

1972
—
VICTORIA

VICTORIAN RAILWAYS

REPORT

OF THE

VICTORIAN RAILWAYS COMMISSIONERS

FOR THE

YEAR ENDED JUNE 30, 1972

PRESENTED TO BOTH HOUSES OF PARLIAMENT PURSUANT TO ACT 7 ELIZABETH II. No. 6355

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October 24, 1972

The Honorable V. F. WILCOX, M.P.,
Minister of Transport.

Dear Mr. Minister,

In accordance with Section 105 of the Railways Act, we submit our Report to Parliament for the year ended June 30, 1972.

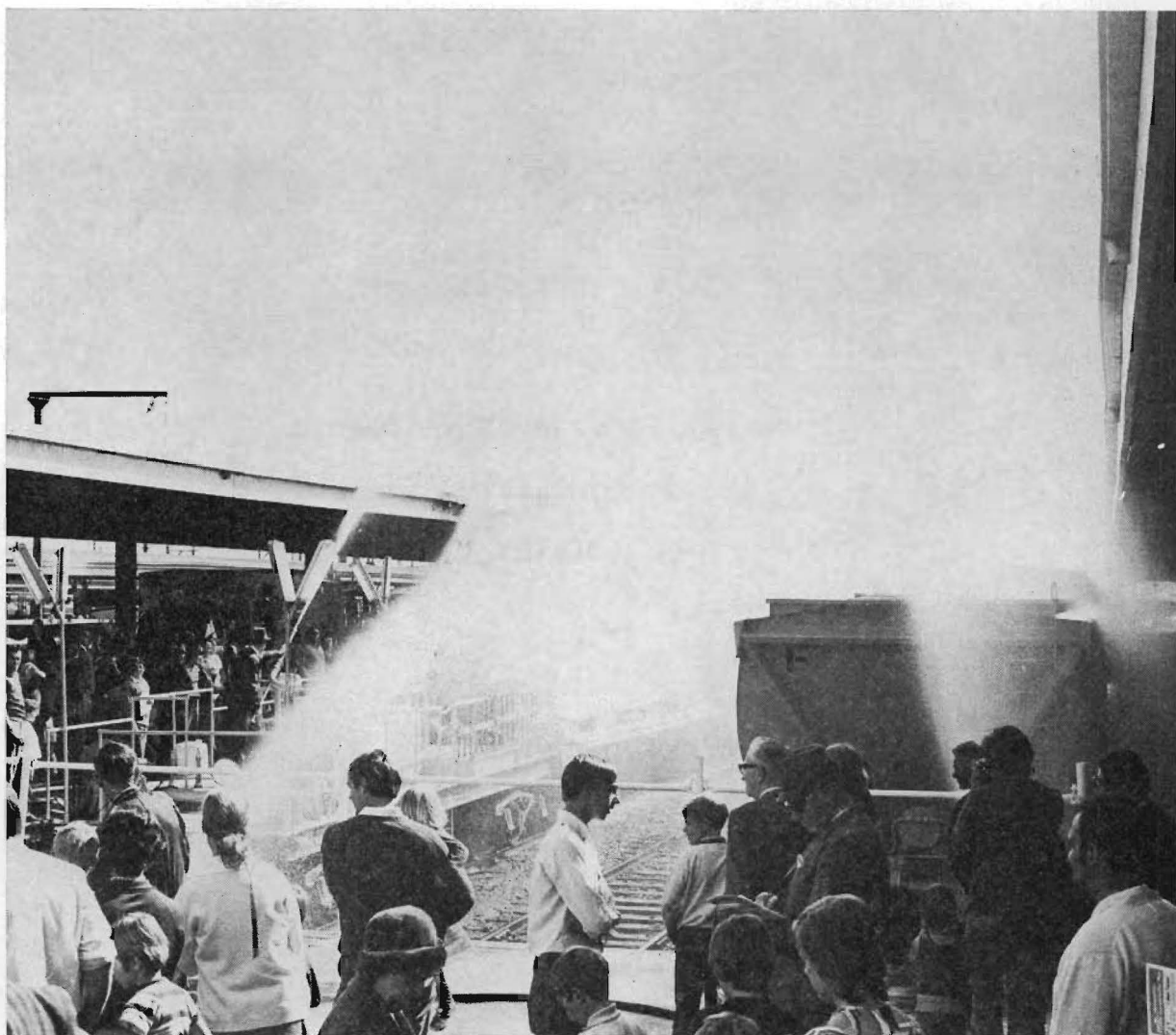
Yours sincerely,

G. F. W. BROWN, Chairman
E. P. ROGAN, Deputy Chairman
I. G. HODGES, Commissioner

} Victorian
Railways
Commissioners

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The Victorian Railways unique fire attack wagon was a major attraction at the 1972 Railway Exhibition, which attracted 150,000 visitors to Spencer Street station. The wagon is on standby to attend fires which can be reached by broad gauge and was part of the Railways \$½-million anti-bushfire preparations.

**REPORT OF THE
VICTORIAN RAILWAYS COMMISSIONERS
FOR THE YEAR ENDED
JUNE 30, 1972**

FINANCIAL RESULTS

	1971-72 \$	1970-71 \$
GROSS INCOME	111,966,605	108,000,211
WORKING EXPENSES CHARGED AGAINST REVENUE	138,899,614	129,214,862
LOSS ON CURRENT OPERATIONS ..	26,933,009	21,214,651
*Interest charges and expenses	9,077,394	8,080,581
Exchange on interest payments	81,472	91,553
Contribution to National Debt Sinking Fund ..	393,013	364,848
TOTAL INTEREST, EXCHANGE, ETC. ..	9,551,879	8,536,982
DEFICIT	36,484,888	29,751,633

*Includes \$5,364,564 payable on interest bearing funds used for renewals and replacements.

By comparison with the previous year, income increased by almost \$4 million but this was more than offset by a rise of over \$9 million in working expenses.

Included in revenue was a recoup of \$1.25 m. towards concessions granted to pensioners and scholars for school travel. We welcome this as what we hope is merely a first step towards separation in the accounts of all our social service activities from our commercial activities as recommended by recent annual reports and endorsed in the Report of the Board of Inquiry into land transport in Victoria.

If applied to this year's accounts the total recoups for social services would have been approximately—

** Suburban Passenger Services	\$8,400,000
** Country Passenger Services	\$12,100,000

** Excludes interest payments and depreciation for which no cash provision was made.

The principal rise in expenditure was \$9,807,000 for wages awards. Since 1964/65 the percentage of labour costs to revenue has increased from 74 to 100 during 1971/72. In money terms this means that a profit on goods operations of \$9,500,000 has been converted into a loss of approximately \$6,300,000.

This is a serious decline but against the content of our social service activities mentioned above, the overall influence of the freight loss on railway finance is a minor one and the real deterioration is of relatively recent origin and outside the control of the management. The relevant portions of the "Bland Report" should be assessed in the light of these facts.

An increase of \$1,075,000 in payroll tax raised the payment for the year to \$3,400,047. Insofar as this is now a State tax, it seems a case of robbing Peter to pay Paul to require a government instrumentality to meet this tax.

LOAN FUNDS

At \$15,444,234 interest bearing funds were \$444,562 below last year's allotment and the continued inflationary erosion reduced their effectiveness still further.

They were used as follows :

RENEWALS AND REPLACEMENTS

Way & Works	\$	3,181,052	\$
Rolling Stock		6,498,796	9,679,848
		<hr/>	

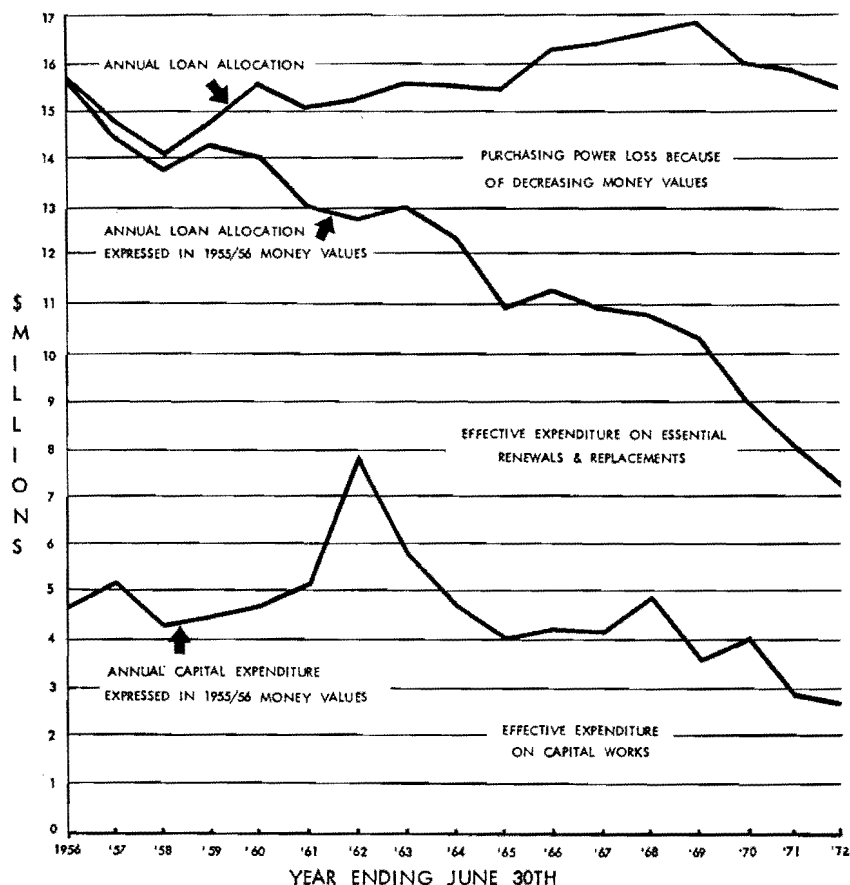
CAPITAL WORKS

Way & Works	\$	5,621,977	
New lines		142,409	5,764,386
		<hr/>	<hr/>
			15,444,234

Since July 1, 1960, \$112 m. of loan funds has been used to finance renewals and replacements, involving an interest payment this year of \$5.36 m. These funds generate no additional earning capacity towards meeting these charges. We again emphasize the unsatisfactory nature of this type of finance.

The continued deterioration in our capacity to maintain the system properly and undertake capital improvements necessary to provide service at a competitive quality and price is clearly illustrated by the accompanying graph.

In addition over-age assets involve excessively high repair and maintenance costs.



THE BLAND REPORT

The outstanding feature of the year was the Report of The Board of Inquiry into the Victorian Land Transport System which was presented to the Victorian Legislative Assembly by the Honorable the Minister of Transport on 29th March, 1972.

The Board accepted many of our submissions and of course made some recommendations with which we do not agree.

We have furnished the Honorable the Minister of Transport with our comments on the more immediate recommendations relating to—

- (i) The railway organization
- (ii) railway staff
- (iii) the railway's role
- (iv) general considerations involved in any attempt to create an entirely commercial organization
- (v) specific considerations in reduction or cessation of services, and,
- (vi) transport regulation.

We can scarcely traverse the whole of the Board's Report which is now a public document, or our own comments.

We find the Board's recommendation regarding the composition of a new controlling body with a part time Chairman to replace the Railways Commissioners as rather unique. We are unaware of any railway with a part time Chairman. It is inconsistent with the State Electricity Commission and the Gas and Fuel Corporation with which comparisons were made and is foreign to other Victorian Government instrumentalities. Both the British Railways Board and the London Transport Board have a full time Chairman and a majority of full time "professional" members.

The Board recommended that the railways should be run primarily as a commercial undertaking. We have pointed out that conversion into a commercial undertaking will not be accomplished by simple legislative action but must be an active continuing financial commitment until a modern system evolves.

Successful pursuit of "commercial" objectives will also require that the railway administration is free to manage its own affairs.

The Board has directed attention to the serious shortfall of \$32m. in the contribution made by trucks of four tons and over to the road costs attributable to them and in enunciating a doctrine of "competitive equality" between road and rail calls for this gap to be bridged.

Liberalization of road transport should be dependent upon putting the railways on "competitive equality" with road. This will necessitate railways being provided with modern equipment and either proper fees being imposed on road vehicles or the railways being subsidized on the basis applicable to road transport.

We would go further and add that because the transport function involves door to door service and a very significant segment of the freight market wants to deal with only one transport organization, it is imperative that railways be empowered to operate road services either directly or by contract. Furthermore a corollary is that if railways are not relieved of "common carrier" obligations, they should be imposed on their competitors.

Before the Board was commissioned to undertake its inquiry we had established sections dealing with planning and development, cost research, market research, work study, and organization and methods. Our existing computer complex is supplemented by time sharing of a bureau service and negotiations are in course for the hire of another computer. We are expanding all these aids to Management.

Railway accounting and the form of the balance sheet are currently geared to meet Treasury and Audit requirements. Development of a commercial accounting and costing system is a major task involving a restructured balance sheet, establishment of "profit centres", extension of responsibility accounting and the extraction of more specialized cost data. Considerable progress is already being made in all these areas.

We have suggested that the role of the railways should be prescribed under four broad phases.

The basic function of the Railways.

The specific objectives of the Railway administration.

The function of the Government; and,

The duties of the Railway administration.

Having established these, early decisions will be necessary on—

- (i) What are the necessary means of and resources needed to achieve the objectives of the railways, and,
- (ii) How and when the necessary resources can be made available.

MARKETING

There has been no respite from the fiercely competitive conditions in the industry and the challenge has been met by constant review of train speeds and schedules, receipt and delivery times for goods, and where possible specialized equipment. Particular attention is being given to terminal costs, which can render our costs uncompetitive. As explained elsewhere cost research is actively pursued and is wherever possible being used as the initial tool in specific price determinations.



The first of 50 new stainless steel trains being built for the metropolitan area are taking shape.



Victorian Railways Commercial Agents regularly visit rail users and potential customers to check out problems and seek new business.

The constant efforts of our marketing division, which is being expanded and strengthened along lines which have proved successful overseas, has been supported by both our own widespread publicity and that of Railways of Australia.

Most intersystem passenger fares were increased by between 15% and 25% from 1st August, 1971. The following average increases applied from 29th August, 1971.

Suburban fares	..	15%
Country return fares	..	17%
Parcels rates	..	20%
Most freight rates	..	10%

We have never subscribed to the theory that the railways role should be confined to long hauls or particular commodities. On the basis of quantity and proper terminal facilities we have been able to win contracts for pipe movements from the northern suburbs to Hastings and Lyndhurst. Road delays in crossing the metropolis with large loads give the railways a competitive advantage which we hope to exploit.



The \$5 million project to improve train services to Melbourne's western suburbs and beyond is under way. Two more rail tracks will be provided between South Kensington and Footscray.

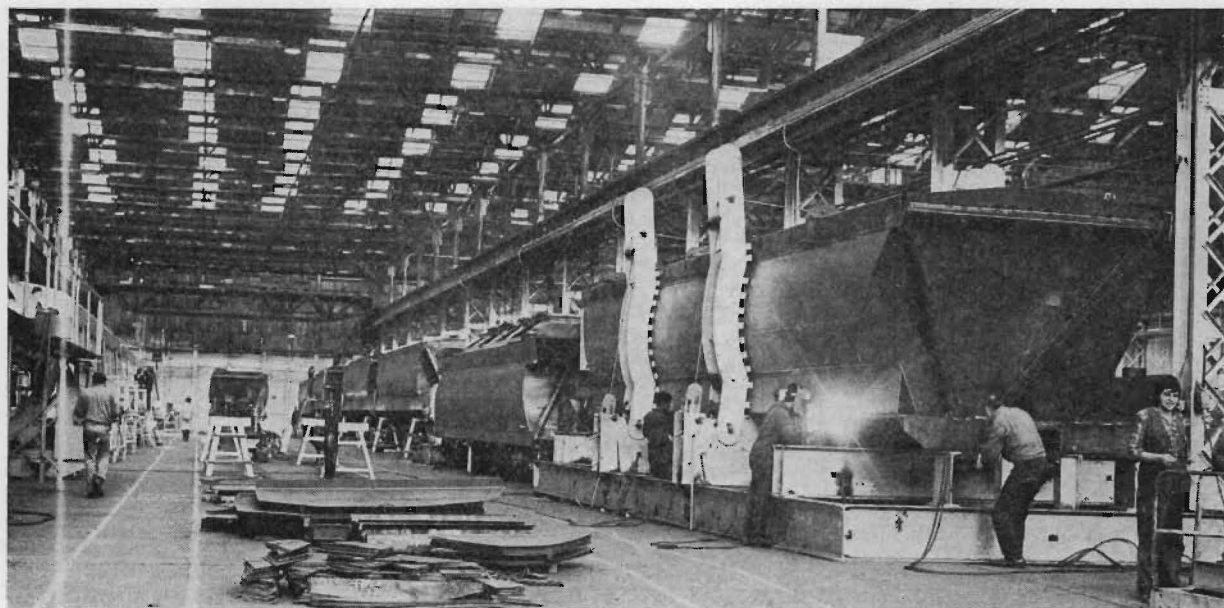
INVESTMENT

Our continuing program of works to improve suburban train services continued within the meagre limits of available finance.

Major activity was centred on the Box Hill group of lines and a third track between East Camberwell and Box Hill was commissioned in January 1972. A new bridge over the River Yarra was completed and other works were well advanced in connection with the provision of a further section of a third track between Burnley and Hawthorn.

Preliminary work associated with the construction of two additional tracks between South Kensington and Footscray was commenced. When completed, this will greatly relieve a long-standing bottleneck and enable further improvements to commuter train services in the western suburbs and on the Geelong, North-western and Northern main lines.

Work continued apace on the early stages of the Underground railway project in conjunction with the Melbourne Underground Rail Loop Authority. At the close of the year, 900 lineal feet of box tunnel for the Caulfield and Sandringham lines had been completed and a start had been made on construction of the ramp which will eventually link the Underground to the Box Hill and Glen Waverley lines. New stabling sidings for electric trains were provided near Macaulay to replace sidings in the Jolimont Yard removed to make way for the Underground works.



Another 150 hopper wagons are being built at Newport workshops to efficiently transport grain. Nearly every working day since February one wagon rolled off the assembly line—the result of careful planning.

Space for 11,336 commuter's cars is now provided at 137 stations as a result of continued development of these facilities. The car park sealing and marking out program was given some impetus by a special Government grant of \$120,000 which also enabled landscaping and tree planting to be carried out at numerous suburban stations. We have long wanted to improve railway property in the metropolitan area but, up till now, this has been quite impracticable within the limits of funds provided.

Further improvements were made to terminal freight handling facilities. Two new 30-ton travelling gantry cranes were provided at the Dynon freight complex while at Geelong, work was commenced on construction of track and erection of a gantry crane for a new container and heavy freight terminal.

Australia's first electronic wagon weighbridge was commissioned at Dynon during September 1971. Complete trains or individual wagons can now be weighed whilst in motion—an important added safety feature.

Modern facilities for the servicing of diesel locomotives were provided at Bendigo.

150 new high-capacity freight wagons and 25 modern brake-vans were constructed in railway workshops during the year. We are scrapping obsolete wagons as rapidly as replacements can be provided but the present rate of construction is insufficient to arrest a continued increase in the average age of the fleet, let alone improve the situation. This involves the dual disability of a reduced quality of service and abnormal maintenance costs.

OPERATIONS

Efforts to improve all aspects of productivity were again strenuously pursued. Freight traffic operating efficiency generally further improved as indicated below :—

	1971-72	1970-71	1969-70
Total goods and livestock tonnage	11,608,739	12,490,335	11,835,141
Average haul per ton of goods (miles) ..	172	170	172
Total net ton miles (goods and livestock) in millions	1,996	2,119	2,037
Average miles per wagon per day	37.10(H)	36.61	35.36
Average daily wagon output (net ton miles) ..	397	400	378
Average net wagon load (tons)	16.11	16.39	16.03
Average ton miles (net) per goods train hour ..	4,088(H)	4,047	3,883
Average net train load (tons)	297	301	300
Standing time (hours) per 1,000 train miles ..	10.6(L)	11.3	11.8

(H) record high.

(L) record low.

The drought in East Gippsland necessitated a major lift of fodder during much of the year. To the 30th June, 3,242 wagon loads had been conveyed to stations between Traralgon and Orbost and the movement was showing no sign of slackening. In addition, approximately 9,000 sheep and 15,000 cattle were railed from the drought areas for agistment. This, together with the partial recovery of the pastoral industry and exceptionally heavy sheep traffic from sales in South Australia, led to overall increase of 9% in our livestock traffic by comparison with the previous year.

Overseas container traffic on rail continued to grow and now constitutes an important component of our freight business. Notwithstanding numerous interruptions to shipping schedules by industrial disputes in Australia and overseas, the number of containers carried exceeded last year's figure by 5,656 and further growth seems assured.

Another growth area lies in interstate motor car movements—principally between manufacturers and distributors in the capital cities. Cars transported by rail increased by 14,648 to 68,161, while the movement of motor car bodies also recorded a healthy increase.

Suburban train services on the Belgrave, Lilydale, Alamein and Glen Waverley lines were augmented and in some cases accelerated as soon as the extra capacity provided by

the new track and resignalling between East Camberwell and Box Hill became operative in January 1972.

The introduction of staggered hours for State public servants from March 1972 led to a marked variation in peak period travel patterns. This necessitated adjustment to some schedules and a close watch is being maintained to gauge whether further changes are desirable.

PERSONNEL AND ADMINISTRATION

Productivity improvement has been in the forefront of our objectives but we have had to be content to concentrate on the more effective use of labour resources rather than their replacement by capital intensive processes such as centralized train control, with its increased efficiency and reduced labour costs.

However, the staff was reduced by 163 during the year to 25,715 as at 30th June, 1972—the overall reduction in the ten years since 1961/62 being 3,586.



An 150-ton plate girder bridge, 101 ft. long, is being placed in position as part of the reconstruction of the railway bridge over the Nepean Highway at Gardenvale.



A mechanized gang works on the \$6.2 million relaying of the Mildura line.

Principally this has come about through improved efficiency and a general streamlining of operating techniques although closing some lines and reducing services on others has assisted.

In major adjustments the needs of staff have not been a subordinate consideration. Careful and early planning in conjunction with the men's representatives has ensured that as far as possible individual needs and preferences are met. We are conscious of the paramount importance to the successful operation of the system of our staff, the greatest majority of which is specially trained. Despite suggestions to the contrary staff morale is consistently high.

Staff training procedures were subjected to further scrutiny and steps were taken to improve the co-ordination and inter-relation of courses for induction, job skills, supervision and management. As a result, the administration of classes for instruction in railway skills was transferred from the Victorian Railways Institute to the Department's Education Section from January 1972. 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.

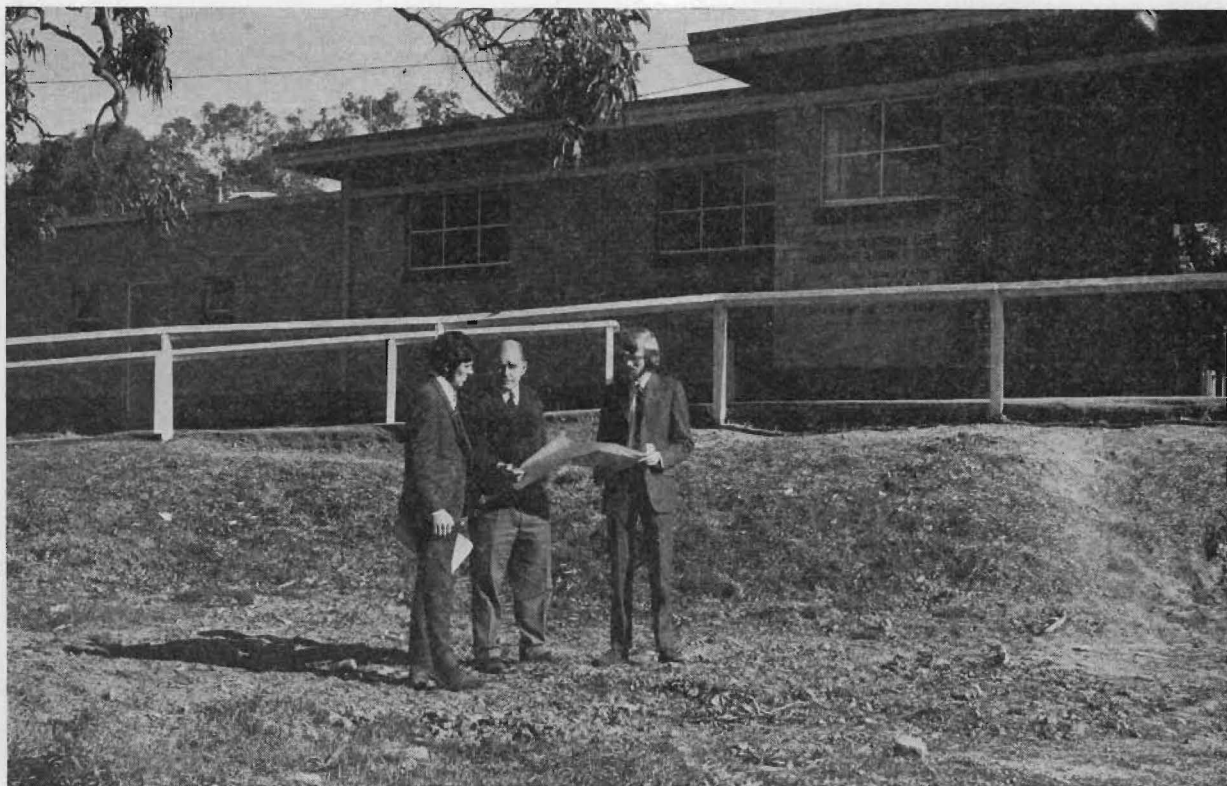
A Development and Planning Division was formally established within the Secretary's Branch to co-ordinate research and planning activities throughout the Department and advise the Commissioners on future planning. The Division's staff includes professional economists and engineers and railway personnel with wide experience of practical railway working. The Division will continue to be increased as occasion demands. To date, emphasis has been placed on operations and economic research with particular attention being paid to traffic costing as the basis of rate negotiations and to the problems of uneconomic lines and services. A computer-based model for costing train operations has been developed, investment analysis is being refined, and work is in hand on the design of a computerised system to monitor wagon utilisation as an aid to wagon fleet planning.

The Management Services Division continued the review of clerical, administrative and physical processes with the aim of providing better service at reduced cost. Investigations covered many subjects including the operation of the Melbourne Goods Depot, the handling of parcels and automatic fare collection.

Electronic data processing continued to play an increasing role as an aid to management decision-making and provided a good deal of the information requested by the Board of Inquiry into land transport. A computer time-sharing terminal was installed to facilitate computations relating to economic analysis, engineering designs, land survey, and other technical investigations.

An Environment Control Officer was appointed to advise on weed control procedures, pollution problems, waste disposal, soil erosion and beautification schemes.

The Victorian Railways Institute continued to provide a wide range of recreational activities and services for railway staff and their families. A new V.R.I. centre was opened at Echuca, the twenty-fifth such amenity in country areas.



Surroundings of many metropolitan railway stations are being beautified; in some cases, local Councils co-operate. Discussing plans at Macleod are (from left) : Messrs. B. Waters (V.R. Engineer) R. McColl (Supt. of Parks and Gardens, Heidelberg City Council), and M. Morice (V.R. Environment Control Officer).

Mr. P. McColl, Engineer of Tests in the Electrical Engineering Branch, visited Europe during September 1971 to study technical matters associated with electrical equipment and supplies.

Mr. W. Walker, Secretary for Railways, retired on 6th February, 1972, after 49 years of service, which included a three months' period as Acting Commissioner. We are indebted for his untiring dedication and valuable service. His successor is Mr. C. S. Morris, formerly Chairman, Staff Board.

At the close of the year, the various Heads of Branches were :—

Secretary's	..	..	..	..	..	Mr. C. S. Morris
Traffic	..	..	..	..	..	Mr. J. C. Crute
Way & Works	..	..	..	..	..	Mr. D. D. Wade
Rolling Stock	..	..	..	..	..	Mr. S. F. Keane
Electrical	..	..	..	..	..	Mr. A. Firth
Commercial	..	..	..	..	..	Mr. A. W. Weeks
Stores	..	..	..	..	..	Mr. A. W. Thomson
Accountancy	..	..	..	..	..	Mr. N. L. Miller
Refreshment Services	..	..	..	..	..	Mr. J. L. Anderson

We wish to place on record our appreciation of the work of the staff during a difficult year. We have never pretended that the whole system is to the standard we and our staff would desire but this in no way reflects on the general body of railway staff who have consistently displayed ingenuity and resourcefulness in making the most of inadequate funds and facilities available.

Mr. I. G. Hodges was appointed as Commissioner from 1st September, 1971. He was replaced as Chief Electrical Engineer by Mr. A. Firth.

The Deputy Chairman of Commissioners, Mr. E. P. Rogan, made an overseas tour to study the functioning of Railway Boards, marketing organizations, automatic fare collection and barrier systems and modern passenger trains.

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 30th June, 1972.

S. F. KEANE
Chief Mechanical Engineer
 August 30, 1972

I hereby certify that the permanent way, stations, buildings, bridges, signalling, safe-working equipment and other works under my control were maintained in good working order and repair during the year ended 30th June, 1972.

D. D. WADE
Chief Civil Engineer
 August 30, 1972

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 30th June, 1972.

A. FIRTH
Chief Electrical Engineer
 August 30, 1972

I hereby certify that the stock of Stores has been carefully and systematically inspected during the year and that its value at the 30th June, 1972, was \$7,663,217.

A. W. THOMSON
Comptroller of Stores
 August 30, 1972

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.

G. F. W. BROWN, Chairman	}	Victorian Railways Commissioners
E. P. ROGAN, Deputy Chairman		
I. G. HODGES, Commissioner		

BALANCE SHEET AS AT

1971	Nature and source of funds	1972			
\$		\$	\$	\$	\$
	FUNDS PROVIDED BY THE STATE TREASURER:				
	For capital purposes—				
	From loans raised on behalf of the State			461,661,892	
	Less—Equity in the National Debt Sinking Fund			71,139,291	
	Net liability			<u>390,522,601</u>	
	Less—Loan for renewals, replacements and maintenance works not represented by assets		1,050,000		
	Discounts and expenses on loans		7,443,113		
371,231,215	Total net funds provided from Loans			<u>8,493,113</u>	382,029,488
	For special purposes—				
	From—				
	Sundry special funds			13,722,240	
	Boom Barriers			349,053	
	Level Crossings Fund			9,921,759	
	Uniform Railway Gauge Trust Fund	31,600,000			
	Less repayment to Commonwealth	<u>1,062,376</u>		<u>30,537,624</u>	
				54,530,676	
	From Public Account—				
	Act 6345 Section 15		32,879		
	" " " 17 (1)		<u>1,395,719</u>		
56,657,370				<u>1,428,598</u>	55,959,274
	RESERVES—				
	National Debt Sinking Fund Reserve			71,139,291	
	Railway Accident & Fire Insurance Reserve			200,000	
67,722,983	Uniform Railway Gauge Reserve			<u>1,062,376</u>	72,401,667
	CURRENT LIABILITIES—				
	Sundry creditors—				
	Stores and services			12,124,322	
	Revenue			772,291	
20,366,130	Trust			<u>3,540,494</u>	16,437,107
	SPECIAL FUNDS FOR WORKING PURPOSES—				
	Sundry provisions prior to 30.6.71	4,392,341			
	Commonwealth Grant Rural Employment 1971	<u>303,092</u>		4,695,433	
	Amount contributed from general revenue of State to meet losses—				
	To 30.6.37			38,949,674	
	From 1.7.37 to 30.6.71	184,241,728			
	Contribution for year ended 30.6.72	<u>36,484,889</u>		<u>220,726,617</u>	259,676,291
				264,371,724	
	Loss on operation				
	To 30.6.37			40,390,243	
	From 1.7.37 to 30.6.71	181,665,454			
	For year ended 30.6.72	35,660,551*			
	Commonwealth Grant Rural Employment 1971	<u>303,092</u>		<u>35,963,643</u>	
				217,629,097	
5,528,046	Outstanding income 30.6.72			<u>258,019,340</u>	6,352,384
<u>521,505,744</u>					<u>533,179,920</u>

* This amount is exclusive of provision for depreciation \$8,126,588 and for—
Annual leave accrued during the year, Nil
Annual leave aggregate liability at 30.6.72 (493,394 days) \$6,004,605

The above statement has been examined by an officer acting under my direction and is in agreement with the accounts and records of the Victorian Railways Commissioners. Subject to comments contained in Part V of my Report to the Legislative Assembly for the year 1971-72, the above statement, in my opinion, fairly summarises the nature and sources of the funds provided to the Commissioners and the purposes to which such funds have been applied.

B. HAMILTON
Auditor General.
19th October, 1972

JUNE 30, 1972

1971	Disposal of funds			1972
\$		\$	\$	\$
	EXPENDITURE ON—			
	Railways—			
	Way, works, building, machinery and plant	285,580,841		
	Rolling stock general equipment	108,756,339		
			394,337,180	
	Road motor public services—			
	Buildings and equipment	14,502		
	Rolling stock	4,750		
			19,252	
	Railways under construction	292,762		
	Surveys	190,960		
			483,722	
	Lines closed for traffic—			
	Railways			695,078
			395,535,232	
	DEPRECIATION ACCOUNT—			
	Depreciation not provided for by cash appropriations to 30.6.71		95,990,045	
	Normal depreciation for the year	8,603,491		
	Less amount provided	476,903		
			8,126,588	
483,204,750	Under provision for the year		104,116,633	499,651,865
	FUNDS FOR SPECIAL PURPOSES held by the State Treasurer—			
	Railway Accident & Fire Insurance Fund		200,000	
	Railway Charges in Suspense Account		5,821,156	
	Railways Stores Suspense Account		3,482,148	
	Railways Repayment Account		10,259	
12,956,135			9,513,563	
	CURRENT ASSETS—			
	Works in progress—Manufacturing account		860,253	
	Stores and materials on hand and in transit—			
	Railways	7,663,217		
	Construction Board	34,921		
	Equalization Account	26,097		
			7,724,235	
	Refreshments Services stock & equipment	672,604		
	Less provision for losses and breakages	9,888		
			662,716	
	Securities held in trust		3,530,235	
	Sundry debtors—			
	Revenue	6,645,810		
	Others	2,330,611		
			8,976,421	
	Income cash on hand and in transit		478,864	
	Advances—			
	To Accounting Offices, Stations, etc.	1,773,225		
	To Agent General for purpose of stores etc.	8,543		
			1,781,768	
25,344,859				24,014,492
521,505,744				533,179,920

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J. K. McGOWAN
Comptroller of Accounts
19th October, 1972

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

—	Year 1971-72	Year 1970-71	Increase (+) or Decrease (—) In 1971-72
	\$	\$	\$
GROSS REVENUE—			
*Railways	112,719,558.65	108,694,851.13	+ 4,024,707.52
Road motor public services	71,383.66	64,009.43	+ 7,374.23
Total	112,790,942.31	108,758,860.56	+ 4,032,081.75
WORKING EXPENSES—			
Railways	138,721,542.87	129,053,793.45	+ 9,667,749.42
Road motor public services	178,071.52	161,068.20	+ 17,003.32
WORKING EXPENSES CHARGED AGAINST REVENUE	138,899,614.39	129,214,861.65	+ 9,684,752.74
DEFICIT ON CURRENT OPERATIONS	26,108,672.08	20,456,001.09	+ 5,652,670.99
Interest charges, exchange and contribution to the National Debt Sinking Fund	9,551,878.86	8,536,982.20	+ 1,014,896.66
DEFICIT	35,660,550.94	28,992,983.29	+ 6,667,567.65

* Includes—\$1,250,000 fares concessions, \$62,000 parcels recoup, \$224,000 goods freight recoup.

RECONCILIATION OF THE RAILWAY AND THE TREASURY FIGURES RELATING TO REVENUE AND WORKING EXPENSES, FOR THE YEAR 1971-72

REVENUE

	\$	\$
Revenue shown by the Railways	112,790,942.31	
To bring this amount into agreement with the Treasury figures deduct—		
Outstanding at June 30, 1972, not included in the Treasury figures	6,352,383.65	
	106,438,558.66	
and add—		
Outstanding at June 30, 1971, collected in 1971-72 and therefore included by the Treasury in that year	5,528,045.98	
	5,528,045.98	
Revenue as shown by the Treasury		111,966,604.64

WORKING EXPENSES

Working expenses as shown by the Railways	138,899,614.39	
Add—Interest and exchange charges, loan conversion expenses and contribution to the National Debt Sinking Fund shown by the Railways and the Treasury	9,551,878.86	
	148,451,493.25	
Less deficit as shown by the Treasury	36,484,888.61	
	36,484,888.61	
Working expenses as shown by the Treasury		111,966,604.64

RAILWAY POSITION SUMMARIZED

Revenue	112,790,942.31	
Working expenses	138,899,614.39	
	138,899,614.39	
Loss on current operations	26,108,672.08	
Interest and exchange charges, loan conversion expenses and contribution to National Debt Sinking Fund	9,551,878.86	
	9,551,878.86	
Deficit	35,660,550.94	
	35,660,550.94	

STATISTICAL STATEMENT (EXCLUSIVE OF ROAD MOTOR PUBLIC SERVICES.)

Particulars		Year 1971-72	Year 1970-71
1.	Average Mileage of Railways open for Traffic	4,163	4,166
PASSENGER TRAFFIC			
2.	Passenger Train Mileage	Interstate .. 682,356 Country .. 4,078,226 Suburban .. 8,287,145	718,404 4,050,039 8,315,189
3.	Earnings from Passengers Carried	Interstate .. \$3,274,864 Country .. \$4,693,550 Suburban .. \$26,773,347	\$3,307,722 \$4,508,650 \$23,985,514
4.	Number of Passengers Carried	Interstate .. 533,275 Country .. 3,420,707 Suburban .. 133,840,007	628,531 3,451,797 138,131,108
5.	Number of Passengers Carried One Mile	Interstate .. 129,193,182 Country .. 203,206,411 Suburban .. 1,206,389,899	153,441,605 226,403,482 1,285,252,889
6.	Average Miles each Passenger was Carried	Interstate .. 242.26 Country .. 59.40 Suburban .. 9.01	244.13 65.59 9.30
7.	Average Number of Passengers per Carriage	Interstate .. 16 Country .. 10 Suburban .. 29	16 11 31
8.	Average Earnings from each Passenger Journey	Interstate .. 614.10c Country .. 137.21c Suburban .. 20.00c	526.26c 130.62c 17.36c
9.	Average Earnings per Passenger Mile	Interstate .. 2.53c Country .. 2.31c Suburban .. 2.22c	2.16c 1.99c 1.87c
<i>Per Average Mile of Railway Open</i>			
10.	Number of Passengers Carried	Interstate .. 1,093 Country .. 840 Suburban .. 450,640	1,288 847 465,088
11.	Number of Passengers Carried One Mile	Interstate .. 264,740 Country .. 49,916 Suburban .. 4,061,919	314,430 55,573 4,327,451
12.	Passenger Train Mileage	Interstate .. 1,398 Country .. 1,002 Suburban .. 27,903	1,472 994 27,997
13.	Earnings from Passengers Carried	Interstate .. \$6,710.78 Country .. \$1,152.92 Suburban .. \$90,145.94	\$6,778.12 \$1,106.68 \$80,759.30
<i>Per Passenger Train Mile</i>			
14.	Average Number of Passengers	Interstate .. 189 Country .. 50 Suburban .. 146	214 56 154
15.	Average Number of Carriages	Interstate .. 12 Country .. 5 Suburban .. 5	13 5 5
16.	Average Earnings from Passengers Carried	Interstate .. 479.93c Country .. 115.08c Suburban .. 323.07c	460.43c 111.32c 288.45c
GOODS AND LIVE STOCK TRAFFIC—PAYING			
17.	Goods Train Mileage	7,566,362	7,746,949
18.	Earnings from Goods and Live Stock	\$64,551,698	\$64,596,567
19.	Number of Tons Carried	11,608,739	12,490,335
20.	Number of Tons Carried One Mile	1,996,243,409	2,118,682,473
21.	Average Haul per Ton of Goods (Miles)	171.96	169.63
22.	Average Tonnage per Loaded Wagon	16.11	16.40
23.	Average Train Load (Tons)	296.75	301
24.	Average Earnings per Goods Train Mile	853.14c	833.83c
25.	Average Earnings per Ton	556.06c	517.17c
26.	Average Earnings per Ton Mile	3.23c	3.05c
<i>Per Average Mile of Railway Open</i>			
27.	Number of Tons Carried (Paying Traffic)	2,789	2,998
28.	Number of Tons Carried One Mile (Paying Traffic)	479,520	508,077
29.	Goods Train Mileage	1,818	1,859
30.	Earnings from Goods and Live Stock	\$15,506.05	\$15,505.66
GOODS AND LIVE STOCK TRAFFIC—GROSS			
31.	Average Tonnage per Loaded Wagon	29.15	29.27
32.	Average Train Load (Tons)	659	656
33.	Average Number of Vehicles per Train—Loaded	18	18
34.	Average Number of Vehicles per Train—Empty	9	9

NEW LINES UNDER CONSTRUCTION AT JUNE 30, 1972

Section	Miles
Tyabb to Long Island Railway. (Traffic conducted from 29.4.'69)	1.5
Barry Beach Line. (Traffic conducted from 2.4.'69)	3
Melbourne Underground Loop	2

LINES CLOSED FOR TRAFFIC DURING THE YEAR ENDED JUNE 30, 1972

Section	Miles	Date closed
Waubra Junction to Ballarat Racecourse	2.10	5.9.71

MILEAGE OF RAILWAYS AND TRACKS

		Mileage 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 1971-72	5' 3" Gauge	4571.18	947.82	5519.00	} 0.38	1.34	0.88	1.55	17.08	61.63	437.34	3625.11	4145.31
	4' 8½" Gauge	206.46	39.15	245.61									
	Dual Gauge	5.34	3.48	8.82									
	2' 6" Gauge	8.48	0.78	9.26									
	Total	4791.46	991.23	5782.69								3633.59	4153.79
Year 1970-71	5' 3" gauge	4579.93	960.43	5540.36	} 0.38	1.34	0.88	1.55	17.08	58.63	440.34	3636.86	4157.06
	4' 8½" gauge	206.46	39.00	245.46									
	Dual gauge	5.34	3.48	8.82									
	2' 6" gauge	8.48	0.78	9.26									
	Total	4800.21	1003.69	5803.90								3645.34	4165.54
		Average mileage 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 1971-72	5' 3" Gauge	4570.14	953.47	5523.61	} 0.38	1.34	0.88	1.55	17.08	60.22	438.75	3634.78	4154.98
	4' 8½" Gauge	206.46	39.12	245.58									
	Dual Gauge	5.34	3.48	8.82									
	2' 6" Gauge	8.48	0.78	9.26									
	Total	4790.42	996.85	5787.27								3643.26	4163.46
Year 1970-71	5' 3" gauge	4579.96	962.18	5542.14	} 0.38	1.34	0.88	1.55	17.08	58.63	440.34	3636.89	4157.09
	4' 8½" gauge	206.46	39.00	245.46									
	Dual gauge	5.34	3.48	8.82									
	2' 6" gauge	8.48	0.78	9.26									
	Total	4800.24	1005.44	5805.68								3645.37	4165.57

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	7,663,216.49	
Advances from Loan Account subsequent to June 30, 1896		1,018,881.62	Construction Board	34,921.21	
		7,981,118.38	Equalization Account	26,096.67	7,724,234.37
Total funds provided		9,000,000.00	Sundry debtors		126,959.02
Sundry creditors		2,341,884.74	Cash in Treasury at June 30, 1972		3,482,148.17
		11,341,884.74	Advances with Agent General		8,543.18
					11,341,884.74

RAILWAYS RENEWALS AND REPLACEMENTS FUND

Nature and source of funds	Disposal of funds				
	During the year ended June 30, 1972	Period July 1, 1937, to June 30, 1972			
Balance at June 30, 1971	\$ —	\$ —	Renewals and replacements		
Funds specially appropriated under Act No. 6355	400,000.00	14,000,000.00	Traffic	—	486,131.42
Additional funds authorised by Parliament	—	11,500,000.00	Rolling Stock	126,894.79	114,444,073.11
Rail motor and road motor, &c. depreciation	76,862.73	4,440,202.29	Way and Works	1,096,478.03	38,924,804.37
Sundry sales, abolitions, &c.	746,510.09	9,756,194.46	Electrical Engineering	—	6,441,154.19
Interest on investments	—	1,406,582.80			
Amount charged Item 5 Loan Acts	—	119,193,183.54			
	1,223,372.82	160,296,163.09		1,223,372.82	160,296,163.09

DEPRECIATION—PROVISION AND ACCRUAL

	During the year ended June 30, 1972	Period July 1, 1937, to June 30, 1972		During the year ended June 30, 1972	Period July 1, 1937, to June 30, 1972
Special appropriations	\$ 400,000.00	\$ 14,000,000.00	Normal depreciation—	\$ 2,186,697.00	\$ 38,883,281.53
Additional funds authorised by Parliament	—	11,500,000.00	Way, works, buildings, &c.		
Sundry depreciation provided in working expenses	76,862.73	4,440,202.29	Rolling stock (including machinery and equipment in Rolling Stock Workshops)	5,992,060.00	84,346,076.35
Provision from sundry sales &c., included as additional depreciation	—	687,993.39	Electrical Engineering plant and equipment	359,142.00	8,545,971.32
Interest on investments	—	1,406,582.80	Rail motors and road motors	65,591.73	4,376,121.87
Balance at June 30, 1972 amount short provided	8,126,628.00	104,116,672.59			
	8,603,490.73	136,151,451.07		8,603,490.73	136,151,451.07

STATEMENT OF CAPITAL EXPENDITURE

	Year ended June 30, 1972	Year ended June 30, 1971
	\$	\$
New lines and surveys—		
Gross expenditure	142,409	107,907
Credits	—	—
Net expenditure	142,409	107,907
Additions and improvements on existing lines—		
Gross expenditure	9,730,206	9,908,313
Credits	1,096,478	848,560
Net expenditure	8,633,728	9,059,753
Rolling stock—		
Gross expenditure	6,625,691	6,661,442
Credits	126,895	218,934
Net expenditure	6,498,796	6,442,508
Electrification of Melbourne suburban lines—		
Gross expenditure	169,301	279,766
Credits	—	—
Net expenditure	169,301	279,766
Total railways—		
Gross expenditure	16,667,607	16,957,428
Credits	1,223,373	1,067,494
Net expenditure	15,444,234	15,889,934
Road motor public service (including garage accommodation)—		
Gross expenditure	—	—
Credits	—	1,139
Net expenditure	—	Cr. 1,139
Total—		
Gross expenditure	16,667,607	16,957,428
Credits	1,223,373	1,068,633
Net expenditure	15,444,234	15,888,795