consignments. Emphasis was placed on block train operations consisting of a minimum of 20 vans. To achieve the minimum an agreement was reached with the Victorian Meatworks Association for their members to be considered a single entity for freight rate purposes. These operations commenced in February, 1982.

### **Motor Vehicles**

Units transported by rail increased, notwithstanding industrial difficulties in the motor vehicle manufacturing industry.

### **Petroleum Products**

Block train operations commenced in March, 1982 from Paisley to Barry Beach, and from Corio to Mildura. Movements to Shepparton commenced in June, 1982. VicRail is looking to further expand the tonnage of petroleum products moved by rail.

### **Cement – (bulk & bagged)**

Tonnage railed reduced by 8% in 1981/82 to 718,408 tonnes. This was largely due to lower interstate shipments caused by a downturn in the building industry, and an external industrial dispute.

### **Quarry Products**

Block train operations between Kilmore, Westall and Brooklyn have been most successful and tonnage railed continues to increase.

### **Briquettes**

Traffic declined 23% due to a reduction in traffic to Newport Power Station, which is now fired by natural gas, and more use being made of natural gas for industrial and domestic purposes.

## Containers

Containers handled totalled 165,650 (1980/81 – 161,386), an increase of 2.6%. This increase was achieved despite some industrial unrest on the waterfront at times during the year which reduced traffic.

## Superphosphate

Due to the dry season tonnage hauled reduced 10% to 557,407 tonnes (1980/81 618,467 tonnes).

## Parcels

Parcels traffic has fallen by 11% in 1981/82 – the reduction is due to the effect of de-regulation and increased competition from road operators.

## Freight Rates

Bulk grain rates were increased 14% for the 1981/82 season.

Other Victorian charges were increased on 12th October, 1981 depending on the commodity and distance. Superphosphate increases averaged 20%, petroleum 10%, briquettes 15% and other wagon load rates rose by an average of 25%. L.C.L. rates were increased by 25%, however volume and pallet concessions were extended. Special rates were increased by up to 15%. Parcels rates were increased by approximately 15%.

Intersystem – Rates were increased on 1st September, 1981; tariff rates were increased by 15%. Special rates were increased generally by up to 8%, but varied with the route involved. Parcels rates were increased 15%.

## Freight Operating Statistics

The following table sets out wagon productivity for the five years 1977/78 to 1981/82–

	1977/78	1978/79	1979/80	1980/81	1981/82
Average km. per wagon day	66	72	88	82	79
Output (net tonne km.)	798	938	1,249	1,159	1,167
Average net wagon load (tonnes)	18.74	20.35	22.75	22.92	24.04
Average net train load (tonnes)	313	327	369	360	368
Standing time (hours) per 1,000 train km.	5.94	5.47	5.94	5.81	5.24

Train and wagon productivity depend significantly upon the level of demand. Despite a reduction of 18% in the total grain handled, there was an overall improvement in productivity. Comments on individual statistics are–

*Average km per wagon/day* The reduced grain harvest on the previous two seasons is responsible for less km per wagon day.

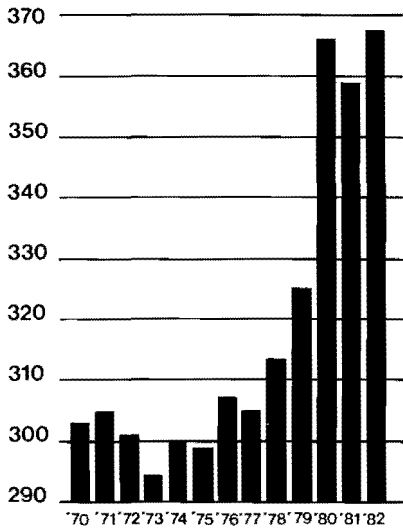
*Output (net tonne km)* Increased use of block trains and more efficient utilisation of fast bogie wagon stock was mainly responsible for the slight improvement, despite the reduced overall tonnage railed.

*Average net wagon load (tonnes)* Consolidation of loading and better utilisation of wagons, have contributed to the improvement in the net wagon load tonne average.

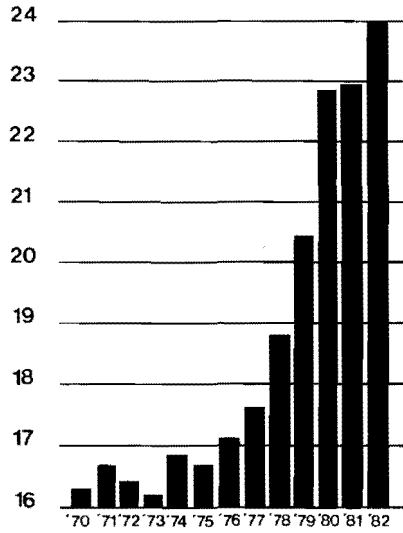
*Average net train load (tonnes)* The average tonnage loaded into trains continues to show good results despite the lower harvest. Segregation and storage problems at both Geelong and Portland restricted the movement of grain from time to time. Shipping delays in February and June also caused some problems with the clearance of grain from country silos.

*Standing time per 1,000 train km (hours)* The average number of hours standing time per 1,000 train km. continues to decrease.

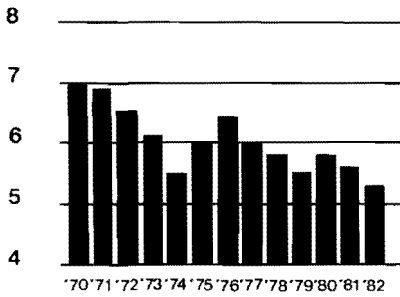
# FREIGHT OPERATING STATISTICS



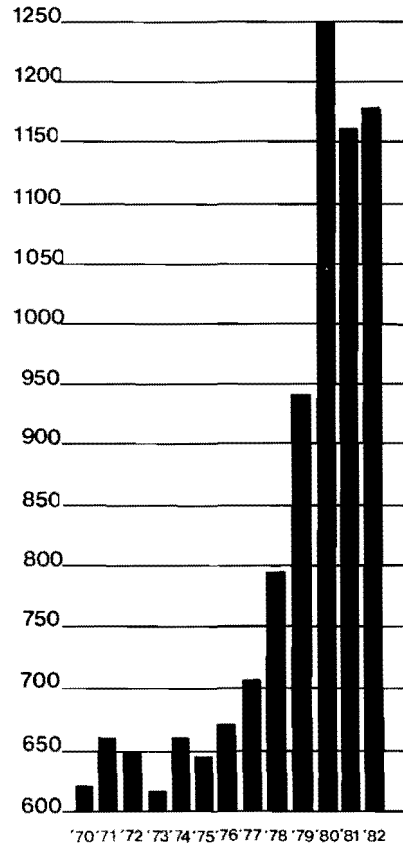
Average Net Train Load (tonnes)



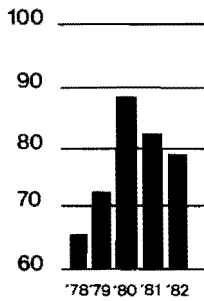
Average Net Wagon Load (tonnes)



Standing Time per 1000 Train km (hours)



Average Daily Wagon Output Net (tonne/km)



Average km per Wagon Day

# **INFRASTRUCTURE, ROLLING STOCK AND EQUIPMENT- NEW WORKS, IMPROVEMENTS AND REPLACEMENTS**

## **Urban Works-General**

In October, 1981 work recommenced on the line duplication between Ringwood and Bayswater. Erection of overhead structures and track construction are well advanced. The line should open early 1983.

Construction of the South Dynon Container Terminal was completed. Work included construction of 7 tracks and associated crossings, commissioning of two, 33 tonne gantry cranes, roadways and other works.

Construction of crib walling and trackwork, and a new island platform for the grade separation of Ashley Street at Tottenham continued. This project is nearing completion and will eliminate the Ashley Street level crossing.

Work on major renewals and trackwork alterations and signalling commenced at North Melbourne and Franklin Street Junction to permit the new 10 foot wide Comeng trains to enter the Northern group of lines.

Electrification of the line between Altona Junction and Werribee continued, and included foundations for overhead masts, erection of structures, work on new platform extensions at Werribee, Galvin and Paisley and sub-stations.

Reconstruction of station buildings at Balaclava and Victoria Park were completed. Station works are in progress at Furlong Road, and at Collingwood where completion has been delayed pending further discussion with local interests over the station design.

Works completed included platform extensions on the Clifton Hill group of lines. Work is in progress on alterations to the Dudley Street Hostel to provide amenities for staff and on the new catering complex at Spencer Street.

The program of level crossing protection continued with the installation of boom barriers, flashing lights and mini pedestrian booms.

Public address systems were installed at Broadmeadows, West Footscray, Carrum and Chelsea stations.

Bridges at Kananook Creek, Seaford, Mile Creek and Yarraman Creek, Noble Park, Grosvenor Creek, Ripponlea, Hull Road, Mooroolbark and Westall drain were reconstructed.

## **Suburban Train Control and Planning**

- (a) Train Describer System—all track and signal information in the central area bounded by Burnley, Caulfield, Sandringham, St. Kilda, Port Melbourne, North Melbourne and Clifton Hill is being monitored.

When fully implemented this system is designed to improve timekeeping by monitoring train movements throughout the suburban system.

- (b) Signalling Works—Flinders Street 'B' and 'C' Box mechanical interlockings were converted to relay interlockings within Metrol, in preparation for subsequent transfer to remote control by the Train Describer System.

## **City Loop Connections**

Works in the Flinders Street/Spencer Street and North Melbourne areas, including tunnel construction, track and overhead, and signalling have continued in connection with the Melbourne Underground Rail Loop and train describer projects. All signals and points in the Flinders Street area have been converted from mechanical operation. Signalling modifications are progressing in the Flinders Street area, preparatory for their transfer to Metrol.

Work continues on construction of the box sections, and ramp, for the Northern Loop at Flinders Street and at North Melbourne. Rearrangement of trackwork has been completed at North Melbourne, and is in progress in the Flinders Street Yard.

Underground signalling in the City Circle Loop was commissioned.

### **Non Urban Works**

**Geelong line duplication**—duplication of the track from Little River to Corio was completed in February, 1982. New island platforms at Corio and Lara were completed, and the station building at Little River was renovated.

**Mainline Upgrading**—under the terms of the National Railway Network (Financial Assistance) Act 1979, the Commonwealth Government will provide funds of \$19.1 million by 30th June, 1983 for a new container terminal at South Dynon, and for the lengthening of the crossing loops on the Ararat-Serviceton line, together with installation of additional loops and centralised traffic control.

On the Ararat-Serviceton line, construction or lengthening of crossing loops at Deep Lead, Lubeck, Diapur and Leeor and yard alterations at Dooen and Jung are in progress.

Other track works completed in 1981/82 were—

- Relaying 35 km of track between Ararat and Serviceton with 60 kg. rail and 5.4 km of track between Benalla and Glenrowan with 53 kg rail.
- Serviceable rail—13 km. of track from Caldwell to Moulamein—this completes the proposed relaying on the Balranald line.
- Fourteen bridges on the Geelong Line were reconstructed.

Further development and planning for State wide radio on trains has progressed during the year following the earlier successful introduction of Driver to Guard radio communications on the majority of intersystem goods trains running between Melbourne and Serviceton as well as the 'Overland', with limited train to base connections at Ararat, Ballarat and Bacchus Marsh. These radios are continuing to improve train timekeeping on the Western corridor.

### **Rolling Stock**

Major additions and improvements to rolling stock during the year were—

- Delivery of 8 new generation air-conditioned Comeng trains as part of a total contract for 50 trains. Five trains were in revenue service at 30th June, 1982—three trains were under test or driver training.
- Upgrading and modernisation of the blue 'Harris' trains commenced.
- Construction of 27 'N' Class air-conditioned carriages to be used for upgrading the country passenger service.
- Refurbishment of 2 steel-bodied carriages were completed as part of a program to refurbish 37 'S' and 'Z' cars for use in the country passenger services.
- Conversion of 110 four wheel general purpose vehicles to bottom discharge grain hopper wagons was completed. Work on conversion of a further 100 wagons commenced at Bendigo Workshops.
- Construction of 50 pneumatic discharge cement wagons (includes 30 wagons as the balance of 1980/81 program).
- Commencement of construction of—  
    35 briquette wagons—(6 completed)  
    15 grain wagons
- Conversion of 25 louvre vans for newsprint traffic and 8 open wagons for steel traffic.

The first proto-type refreshment module for use in the country passenger service was installed and tested.

During the year all rail motor overhaul work was transferred to Bendigo Workshops, to centralise expertise, and to ensure better turnaround of vehicles.



In 1981/82, 97 wooden-bodied vehicles were disposed of as follows:-

'Tait' suburban carriages	16
Country Passenger Carriages	78
Passenger Guards Vans	3
	97

### **MOUNT BUFFALO CHALET**

Occupancy has increased slightly. The occupancy rate was 81% for 1981/82 compared with 80% for 1980/81.

The Chalet, situated in the Mt. Buffalo National Park, offers good facilities at reasonable rates for both the old and young, in one of Victoria's most attractive tourist areas.

During the year the Chalet was repainted externally and en suite facilities were installed in a number of guest rooms. Other improvements included renovation of the sewerage plant and a new water purification plant.

### **VICRAIL PIPELINES PTY. LIMITED ALTONA-SOMERTON PIPELINE JOINT VENTURE**

The Company has changed over to calendar year accounting to bring the company into line with the accounting year of the joint venture.

For the eighteen months period ended on 31st December, 1981 an audited net loss of \$1,345,494 (1980/81 \$919,006) was incurred by the Company. This loss was after charging interest on loans payable to VicRail of \$901,128, and allowing \$443,438 for depreciation and amortisation. No interest payments were made to VicRail by the Company during the financial year.

The Directors in the Annual Report of the Company have reported that-

- Commercial operation of the pipeline supplying jet fuel to Tullamarine continued through the period of the report
- Unless the pipeline is operated as a multi-product pipeline, the Company's investment in the joint venture is unattractive, as the returns will be minimal
- They were disappointed with the progress being made to date in relation to the negotiations to establish a block train filling facility on the pipeline at Somerton.

### **PROPERTY VESTED IN THE RAILWAY CONSTRUCTION AND PROPERTY BOARD**

During 1981/82 a total of 724 VicRail houses were transferred to the Railway Construction and Property Board (R.C. & P.B.)-this makes a total to date of 1,038 houses. These houses are either maintained for VicRail employees or divested if no longer required.

Property vested to 30th June, 1982 in accordance with the Railway Construction and Property Board Act is as follows-

	1981/82	Total to 30/6/82
	\$M	\$M
Development Property	1.7	8.0
Railway Housing	6.3	21.8
	8.0	29.8

These amounts exclude the value of property for transport centres under construction at Box Hill, and Frankston.

The VicRail Board is concerned that to date no financial advantage has yet accrued to VicRail as a result of these properties being vested in the R.C. & P.B., as was envisaged from the operation of the R.C. & P.B. Act.

## **PERSONNEL, INDUSTRIAL AND SAFETY**

### **Employees**

At 30th June, 1982, the total staff employed (including casual labour equivalent to men working full time) was 20,893 compared with 21,253 at the end of 1980/81.

### **Salary and Wages**

The average annual payment, including overtime and penalty payments to all staff was \$15,795 compared with \$13,579 in 1980/81, an increase of 16.3%.

The full year effect of increases in salaries and wages during the year are estimated to cost \$41.0 million. Major increases in awards were—

State Incremental Payments Scheme—

\$12 per week, effective from 6th September, 1981,  
and \$2 per week from 29th November, 1981.

Railway Metal Trades Grades Award—

9.2%—effective from 6th September, 1981.

Salaried Officers Award—

9.2%—effective from 6th September, 1981 and \$14.46 per week (\$752 per annum) from 10th January, 1982.

Flow-on to other Weekly Paid employees of the Railway Metal Trades Grades Award increase.

9.2%—effective from 6th September, 1981.

Restructuring of A.F.U.L.E. Award—

Effective from 31st October, 1981.

Professional Engineers—

10.2%—12.5% effective from 7th February, 1982.

Negotiations are proceeding regarding an offer to increase all Awards by 7% as from 28th February 1982.

The introduction of a 38-Hour Week/19 Day Month is being negotiated with Unions.

### **Industrial Disputes**

Last year's Annual Report referred to the greatly reduced number of man days lost by staff involved in strikes and stoppages in 1980/81.

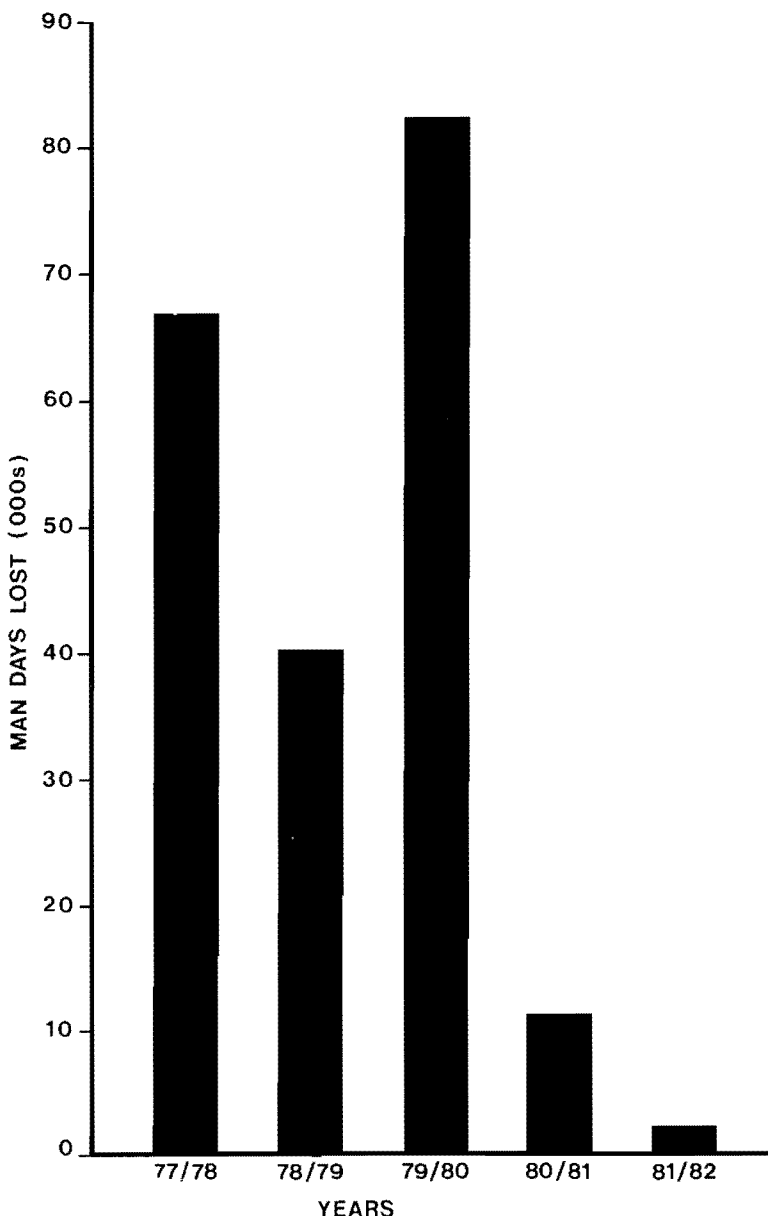
This trend has continued in 1981/82.

The number of man days lost by staff directly involved in strikes/stoppages from 1977 is as follows—

	Man Days Lost
1977/78	66,984
1978/79	40,189
1979/80	82,308
1980/81	11,291
1981/82	2,268

# MAN DAYS LOST BY STAFF DIRECTLY INVOLVED IN STRIKES/STOPPAGES

FINANCIAL YEARS 1977/78 - 1981/82



## Industrial Safety

Concern is expressed at the increase in the lost time frequency rate throughout VicRail due to industrial accidents. The frequency rate as at 30th June, 1982 was 58 compared with 52 at the end of June, 1981. This represents 58 lost time injuries for every million man hours worked within VicRail. A greater effort will need to be made by everyone in the workforce to reduce the number of injuries that are at present being sustained.

An extensive programme of education for Management and Supervisors has begun on the requirements of the new and existing Safety, Health and Welfare legislation.

Education programs, covering basic accident prevention, have been held during the year. These programs included special seminars for apprentices and supervisors.

## **BOARD MEMBERSHIP**

A.S. Reiher, I.G. Hodges, L. M. Perrott, O.B.E. N.G. Wilson, C.M.G. R.H. Hodges, R. W. Ellis, F.R.G. Strickland, O.B.E. J.J. Brown, J.G.W. Urbahns,	Chairman. (Deputy Chairman) retired on 27th January, 1982       Retired on 10th August, 1981 Retired on 30th June, 1982
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## **MANAGEMENT**

R.J. Gallacher, J.K. Brodie, L.A. Krausgrill, P.E. Stuart. B.G. Smethurst,	General Manager Assistant General Manager (Technical) Assistant General Manager, (Operations) Assistant General Manager, (Marketing and Planning) Assistant General Manager, (Finance and Administration) Group Manager, (Metropolitan Services) Group Manager, (Country Passenger Services)
A.M. Hurse, J.A.Hearsch,	

## **HEADS OF BRANCHES—(as at 30th June, 1982)**

I.J. Reiher, R.T. Barden, J.L. Draper, J.S. Bell, M.W.B. Ronald, G.A. Swift, J. K. McGowan, T.W. Way, R.A. Jennison, *J.N. Lade, J.H. Thompson, E.J. Gooding, G.V. Watts, P.J. Stow, J.J. Emmins, W.R. Wilkins, *F.R. Uhe, I.D. Dunkerley, L.C. Rolls,	Secretary for Railways Chief Operations Manager Chief Transportation Manager Chief Freight Manager Chief Marketing Manager Chief Mechanical Engineer Comptroller of Accounts Comptroller of Stores Director of Personnel Director of Planning Director of Management Controls Co-Ordinator, Data Systems Manager, Trading & Catering Services Chief Internal Auditor Chief Civil Engineer Chief Electrical Engineer Chief Workshops, Manager Finance Manager Special Officer
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\* Acting Head of Branch.

## **CHANGES IN SENIOR POSITIONS**

Mr. L. A. McCallum, Deputy General Manager retired on 8th March, 1982

Mr. B. G. Smethurst, Assistant General Manager (Finance and Administration) was appointed on 10th August, 1981.

Mr. J. A. Hearsch was appointed Group Manager (Country Passenger Services) on 28th June, 1982.

## ACKNOWLEDGEMENT

The Board wishes to record its appreciation of the services rendered by all members of staff for their efforts in improving the standard of services in 1981/82

### VICTORIAN RAILWAYS BOARD

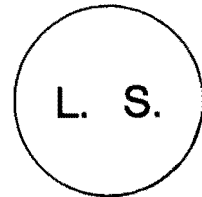
The Common Seal of the Victorian Railways Board was hereto affixed by the authority of the Board in the presence of-



A.S. Reiher, Chairman.



I.J. Reiher, Secretary.



30th September, 1982.

**VICTORIAN RAILWAYS BOARD  
SUMMARY OF RECEIPTS AND EXPENDITURE  
(TREASURY FIGURES)**

**OPERATING**

	Budget \$M	Year 1981/82 Actual \$M	Variance \$M	Year 1980/81 Actual \$M
Receipts	269.700	264.120	(5.580)	252.272
Budget Revenue Supplement	233.100	233.100	-	165.067
<b>Total</b>	<b>502.800</b>	<b>497.220</b>	<b>(5.580)</b>	<b>417.339</b>
Operating Expenditure (See Note)				
Labour	317.400	317.361	.039	287.766
Material & Other Services	150.323	143.008	7.315	123.324
Special Appropriations	35.077	34.480	.597	30.370
	502.800	494.849	7.951	441.460
Surplus (Deficit) after Budget Revenue Supplement		2.371	2.371	(24.121)

NOTE: Includes interest of \$.146 million (1980/81 \$.151 million) and repayment of principal \$.096 million, (1980/81 \$.096 million) in respect of loans by the Commonwealth Government for funds provided to the State under the Railways Standardisation Agreement.

**PAYMENTS MADE BY TREASURY ON ACCOUNT OF RAILWAYS**

	Year 1981/82 \$M	Year 1980/81 \$M
Interest	35.067	31.104
Sinking fund contribution	.848	.792

**CAPITAL EXPENDITURE**

	Year 1981/82 \$M	Year 1980/81 \$M
Expenditure on Fixed Assets (See schedule for details)	109.342	69.757
Funds were provided from:-		
(1) Works and Services Appropriation Act Less, Agency Works for Other Parties	73.933 ( 2.852)	53.709 ( 2.374)
	71.081	51.335
(2) Transport Fund	4.843	9.958
(3) Railway Renewals & Replacements Fund		
Balance 1.7.81	1.000	-
Sale of Assets (includes Rolling Stock subsequently leased \$25m)	25.575	2.477
Depreciation - cash appropriation	.400	.400
Less Balance 30.6.82	(.373)	(1.000)
	26.602	1.877
	102.526	63.170
(4) Increase in Creditors		
- At 30.6.82	13.403	
- At 30.6.81	(6.587)	6.587
	109.342	69.757

Note: 1980/81 comparative figures have been adjusted to exclude assets transferred from Melbourne Underground Rail Loop Authority \$122.922 million.

**DISSECTION OF CAPITAL EXPENDITURE OVER ASSET GROUPING**

	1981/82 \$M	1980/81 \$M
Track	30.573	30.862
Rolling Stock	63.510	24.994
Machinery and Plant	6.361	4.585
Buildings	6.521	8.881
Other Assets	2.377	.435
	<hr/>	<hr/>
	109.342	69.757
	<hr/> <hr/>	<hr/> <hr/>

The major items of capital expenditure in 1981/82 were:-

**(1) METROPOLITAN SERVICES**

	\$M
New Suburban Trains	33.998
Refurbishing Harris Trains	6.938
Modifications to First Series Stainless Steel Trains	1.544
Automatic Power Signalling and Signal Box Amalgamation in Central Area	8.283
Ringwood – Bayswater Track Duplication	2.909
Altona Junction – Werribee Electrification	4.221
Automatic Ticket Vending Machines	2.108
North Melbourne/Franklin Street Trackwork Rearrangement	2.255

**(2) INTER CITY & INTER URBAN SERVICES**

Country Carriages 'N' Cars	14.211
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**(3) FREIGHT SERVICES**

South Dynon Container Terminal	3.403
Freight Rolling Stock	5.865

**(4) INFRASTRUCTURE**

Bridge Works	6.267
Little River – Corio Duplication	3.040
Ararat – Serviceton – Centralised Train Control & New Crossing Loops	2.217
Ashley Street Tottenham – Rail/Road Overpass	2.205
Flashing Lights and Boom Barrier Installations	2.264

**(5) OTHER ITEMS**

7.614

**GROSS EXPENDITURE**

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109.342

**ADJUSTMENT OF TREASURY (CASH) FIGURES RELATING TO RECEIPTS AND OPERATING EXPENDITURE  
TO TAKE ACCOUNT OF ACTUAL REVENUE EARNED AND EXPENSES INCURRED BY RAILWAYS**

<b>REVENUE</b>	1981/82 \$M	1980/81 \$M
<b>Receipts – Treasury</b>	264.120	252.272
Add		
Amounts Collected by Railways but not Brought to Account by Treasury during the year	1.283	1.099
Revenue Debtors at End of Year not included in Treasury Receipts	25.410	18.142
Revenue Creditors at Beginning of the Year	1.208	2.557
	<u>292.021</u>	<u>274.070</u>
Deduct		
Amounts Collected by Railways in Previous Year but included in Treasury Receipts for Current Year	1.099	1.566
Revenue Debtors at Beginning of Year included in Treasury Receipts	18.142	15.027
Revenue Creditors at End of Year	12.582	1.208
	<u>31.823</u>	<u>17.801</u>
<b>Revenue Earned – Railways</b>	<u>260.198</u>	<u>256.269</u>
 <b>OPERATING EXPENSES</b>		
<b>Expenditure – Treasury</b>	494.849	441.460
Add		
Creditors and accruals charged to Operating Expenses by Railways but not included in Treasury Expenditure during year.	10.915	7.283
	<u>505.764</u>	<u>448.743</u>
Deduct		
Creditors charged to Operating expenses by Railways in Previous Year but included in Treasury Expenditure during year	7.283	465
	<u>498.481</u>	<u>448.278</u>
Add		
Depreciation not funded by Treasury	12.509	13.164
Interest recorded by Treasury on Loans made on behalf of Railways	35.067	31.104
Loss on Assets Written off	.243	-
<b>Expenses Incurred – Railways</b>	<u>546.300</u>	<u>492.546</u>



**VICTORIAN RAILWAYS BOARD**  
**STATEMENT OF FINANCIAL POSITION AS AT 30th JUNE, 1982**  
 (All figures are in \$ millions)

	Note	1982 \$M	1981 \$M
<b>Fixed Assets</b> (At Cost or Valuation less Provision for Depreciation.)	10		
Track		278,394	257,089
Rolling Stock		253,427	225,840
Plant & Machinery		42,401	37,783
Land		6,649	7,094
Buildings		93,024	87,847
Other Assets		9,697	7,601
Melbourne Underground Rail Loop	1(ii)	-	122,425
Fixed Assets – at written down value		683,592	745,679
<b>Investments</b> – VicRail Pipelines P/L	9	3,186	3,186
<b>Current Assets</b>	8		
Cash		11,075	9,363
Debtors (less Provision for Doubtful Debts \$0.098 million (1980/81 nil))		29,728	21,236
Special Funds Held by Treasury	7	26,265	21,721
Stores, Stock & Work in Progress		13,452	13,552
Securities Held in Trust		.200	.233
		80,720	66,105
(Less)			
<b>Current Liabilities</b>	8		
Creditors & Accruals		65,213	37,014
Treasury Current Account		11,971	21,116
Monies Held in Trust		.220	.252
Annual Leave Accrued		46,323	-
Long Service Leave and Retiring Gratuity Accrued		79,926	-
Borrowings Repayable within 12 months	11	.125	-
		203,778	58,382
Surplus (Deficit) of Current Assets over Current Liabilities		(123,058)	7,723
		563,720	756,588
(Less)			
<b>Non Current Liabilities</b>			
Provision for Long Service Leave and Retiring Gratuity		21,750	-
Borrowings Repayable after 12 months	11	19,875	-
		41,625	-
<b>TOTAL CAPITAL EMPLOYED</b>		522,095	756,588
<b>FUNDS WERE PROVIDED BY:</b>	2		
Long Term Borrowings – State Loans	2(i)	751,777	702,658
– Commonwealth	2(iii)	116,396	114,136
– Other State Funds	2(iv)	55,250	59,067
Value of Assets transferred – Melbourne Underground Rail Loop Authority	1(ii)	-	122,922
		923,423	998,783
<b>General Reserve</b>			
Asset Realisation and Revaluation Reserve	4	48,557	27,873
		971,980	1026,656
Less			
Accumulated Deficit	6	(413,746)	-
Depreciation not funded by Treasury in past years	5	-	(255,723)
Property Vested and Assets transferred to Railway Construction and Property Board	3	(36,139)	(14,345)
		(449,885)	(270,068)
<b>TOTAL FUNDS</b>		522,095	756,588

**VICTORIAN RAILWAYS BOARD**  
**PROFIT AND LOSS ACCOUNT FOR YEAR ENDED 30th JUNE, 1982**

	1981/82	1980/81
	\$M	\$M
<b>REVENUE EARNED</b>		
Passenger Services—Fares, Subsidies, Dining cars and Refreshment services	96.271	84.333
Parcels and Mail	10.082	9.931
Freight Revenue and Subsidies	137.676	145.914
Property Rentals	5.427	5.414
Agency Works (including Intersystem Charges)	5.042	5.529
Mt. Buffalo Chalet	2.406	2.051
Other Revenue	3.294	3.097
<b>TOTAL REVENUE</b>	<b>260.198</b>	<b>256.269</b>
<b>COSTS INCURRED</b>		
Operations – Trains	111.954	96.600
– Stations	42.095	38.163
– Yards	21.382	21.282
– Freight Depots & Road Contracts	30.812	32.430
– Catering and Canteen Services	12.928	11.944
	219.171	200.419
Signalling and Safeworking	33.873	30.170
Maintenance Repairs and Renewals		
– Rolling Stock	59.000	57.739
– Infrastructure – Track, Bridges, Buildings, Stations and Structures	64.701	61.207
– Plant & Equipment	3.380	3.383
	127.081	122.329
Administration	45.776	39.497
Pensions	33.435	29.359
Lump sum Payment on Retirement or Leaving Service	9.199	8.268
Payroll Tax	19.893	14.636
Insurance – Railway Accident and Fire Insurance Fund payments	9.590	8.999
Other Ancillary Services & Overheads Recovered on Capital Works	(6.658)	(10.983)
Agency Works	4.624	5.129
Depreciation of Fixed Assets	12.909	13.564
Loss on Assets Written Off or Scrapped	.243	-
Auditors Remuneration	.060	.055
Finance Expenses – State Govt. Loans—interest	35.067	31.104
– Borrowings	.629	-
– Leasing Charges on Rolling Stock	1.408	-
<b>TOTAL COSTS INCURRED</b>	<b>546.300</b>	<b>492.546</b>
<b>NET OPERATING LOSS FOR YEAR – TRANSFERRED TO ACCUMULATED DEFICIT</b>	<b>286.102</b>	<b>236.277</b>

**ACCUMULATED DEFICIT ACCOUNT FOR YEAR ENDED 30th JUNE, 1982 (SEE NOTE 6)**

			\$M
Deficit brought forward at 30 June, 1981-			244.974
ADD Net Operating Loss for 1981-82		286.102	
Less Revenue supplement paid by State Government	230.729		
Interest on loans provided by State Government but not charged to Railways	<u>35.067</u>	<u>265.796</u>	20.306
ADD Prior years adjustments – accrued liabilities and provisions at 30th June, 1982 now included in the accounts for:			
Annual Leave Accrued		46.323	
Long Service Leave and Retiring Gratuity Accrued	79.926		
Provision for Long Service Leave and Retiring Gratuity	<u>21.750</u>	<u>101.676</u>	
Provision for Doubtful Trade Debts.		<u>.098</u>	148.097
			<u>413.377</u>
ADD Adjustments for other Treasury funding: – Revenue in Transit (net)			<u>.369</u>
Accumulated Deficit at 30th June, 1982			<u><u>413.746</u></u>

**NOTES TO THE PROFIT & LOSS ACCOUNT AND ACCUMULATED DEFICIT ACCOUNT FOR YEAR ENDED 30th JUNE, 1982**

- |  | 1981/82 | 1980/81 |
|--|---------|---------|
| (i) <b>Remuneration of Board Members.</b>  | \$M     | \$M     |
| Fees paid to Board Members, (excluding salary of full time members).   | .029    | .031    |
| <br>(ii) <b>Provision for Doubtful Trade Debts and Bad Debts Written Off.</b>  |         |         |
| Bad Debts written off during 1981/82 were \$.015 million (1980/81 \$.015 million)  |         |         |
| A general provision for doubtful trade debts of \$.098 million was made in 1981/82 to provide for any possible doubtful debts. |         |         |

# Notes to the Statement of Financial Position and Accounts for year ended 30th June, 1982

## NOTE 1 – ACCOUNTING POLICIES

The following is an outline of the accounting policies followed by the Board.

### (i) Accounting Basis.

Section 105 of the Railways Act, 1958, requires the Board to "prepare an annual report of its proceedings and an account of all monies received and expended during the preceding year".

In past years revenue and expenditure was brought to account mainly on a cash basis. Accrual accounting is being introduced; revenue earned and costs incurred to 30th June, 1982 for material amounts together with labour accruals for annual leave, long service leave for employees with service of 3 years or more and retiring gratuity have been brought to account.

No accrual has been raised for sick leave which is paid as that liability is incurred. Superannuation payments are paid to the State Superannuation Board of Victoria; no actuarial accrual for future funding costs has been included in the accounts.

Apart from the revaluations of fixed assets, as stated in Notes 4 & 10, the financial statements have been prepared on the basis of historical cost accounting.

Some property was revalued during the past two years. (See Note 4). Where property has been vested in the Railway Construction and Property Board for no consideration pursuant to the provisions of the Railway Construction and Property Board Act, such land and buildings were revalued by an independent valuer or at market value for the property being disposed of or sold. Other property sold has been revalued to equate to the market value.

### (ii) Fixed Assets.

At the direction of the Minister of Transport, certain assets to which the Board has title and which were included in the accounts at the 30th June, 1981 were transferred from the Board's accounts at the 30th June 1982 as follows:-

Asset	Authority	\$M
Underground Railway	Melbourne Underground Rail Loop Authority (written down value \$122.425 million)	122.922
Box Hill, Frankston and Werribee Transport Centres	Railway Construction and Property Board	8.660

Adjustments for assets transferred, written out, sold or revalued are reflected in the total value of fixed assets as stated in the accounts.

### (iii) Depreciation.

Depreciation is charged on fixed assets other than Track and Land at annual rates based on the estimated working life of each type of asset with due allowance for residual value at the expiration of that period. Depreciation is not charged on Track, which is maintained at full effectiveness, with damage or deterioration made good as it occurs.

Depreciation charged to 30th June 1982 was \$299.480 million (1980/81-\$291.510 million) of which only \$36.187 million (1980/81 \$35.787 million) has been provided by cash appropriations. Consequently, considerable expenditure on replacement of assets has been financed from Loan funds.

### (iv) Stores, Stock and Work in Progress.

Stores consist of materials and supplies for construction, maintenance and operations and are valued at average cost. Work in progress for manufactured stores has been valued at cost. Catering stock is valued at cost less provision for obsolescence.

### (v) Comparative Figures.

Where appropriate figures for 1980/81 have been amended to provide comparability with those for the 1981/82 year.

## NOTE 2 – FUNDS PROVIDED

### LONG TERM BORROWINGS

- (i) The amount of \$751.777 million (1980/81 \$702.658 million) represents advances for Capital purposes from Loans raised on behalf of the State.
- (ii) The State of Victoria has an equity of \$139.140 million (1980/81 \$130.564 million) in the National Debt Sinking Fund in respect of the State Loans provided for the Railways. This arises from Sinking Fund Repayments by the State on behalf of the Railways.
- (iii) Commonwealth Funds \$116.396 million (1980/81 \$114.136 million) relate to:-

	To 30/6/82 \$M	To 30/6/81 \$M
Commonwealth Grants – Urban Public Transport	74.094	74.094
Uniform Railway Gauge Trust Fund	31.600	31.600
National Network (Financial Assistance) Act	10.702	8.442
	<u>116.396</u>	<u>114.136</u>

No amounts were received from Grants for Urban Public Transport in 1981/82 (1980/81 \$9.600 million). Under the Railway Standardisation Agreement, Victorian Railways were required to meet 15 per cent of the cost of the construction of the Melbourne – Albury standard gauge railway through repayments to the Commonwealth Government over a period of 50 years, with interest at 5 per cent per annum. Up to 30th June, 1982 the State of Victoria has made repayments of principal totalling \$2.021 million (1980/81 \$1.925 million). Loans of \$2.260 million (1980/81 \$5.212 million) were provided during the year pursuant to the National Network (Financial Assistance) Act.

(iv) Other State Funds provided relate to:-

	To 30/6/82	To 30/6/81
	\$M	\$M
Transport Fund	23.137	26.954
Boom Barriers	.740	.740
Level Crossings Fund	10.889	10.889
Funds from Public Account	3.186	3.186
Sundry Special Funds	13.892	13.892
Working Capital for Manufacturing		
Work in Progress and Trading & Catering	3.206	3.206
Railway Accident and Fire Insurance Fund	.200	.200
	<u>55.250</u>	<u>59.067</u>

An amount of \$8.660 million has been transferred from the Transport Fund representing expenditure on the Box Hill, Frankston and Werribee Transport Centres now accounted for by the Railway Construction and Property Board.

Funds received from the Transport Fund relate to expenditure on Flashing Lights, Pedestrian Crossings, Car Parks, Freight Centres and Boom Barriers (not covered by specific Acts).

No funds have been received from the Level Crossings Fund since 1973–74. Since then, funds for these purposes have been provided through the Transport Fund.

Funds from Public Account related to advances to purchase Shares and Debentures in VicRail Pipelines Pty. Ltd. \$3.186 million. (see note 9).

Sundry Special Funds were provided in previous years from proceeds of sales of State lands and also for such purposes as Drought Relief Grant, Unemployment Relief Works and Defence Works.

#### NOTE 3 – PROPERTY VESTED AND ASSETS TRANSFERRED TO RAILWAY CONSTRUCTION AND PROPERTY BOARD

	1981/82	1980/81
	\$M	\$M
Value of Property vested at 30th June 1981	14.345	-
Railway Land and Property Vested in Railway Construction and Property Board to 30th June 1982 – at valuation by an independent valuer or at market value for the property being disposed of or sold.	21.794	8.086
Eastern Railway Project – value of property transferred.	-	6.259
	<u>36.139</u>	<u>14.345</u>

#### NOTE 4 – ASSET REALISATION AND REVALUATION RESERVE

The balance of \$48.557 million (1980/81 \$27.873 million) in the Reserve as at 30th June, 1982 reflected an adjustment to the net value of Fixed Assets resulting from the revaluation of rolling stock in 1975, land and property.

During the year ended 30th June, 1982, property was revalued by \$20.684 million (1980/81 \$7.711 million) and included property vested in the Railway Construction and Property Board.

#### NOTE 5 – DEPRECIATION

Depreciation charged in 1981/82 was \$12.909 million (1980/81 \$13.564 million) of which only \$.400 million (1980/81 \$.400 million) was provided for by cash appropriation.

Total depreciation provided to 30th June 1982 was \$299.480 million (1980/81 \$291.510 million) of which only \$36.187 million (1980/81 \$35.787 million) was provided by cash appropriations.

No depreciation was provided for track (See Note 1 (iii)).

#### NOTE 6 – ACCUMULATED DEFICIT.

The accumulated deficit at 30th June, 1982 is represented by:-

	1981/82	1980/81
	\$M	\$M
(1) Costs and provisions not funded by Treasury		
(a) Depreciation charged in excess of cash appropriated.	268.232	255.723
(b) Accrued liability for Annual Leave, Long Service Leave and Retiring Gratuity (funded on a cash basis)	147.999	-
(c) Provision for Doubtful Trade Debts.	.098	-
(2) Revenue Earned but not yet received	(2.826)	(10.749)
(3) Loss on Assets written off or scrapped	.243	-
Accumulated Deficit to 30th June, 1982	<u>413.746</u>	<u>244.974</u>

**NOTE 7 – SPECIAL FUNDS HELD BY STATE TREASURER**

The balances in Special Funds held by the State Treasurer were:-

	1981/82 \$M	1980/81 \$M
<b>Current Assets</b>		
Railway Accident & Fire Insurance Fund	.200	.200
Railway Renewals & Replacements Fund	.373	1.000
Manufacturing & Trading & Catering Account	-	.458
Railways Repayment Account	.020	.019
Treasury Trust Funds	21.130	15.728
Railways Stores Suspense Account	4.542	4.316
	<u>26.265</u>	<u>21.721</u>

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

Treasury Trust Funds are amounts held in the Treasury equivalent to Railway liabilities for salaries and wages and payroll deductions.

Amounts held in Railways Stores Suspense represent funds available to fund stores purchases.

The balance of Railway Renewals and Replacements Fund is available to acquire fixed assets.

**NOTE 8 – CURRENT ASSETS AND LIABILITIES**

Current assets are as follows:-

		1981/82 \$M		1980/81 \$M
Cash				
Cash Advances	10.783		9.099	
Revenue Cash in transit	.292		.264	
		11.075		9.363
Debtors				
Revenue	25.714		17.878	
(Less) Provision for Doubtful Trade Debts	(.098)		-	
Other	4.112		3.358	
		29.728		21.236
Stores, Stock and Work in Progress (See note 1 [iv])				
Stocks of Stores and Materials	9.167		10.137	
Manufacturing – Work in Progress	2.866		2.039	
Catering Services Stock and Equipment	1.419		1.376	
		13.452		13.552
Special Funds Held by Treasury (See Note 7)		26.265		21.721
Securities Held in Trust		.200		.233
		<u>80.720</u>		<u>66.105</u>

Cash advances represent monies held by Stationmasters, Accounting Offices, the Agent-General and due for reimbursement by Treasury.

Other Debtors \$4.112 million (1980/81 \$3.358 million) include amounts due in respect of agency works, sales of land and materials, and sundry debtors.

Securities held in Trust represent securities deposited by contractors, the contra being Monies held in Trust.

Current Liabilities are as follows:-

	1981/82 \$M	1980/81 \$M
Trade and Other Creditors		
Salaries and wages due but not paid	12.227	12.224
Payroll Deductions	8.903	3.504
Payroll Tax	2.365	1.226
Creditors and Accruals – Stores, Services and Intersystem Revenue Credits	39.811	17.774
Rebates of Fares and Freight, and Unearned Income	1.235	1.208
Advance payments by Customers and Agencies	.672	1.078
	<u>65.213</u>	<u>37.014</u>
Treasury – Current Accounts	11.971	21.116
Monies Held in Trust	.220	.252
Annual Leave Accrued	46.323	-
Long Service Leave and Retiring Gratuity Accrued	79.926	-
Borrowings Repayable within 12 months (Note 11)	.125	-
	<u>203.778</u>	<u>58.382</u>

Treasury Current Account represents advances to cover Railway revenue earned but not received, and amounts due from Treasury for reimbursement of expenditure.

The amount of \$.220 million (1980/81 \$.252 million) for Monies Held in Trust is the contra of Securities Held in Trust \$.200 million (1980/81 \$.233 million) and the balance of \$.020 million (1980/81 \$.019 million) held in the Railways Repayment Account (See Note 7).

#### NOTE 9 – VICRAIL PIPELINES PTY. LTD.

This asset consists of:-

	1981/82 \$M	1980/81 \$M
Shares – at cost	.001	.001
Debentures – at cost (secured by a floating charge over the assets of the company)	3.185	3.185
	<u>3.186</u>	<u>3.186</u>

#### NOTE 10 – FIXED ASSETS

Expenditure on Fixed Assets, including Renewals and Replacements in 1981/82 was \$109.342 million (1980/81 \$69.757 million).

During the year property was revalued by \$20.684 million (1980/81 \$7.711 million).

The book value of property disposed of, transferred, sold or scrapped was \$179.204 million (1980/81 \$18.211 million). Fixed assets no longer in use and written off amounted to \$.740 million (1980/81 \$1.276 million). Assets transferred and under the control of the Railway Construction and Property Board totalled \$30.454 million (1980/81 \$14.345 million) and includes the value of assets transferred for transport centres at Box Hill, Frankston and Werribee. Land valued at \$.010 million (1980/81 \$.113 million) was sold during the year. Other assets sold totalled \$25.575 million (1980/81 \$2.477 million). Asset values have been adjusted accordingly.

The value of Assets transferred from Melbourne Underground Rail Loop Authority \$122.922 million in 1980/81 have been written back – the written down book value was \$122.425 million (Refer note 1 (ii)).

Depreciation provided amounted to \$12.909 million (1980/81 \$13.564 million) of which \$.400 million (1980/81 \$.400 million) was provided for by cash appropriation.

Details of Fixed Assets and the Provision for Depreciation are set out below:-

	1981/82				1980/81			
	At Cost \$M	At 1975 Valuation \$M	Depreciation \$M	Written Down Value \$M	At Cost \$M	At 1975 Valuation \$M	Depreciation \$M	Written Down Value \$M
Track	357.844	-	( 79.450)	278.394	337.034	-	( 79.945)	257.089
Rolling Stock	397.421	40.145	(184.139)	253.427	363.054	40.145	(177.359)	225.840
Plant and Machinery	56.052	-	( 13.651)	42.401	49.904	-	( 12.121)	37.783
Land	6.649	-	-	6.649	7.094	-	-	7.094
Buildings	111.455	-	( 18.431)	93.024	105.901	-	( 18.054)	87.847
Other Assets	13.506	-	( 3.809)	9.697	11.135	-	( 3.534)	7.601
Melbourne Underground Rail Loop	-	-	-	-	122.922	-	( .497)	122.425
	<u>942.927</u>	<u>40.145</u>	<u>(299.480)</u>	<u>683.592</u>	<u>997.044</u>	<u>40.145</u>	<u>(291.510)</u>	<u>745.679</u>

Transactions affecting fixed assets are given in the table below:-

	Value at 30.6.81 after Deprec- iation	Additions in year	Sub- Total	Revalua- tion during Year	Trans- ferred Disposed of Sold or Written off in year	Value at 30.6.82 before Deprec- iation	Deprec- iation 1981/82	Value at 30.6.82 after Deprec- iation
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Track	257.089	30.573	287.662	-	(9.268)	278.394	-	278.394
Rolling Stock	225.840	63.510	289.350	-	(25.444)	263.906	(10.479)	253.427
Plant and Machinery	37.783	6.361	44.144	-	(.008)	44.136	(1.735)	42.401
Land	7.094	-	7.094	17.177	(17.622)	6.649	-	6.649
Buildings	87.847	6.521	94.368	3.507	(4.432)	93.443	(.419)	93.024
Other Assets	7.601	2.377	9.978	-	(.005)	9.973	(.276)	9.697
Melbourne Under- ground Rail Loop	122.425	-	122.425	-	(122.425)	-	-	-
	745.679	109.342	855.021	20.684	(179.204)	696.501	(12.909)	683.592

#### NOTE 11 - BORROWINGS

During 1981/82 borrowings were made pursuant to the Railways (Borrowing Powers) Act 1981 and issues of Railways Stock were made totalling \$20 million. Maturities of the stock are as follows-

Year ended 30th June	Amount \$M
1983	.125
1984	.235
1985	.278
1986	7.327
1987	4.386
1988	.955
1989	.537
1990	.633
1991	.746
1992	.882
1993	3.896
	<u>20.000</u>
Repayable - within 12 months	.125
- after 12 months	19.875

#### NOTE 12 - CONTINGENT LIABILITIES

- (i) Leasing-During the year ended 30th June, 1982, the Board entered into a Leverage Lease agreement for an estimated capital value of \$65.590 million for the leasing of rolling stock. Total payments under this leverage lease over 17 years are estimated at \$182 million. (subject to the movement in interest rates.)
- (ii) Pending finalisation of the leveraged lease for the new suburban trains, a short term interim lease was taken out covering trains with a residual value of \$12 million. Estimated lease rental payments outstanding at 30th June, 1982 are \$.6 million.

#### NOTE 13 - CAPITAL COMMITMENTS

As at 30th June, 1982 the Victorian Railways Board had entered into contracts for the supply of components and capital equipment for an estimated value of \$183 million.

#### RAILWAYS STORES SUSPENSE ACCOUNT

	1981/82		1980/81	
	\$M	\$M	\$M	\$M
Funds provided at the date of the authorisation of the Stores Suspense Account (30th June, 1896)	1.119		1.119	
Less expended on special and deferred repairs in accordance with Section 3 of the Act 1820	<u>.100</u>	1.019	<u>.100</u>	1.019
Advances from Loan Account subsequent to 30th June, 1896		7.981		7.981
Total Funds Provided		9.000		9.000
Creditors		5.928		5.636
		<u>14.928</u>		<u>14.636</u>
Stores and Materials on hand at end of year		9.167		10.137
Debtors		1.136		.116
Advances with Agent General		.083		.067
Cash at Treasury		4.542		4.316
		<u>14.928</u>		<u>14.636</u>



**RAILWAY RENEWALS AND REPLACEMENTS FUND**  
**MOVEMENT ON ACCOUNT**

	1981/82 \$M	1980/81 \$M
Balance – 1.7.1981	1.000	–
Funds specifically appropriated under Act No.6355–Depreciation	.400	.400
Sale of Assets	25.575	2.477
	<u>26.975</u>	<u>2.877</u>
Less Balance–30.6.1982	(.373)	(1.000)
	<u>26.602</u>	<u>1.877</u>
<b>Expenditure on Renewals and Replacement of Railway Assets–</b>		
Rolling Stock	19.975	1.310
Track and Infrastructure	6.627	.567
	<u>26.602</u>	<u>1.877</u>

NOTE Included in Sale of Assets are proceeds for the Sale of Country Passenger Carriages \$13 million sold and leveraged leased and Suburban Passenger Trains \$12 million which were sold and leased under an interim lease agreement pending the finalisation of a leverage lease.

**DEPRECIATION – PROVISION AND ACCRUAL**

	Year ended 30th June, 1981 \$M	Period July 1, 1937 to 30th June, 1981 \$M	Year ended 30th June, 1982 \$M	Assets disposed during the year \$M	Period July 1, 1937 to 30th June, 1982 \$M
Cash appropriations	.400	17.600	.400	–	18.000
Additional funds authorised by Parliament	–	11.500	–	–	11.500
Sundry depreciation provided in working expenses	–	4.592	–	–	4.592
Provision from Sundry, sales etc., included as additional depreciation.	–	.688	–	–	.688
Assets disposed of, written off or transferred.	–	–	–	(4.939)	(4.939)
Interest on investments	–	1.407	–	–	1.407
Amount unfunded	13.164	255.723	12.509	–	268.232
	<u>13.564</u>	<u>291.510</u>	<u>12.909</u>	<u>(4.939)</u>	<u>299.480</u>
<b>Depreciation provided:–</b>					
Track	–	79.945	–	(.495)	79.450
Rolling Stock	10.324	177.359	10.479	(3.699)	184.139
Plant and Machinery	1.818	12.121	1.735	(.205)	13.651
Buildings	.424	18.054	.419	(.042)	18.431
Other Assets	.501	3.534	.276	(.001)	3.809
Melbourne Underground Rail Loop	.497	.497	–	(.497)	–
	<u>13.564</u>	<u>291.510</u>	<u>12.909</u>	<u>(4.939)</u>	<u>299.480</u>

## LENGTH OF RAILWAYS AND TRACKS

### Kilometres open for Traffic at 30th June, 1982

	Tracks	Sidings	Total	Ten tracks	Eight tracks	Seven tracks	Six tracks	Four tracks	Three tracks	Two tracks	One track	Total
1600 mm Gauge	6553.76	1380.01	7933.77									
1435 mm Gauge	332.27	64.29	396.56	0.61	2.16	1.42	3.22	28.86	103.48	744.12	4927.86	5811.73
Dual Gauge	8.59	5.13	13.72									
<b>Total</b>	<b>6894.62</b>	<b>1449.43</b>	<b>8344.05</b>	<b>0.61</b>	<b>2.16</b>	<b>1.42</b>	<b>3.22</b>	<b>28.86</b>	<b>103.48</b>	<b>744.12</b>	<b>4927.86</b>	<b>5811.73</b>

### Kilometres open for Traffic at 30th June, 1981

1600 mm Gauge	6538.83	1383.17	7922.00									
1435 mm Gauge	332.27	64.29	396.56	0.61	2.16	1.42	3.22	28.86	103.48	731.49	4938.19	5809.43
Dual Gauge	8.59	5.13	13.72									
<b>Total</b>	<b>6879.69</b>	<b>1452.59</b>	<b>8332.28</b>	<b>0.61</b>	<b>2.16</b>	<b>1.42</b>	<b>3.22</b>	<b>28.86</b>	<b>103.48</b>	<b>731.49</b>	<b>4938.19</b>	<b>5809.43</b>

### Average Kilometres open for Traffic during the year 1981/82.

	Tracks	Sidings	Total	Ten tracks	Eight tracks	Seven tracks	Six tracks	Four tracks	Three tracks	Two tracks	One track	Total
1600 mm Gauge	6551.76	1414.98	7966.74									
1435 mm Gauge	332.27	63.78	396.05	0.61	2.16	1.42	3.22	28.86	103.48	741.77	4930.56	5812.08
Dual Gauge	8.59	4.91	13.50									
<b>Total</b>	<b>6892.62</b>	<b>1483.67</b>	<b>8376.29</b>	<b>0.61</b>	<b>2.16</b>	<b>1.42</b>	<b>3.22</b>	<b>28.86</b>	<b>103.48</b>	<b>741.77</b>	<b>4930.56</b>	<b>5812.08</b>

### Average Kilometres open for Traffic during the year 1980/81.

1600 mm Gauge	6708.05	1417.87	8125.92									
1435 mm Gauge	332.27	63.78	396.05	0.61	2.16	1.42	3.22	28.86	103.48	729.28	5111.83	5980.86
Dual Gauge	8.59	4.91	13.50									
<b>Total</b>	<b>7048.91</b>	<b>1486.56</b>	<b>8535.47</b>	<b>0.61</b>	<b>2.16</b>	<b>1.42</b>	<b>3.22</b>	<b>28.86</b>	<b>103.48</b>	<b>729.28</b>	<b>5111.83</b>	<b>5980.86</b>

### NEW LINES UNDER CONSTRUCTION AT JUNE 30th, 1982

Section	Kilometres
Caulfield to Mordialloc Third track . . . . .	15.91
Melbourne Underground Loop (2 Tracks Only) . . . . .	3.22
Ringwood to Bayswater: Duplication . . . . .	5.09
Ringwood to Croydon: Duplication . . . . .	5.28

### LINES CLOSED FOR TRAFFIC DURING THE YEAR ENDED JUNE 30, 1982.

Royal Park-Fitzroy Goods. . . . .	4.139
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