1976

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VICTORIA

VICTORIAN RAILWAYS

REPORT

OF THE

VICTORIAN RAILWAYS BOARD

FOR THE

YEAR ENDED JUNE 30, 1976

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

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December 9, 1976

The Honorable J. A. Rafferty, M. P.,

Minister of Transport.

Dear Mr. Minister,

In accordance with Section 105 of the Railways Act, the Report of the Victorian Railways Board for the year ended June 30, 1976 is submitted to Parliament.

Yours sincerely,

A. G. GIBBS,
Chairman, Victorian Railways Board.

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REPORT OF THE VICTORIAN RAILWAYS BOARD FOR THE YEAR ENDED JUNE 30, 1976.

TEMPERING THE WINDS OF CHANGE

In previous Annual Reports the Board has defined its charter from the Government and reported progress towards implementation of that charter. It is appropriate that this Report also be prefaced by pertinent observations on the same broad theme.

To reiterate what has been said before, the Board recognizes that its charter from the Government, based on the recommendations of the Bland Report of 1972, is to perform that part of the total transport task for which Railways have an inherent economic advantage over road transport in terms of community resources consumed.

If this objective is to be achieved in an environment in which customer choice is determined on the basis of relative service and price, it is essential that each mode bear its full community costs and reflect those costs in the prices it charges. Alternatively, if it is considered to be in the public interest that a proportion of these costs be borne by way of subsidy from the public purse, it is essential that each mode receive equal treatment in this regard.

Having said this, the Board also recognizes that the concept of optimum use of community resources necessarily infers a redistribution of certain transport tasks over the rail and road modes and the progressive phasing out of road transport regulation. While accepting the necessity for such changes the Board would at the same time be failing in its duty were it not to draw attention to the vital influence the manner of introducing these changes will have on railway finances over the next few years and, indeed, on the very future of the Railways as a vigorous, competitive State-owned land transport system.

During the year growing pressures developed for an acceleration in the process of phasing out road transport regulation, which in any event continued to be progressively undermined by the widening inroads of "border hoppers". However, Sir Henry Bland visualized that it would require at least three years for the Railways to adjust to a new, more competitive environment, this estimate being based on the assumption that adequate capital funds would be made available for the upgrading of rail services to a competitive standard. In fact, owing both to the limited amount of capital funds actually available and to the organizational and marketing problems encountered in launching the Railways' first regional freight centre at Horsham (a subject which is referred to in greater detail elsewhere in this Report) some time must yet elapse before the Railways will be fully equipped to meet the new challenge.

The Board accordingly considers it essential to emphasize that the Railways cannot hope to survive as a viable, efficient transport undertaking unless—

(i) creation of a more competitive environment is a regulated process following, and not preceding, the upgrading and rationalization of the railway system to enable it to provide competitive standards of service;

(ii) competition is always kept on an equitable basis in regard to the extent to which each mode is required to assume common carrier obligations and to carry its infrastructure and contingent community costs.

In the simplest terms, for the freight transport market to be more competitive the Railways must first be given time and money to gear themselves to meet the competition. Secondly, when competition is permitted it must be on the basis that each mode is required to reflect, in its pricing structure, the same degree of contribution towards its infrastructure costs.

This point is of particular relevance in relation to the strong pressure being exerted for the relaxation of existing Victorian limits on the weight and dimensions of road transport vehicles in accordance with the report of the National Association of Australian State Road Authorities (NAASRA). Any action taken in this direction without a commensurate increase in road user charges would represent a further subsidy to heavy road transports, which will be reflected in a distortion in the economic roles of the rail and road modes.

Quite apart from the economic implications, the aspect of most serious concern to the Board in this context is the question of safety as related to the protection of railway over-bridges. This concern is being particularly occasioned by the frequency of incidents involving rail-over-road bridges—even those providing clearances in excess of currently permissible road vehicle height limits—being struck by over-height loads on road vehicles. The usual result is a delay to rail traffic until the bridge can be inspected and declared fit for the passage of trains, but the danger of a weakened bridge collapsing under the weight of a train before a warning can be given cannot be over-emphasized.

Any decision to increase the present permissible height for all road vehicles for travel on all routes without first ensuring that the Railways have been provided with the funds and the opportunity to appropriately increase bridge clearances or to take other protective action where this is not practicable, must carry with it a greater risk in respect to the possibility of a serious accident occurring.

It is reiterated that the Board clearly perceives both the need for and the inevitability of change in the relative roles of rail and road transport in Victoria; indeed, since its inception the Board has lent its support to many of the steps towards transport rationalization advocated in the Bland Report, and it has been most encouraged by the Minister's decision to establish a Task Force to review the operations of poorly patronized country branch lines and passenger services. Elimination of the burden imposed by these services on those operations which fall within the scope of the Board's economic charter, combined with positive action to set up efficient Railway-controlled rail/road substitute services in their stead, is essential if overall economy in the use of transport resources is to be achieved.

In the meantime, the Board urges that the winds of change be tempered to the extent of first giving it the resources and the time to enable it to successfully adjust to the new environment, so that the Railways may in the long run fulfil a new and wider role as a vigorous, expanding State-owned land transport system.

It goes without saying that the achievement of this objective demands that there be no relaxation in the Board's own endeavours to increase productivity and mould an organizational structure appropriate to the needs of a commercially-orientated undertaking operating in a highly competitive environment. Details of the progress made in these areas will be found in the appropriate sections of this Report.

FINANCE AND ACCOUNTS

THE YEAR'S RESULTS

	1975/76 $	1974/75 $
Operating		
REVENUE	147,449,945	130,087,339
WORKING EXPENSES	272,395,050	243,778,843
NET RESULT	(124,945,105)	(113,691,504)
Non-operating Expenses		
INTEREST AND EXCHANGE	13,848,756	12,097,557
SINKING FUND	526,905	496,969
TOTAL NON-OPERATING EXPENSES	14,375,661	12,594,526
OVERALL RESULT	(139,320,766)	(126,286,030)

Excess of expenses over revenue shown thus ( ).

Revenue

Compared with the previous year, revenue increased by $17·4 million, of which $8.2 million was derived from passengers and parcels; $8·5 million from freight and livestock, and the balance from trading and catering operations and rentals.

These increases were attained by imposing higher charges which resulted in an average fare increase of 19·8 per cent per passenger kilometre for suburban passengers and 18·9 per cent for country passengers, and an average increase of 9·9 per cent per tonne kilometre for freight and livestock.

While total numbers of suburban passengers and the tonneage of freight decreased marginally compared to the previous year, the increase in revenue clearly illustrates the fact that reasonable increases in charges do result in additional revenue with no significant diversion of custom. While monetary inflation continues at its present rate rising costs can be only partly offset by increased productivity, and failure to raise charges at least sufficiently to bridge the gap between inflation and productivity will inevitably result in a transfer of an increasing proportion of the cost of running the railway system from the user to the community at large.

Operating Expenses

Expenditure during the year increased by $28·6 million compared with 1974/75. During the same period costs were boosted to the extent of nearly $37 million by uncontrollable factors including salary and wage awards and other labour-associated expenses, higher prices of materials and services, and an increased transfer of revenue to the Melbourne Underground Rail Loop Authority. The result achieved accordingly reflects the effectiveness of management in using the budgetary controls which were applied with the aid of the new Responsibility and Management Accounting System.

Only by unremitting efforts to increase productivity—both by investment and by the application of improved techniques—together with frequent, moderate increases in charges rather than delayed adjustments of such severity as to generate market resistance, can the Board hope to avoid the ever-present danger of pressure to counter inflation resulting in an insidious erosion of service standards, with consequent impairment of its ability to compete in the market place.

Separation of Railway Accounts

Investigation which continued throughout the year disclosed the depth of the problems which must be solved for an acceptable basis for the precise calculation of subsidies in respect of non-commercial operations to be arrived at before legislation establishing the principle of subsidization is enacted.

Moreover, owing to the failure of freights and fares to keep pace with inflationary cost increases over the last decade there is now no aspect of railway operations which is profitable in the commercial sense. All passenger and freight services—suburban, country and inter-system—require subsidization to a greater or lesser degree at present levels of charges.

It accordingly appears to the Board that the limitation of subsidies to only those aspects of railway service which have been accepted in the past as being "social" in nature, such as suburban and country passenger services, would not produce the desired result of reflecting in the railway accounts a true measure of the contribution made by the Railways to the economic welfare of the State.

At the close of the year the matter was being further pursued on this basis, with a view to appropriate legislation being sought to establish the principle that the net cost to the State of operating the railway system is a "subsidy" and not a "deficit", and to provide that this subsidy be apportioned over the various categories of railway service by the best means available from time to time. This will leave room for the actual methods of allocation to be continually updated and refined as more sophisticated means of processing statistical information become available.

It would also be appropriate for such legislation to bestow on the Board a greater degree of financial responsibility by giving it control of its own revenues and the power to manage its own cash flows, and to provide for a revaluation of railway assets, a realistic treatment of depreciation and separation of investment into "equity" and "loans" as suggested in our last Annual Report.

Form and Presentation of the Balance Sheet

As foreshadowed in the Board's previous Annual Report, the form and presentation of the Balance Sheet have been revised with a view to presenting meaningful information in a simple and concise manner in harmony with modern accounting principles and practices.

The new format, which appears at the end of the narrative section of this Report, also embodies the results of a review of asset valuations which has been carried out during the past year.

PLANNING

During the year the Development & Planning and Management Services Divisions were amalgamated to form the Planning Branch. Its function is to assist management in the vital tasks of forecasting the Department's future role and assessing what resources will be necessary and how they can best be employed.

Specific areas in which the Branch is involved include the following—

- Advice to the Minister in the preparation of submissions to the Commonwealth Government seeking funds for major works under the Urban Public Transport Agreement
- Development of a plan for future regional freight centres
- Consideration of options in main line track upgrading
- Passenger surveys conducted on various lines. Results obtained will be beneficial for the drawing up of an optimum service for the Melbourne Underground Rail Loop
- Development of a corporate planning model to assist in budgeting and planning areas
- Economic evaluation of future investment projects
- Continued involvement in the 'growth centres' of Albury/Wodonga, Geelong and Sunbury/Melton
- Conversion of existing computer systems to a new generation computer
- Rationalization of parcels and freight centres in the suburban area
- Accommodation requirements for administrative staff
- Forms control and selection of all types of office equipment

Research

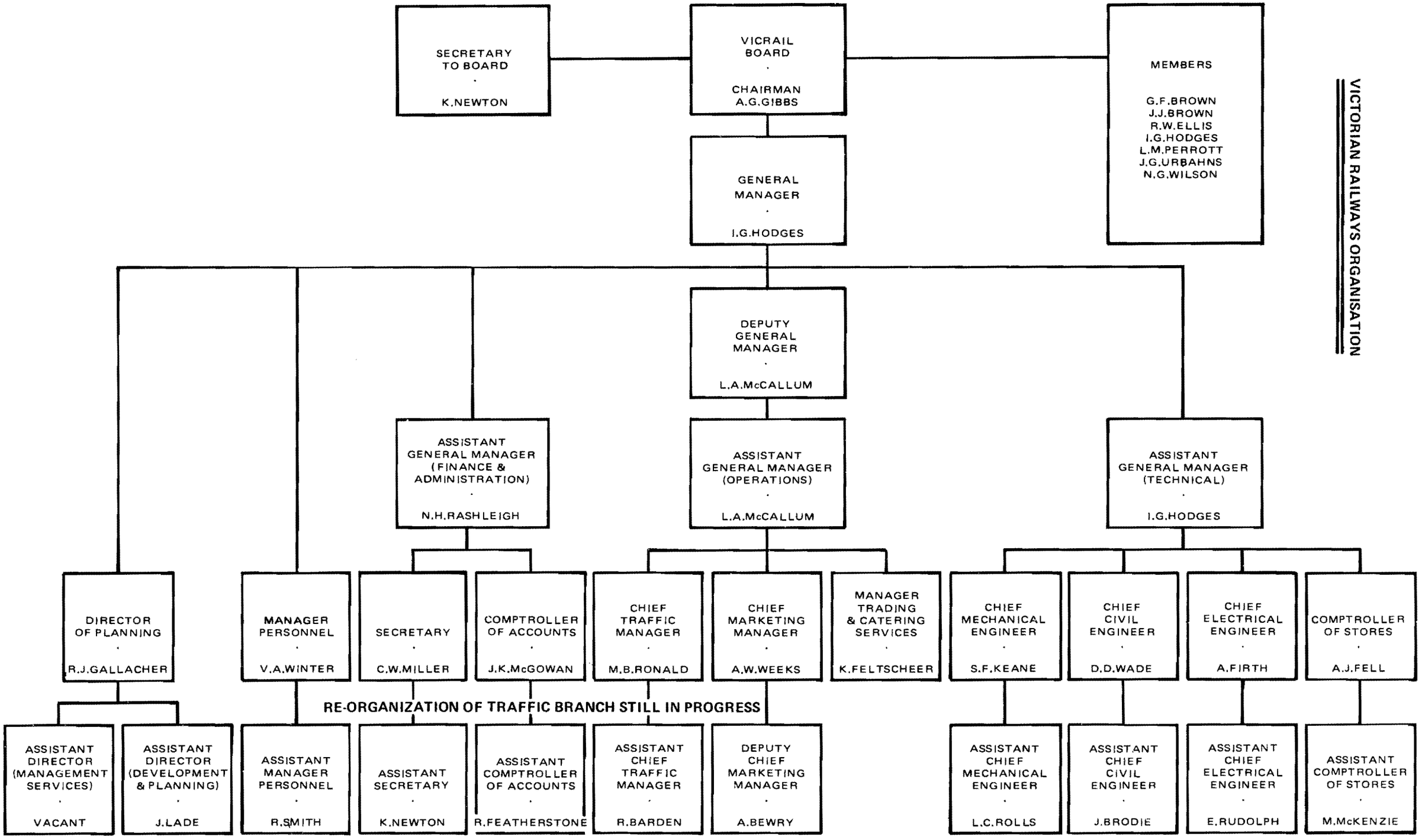
The Planning Branch also administers an extensive research program—partly funded by the Commonwealth—which relates to technical, marketing and operating aspects of the railway undertaking. Research projects currently in course covering these various fields are—

- Melbourne area freight transportation demand study
- Standardization of urban rail passenger information signs
- Suburban passenger train loadings
- Geographical signalling circuit techniques
- Melbourne–Geelong corridor: determination of optimum method of upgrading passenger services
- Radio communication system for suburban trains
- Automatic ticket vending: prototype investigations

With regard to the last-mentioned item, while the Board has long recognized the potential economic benefits of machine ticket vending, considerable difficulty has been experienced in obtaining, from overseas sources of supply, machines of the standard of reliability necessary for useful in-service trials. However, at the close of the year under review the prospects of suitable machines being received during 1976/77 appeared brighter.

In the meantime, the introduction in 1975 and subsequent further simplification in July, 1976, of a zone type suburban fare system has greatly facilitated the introduction of ticket machines by considerably reducing the number of separate fares for which provision must be made.

VICTORIAN RAILWAYS ORGANISATION



ORGANIZATION, SYSTEMS AND CONTROLS

Organization

Arising from the Board's concern at the increasing need for the Traffic Branch to improve service standards, market penetration and productivity, Consultants were engaged to conduct an investigation into functions relating to the manning, control and operation of trains, stations, yards and terminals.

With the assistance of a Steering Committee of senior railway officers, the Consultants recommended a major restructuring of traffic functions, including segregation of freight terminals from train operations and reorganization of the Traffic Branch into separate divisions under managers responsible for suburban passenger operations, main line operations, districts, and administration.

The new organizational arrangements will be completed early in 1977.

Recognizing the growing importance of the planning function, the Board has strengthened this function in both numbers and expertise by combining the Development and Planning Division with the Management Services Division to form a separate Planning Branch under a Director of Planning who reports to the General Manager. The change took effect from March 14, 1976.

Apart from the strengthening of the Board's own planning function, the Director of Planning is playing an important role in Railways of Australia discussions on intersystem planning.

A chart showing the organization of the Railways at June 30, 1976, appears on page 6 of this Report.

Systems and Controls

The new computer-based Responsibility and Management Accounting System, referred to in previous Annual Reports, came into operation on July 1, 1975, and quickly proved its worth as an indispensible aid to the application of effective budgetary control. The key to the success of the system is the manner in which it disseminates the preparation of budgets and the monitoring of budget performance down to first line supervision level, and the degree of cost consciousness that this process is generating at all levels.

The other major new system to be introduced during the year was the computer-based Freight Accounting System, the first phase of which came into operation at the Melbourne Freight Terminal on April 20, 1976. The system, which was extended to cover the whole of the State on July 1, 1976, centralizes the processing and rendering of freight accounts which was previously dispersed over a large number of stations throughout the State. Apart from substantial manpower and cost savings, the system will provide tighter control of revenue debtors, earlier availability of freight traffic statistics, and improvements in revenue monitoring and forecasting.

During the year the Board also initiated the setting up of a Financial and Management Controls Division, under a Director who reports directly to the General Manager. He will review the effectiveness of management and financial controls and practices covering the whole railway business entity.

Victorian Railways Library

Consistent with its aim to provide all appropriate aids to management the Board has established a Central Library for the acquisition, recording and dissemination of technical information for the whole Department. Previously the available material was dispersed at various points throughout the Department, and no central facility existed.

The Victorian Railways Library is steadily becoming a significant support service to railway operations. As well as conventional library services its activities include its own publication, the current awareness bulletin "RAILIT"; the undertaking of literature searches; and participation in the Australian and overseas inter-library loan network.

IMPROVEMENTS AND MAINTENANCE

Expenditure on the upgrading of physical plant and the acquisition of new assets during the year amounted to $38·6 million, allocated as follows—

	$	$
CAPITAL WORKS		
Fixed assets		14,684,631
RENEWALS AND REPLACEMENTS		
Fixed assets	1,055,565	
Rolling stock	22,894,404	23,949,969
		38,634,600

Portion of the total expenditure of $38,634,600 will be met by the Commonwealth under its urban transport programme. However, owing to the refusal of the Commonwealth Treasury to make reimbursements during the year in respect of escalation costs as provided for in the formal Agreement, it was not possible at the end of the year to determine a final allocation of the expenditure on urban works between State and Commonwealth sources.

URBAN WORKS

Station building and reconstruction

Under the urban transport programme a new station at Kananook (between Seaford and Frankston) was brought into service with temporary buildings on September 5, 1975; the erection of permanent buildings was in course at the end of the year. Buildings at existing stations were reconstructed at Glenbervie, Glenroy, Macaulay and West Footscray.

Works in progress

Progress on major urban works was limited owing to the reduced funds made available for urban public transport in the August, 1975, Commonwealth Budget, and no such works were completed during the year. Works in progress were—

- Glen Waverley line: Upgrading project
- South Kensington–Footscray: Quadruplication of line
- Sunshine–Deer Park West: Duplication of line
- Caulfield–Mordialloc: Third track
- Macleod–Greensborough: Duplication of line
- Ringwood–Bayswater: Duplication of line
- Ringwood–Croydon: Duplication of line
- Automatic power signalling between Bayswater–Fern Tree Gully and Mordialloc–Frankston.
- Amalgamation of signal boxes in the Newport area
- Reconstruction of station buildings at Bayswater

Underground connections

Works continued in the Jolimont, Spencer Street and North Melbourne areas during the year in connection with construction of the Melbourne Underground Rail Loop. In this context the most significant event was the commissioning, in February, 1975, of the new consolidated 'E' signal box at Jolimont Junction, representing the first step in installation of a single operating and control centre—"Metrol"—at Batman Avenue which will initially control the inner metropolitan zone and the underground loops but eventually the whole suburban network.

Car parks

Car parks at nine suburban locations were added to or redeveloped, and at the end of the year 14,526 car spaces were available for commuter car parking at stations within the Melbourne Metropolitan Study area.

Replacement of suburban trains

Work proceeded both by contractors and within departmental workshops on production of 50 six-carriage stainless steel suburban electric trains, and during the year 61 new carriages were placed in service. Specifications were in course of preparation for a further 50 trains to follow the current order, with a view to tenders being invited later in 1976.

Fifty-four obsolete wooden-bodied carriages were withdrawn from service and scrapped.

Continued replacement, as rapidly as practicable, of the remaining obsolete wooden-bodied suburban rolling stock is a matter of vital importance if the suburban system is to fulfil its role of maintaining patronage as well as attracting passengers away from travel by private car. As at June 30, 1976, the total number of carriages comprising the electric suburban fleet was 1,134, made up as follows—

- Stainless steel 161
- Blue 433
- Red 540

The 540 wooden-bodied red carriages still in service at June 30 represent the equivalent of a fleet of 77 stainless steel trains. Although 10 new stainless steel trains per annum are currently coming into service, the requirements for additional trains to cope with the extended running on outer suburban lines (including lines to be electrified during the next ten years), where traffic growth is taking place, amount to an average of at least two trains per annum, and consequently the effective annual rate of replacement of obsolete trains would not be more than eight.

The conclusion to be drawn from these figures is that unless funds can be found to increase the annual intake of new trains above the current level the last of the wooden-bodied trains is likely to be in service until well into the 1980's. This is a matter of serious concern to the Board.

NON-URBAN WORKS

Depots, terminals, etc.

Contracts were let for new diesel locomotive maintenance depots at Ballarat and Geelong and for the erection of new staff amenities and classrooms at the Dynon Diesel Maintenance Workshops. The construction of improved office accommodation and amenities for yard staff at North Geelong was well advanced at the end of the year, and major building operations were carried out at No. 2 Shed, Melbourne Goods Depot, to provide for establishment of an office for the new Freight Accounting System referred to elsewhere in this Report.

Signalling

At Horsham, track rearrangements and signalling works to meet present and foreseeable future requirements were carried out. The signalling works include a relay interlocked crossing loop, 1.2 km in length, operated at this stage from a control panel located in the station building but suitable for subsequent incorporation into the proposed centralized traffic control system to cover the Ararat-Serviceton section.

Locomotives and Rolling Stock

During the year ten 2,200 h.p. 'X' class diesel-electric locomotives for main line freight and passenger services were placed in service. In a ceremony at Spencer Street station on November 14, 1975, the first of these units was named "Edgar H. Brownbill" in honour of a former Chairman of Commissioners who retired in 1967.

A further 10 locomotives of 3,300 h.p.—the most powerful units to be introduced on the Victorian system to date—are on order, and deliveries are expected to commence early in 1977.

Two 1,500 h.p. 'GM' class locomotives, which had been on hire from the Australian National Railways, were returned to that System.

Wagon construction in departmental workshops proceeded during the year to the limit of the funds available, and the following new bogie vehicles, 184 in all, were placed in service—

22 'FCF' Container wagons
79 'FQX' Container wagons
16 'JX' Cement hopper wagons
67 'VSX' Louvre vans

Six hundred and thirty-four obsolete freight vehicles and 25 unserviceable brake vans were withdrawn from service and scrapped. The total capacity of the wagon fleet increased by 13,778 tonnes, or 3 per cent.

As is the case with the suburban passenger fleet, the slow rate of replacement, due to lack of funds, of obsolete freight rolling stock is a matter of serious concern to the Board. Notwithstanding the number of new vehicles placed in service and outworn vehicles scrapped during the year, the average age of freight rolling stock at the end of the year—37.5 years—was only slightly lower than the figure of 37.8 years at the close of the previous year, and a much more vigorous replacement programme is essential if the average age of vehicles is to be reduced to an economical level.

The inevitable result of the necessity to keep a large fleet of over-age non-bogie vehicles in service—as at June 30, 1976, there were still 5,262 vehicles in running over 50 years old—is a burden of high maintenance costs which frustrates the Board's endeavours to provide efficient, competitive services.

Maintenance

The Board's facilities and plant were maintained in good order and condition throughout the year and the usual Certificates appear on page 19 of this Report.

One hundred and sixteen kilometres of track were relaid with new rail and an additional 124 km with serviceable rail. Further progress was made in the programme of mechanised track maintenance and a total of approximately 1,050 km of track was surfaced and lined by mechanised surfacing gangs. Availability of the track recording and analyser car, referred to in our last Annual Report, enabled the programming of tie renewal and surfacing activities to be much more finely attuned to the condition of the track, with consequent substantial economies in manpower and material.

Reconstruction of the bridge under Royal Parade, Royal Park, was completed and major bridge works were in hand at Moonee Ponds Creek, North Melbourne; Carrum Creek; Traralgon Creek; Mordialloc Creek; and Wellington Parade South, Jolimont. Smaller bridges due for renewal were replaced by corrugated steel pipes wherever practicable.

New plant and equipment was provided at the workshops at Ballarat and Bendigo to facilitate the maintenance of rolling stock, the principal items being a heat treatment furnace at Ballarat and a lifting and luffing crane at Bendigo.

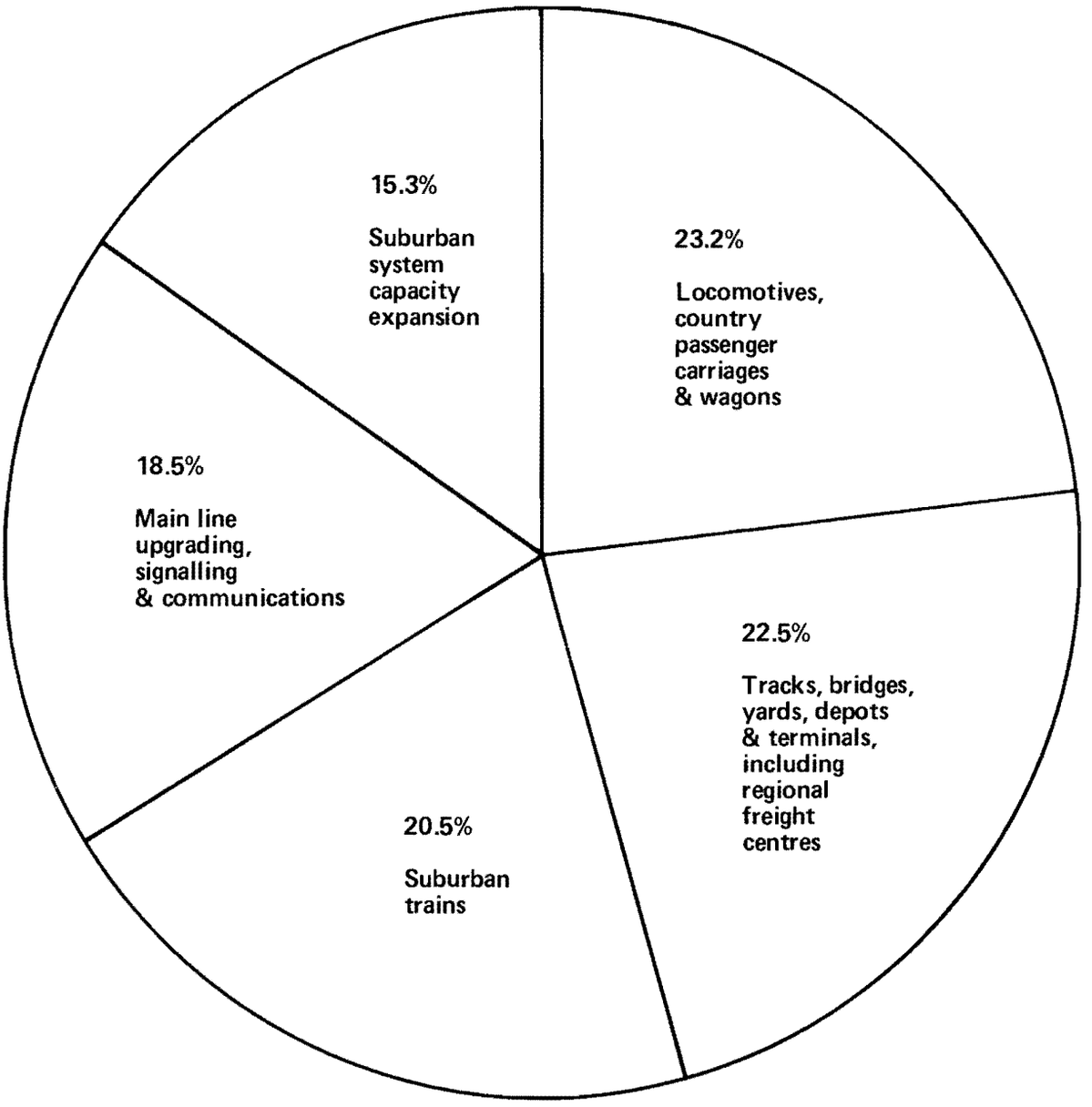
Despite intensified activity, in close co-operation with the Police Department, on the part of the Board's Special Investigation Division, maintenance costs continued to be unnecessarily inflated by the expenditure involved in repairing the damage caused by vandalism to rolling stock and other facilities.

FUTURE CAPITAL NEEDS

Progress continues to be made towards the replacement or renewal of obsolete equipment and facilities. The legacy resulting from absence over many years of adequate funds for capital development or any proper provisions for depreciation cannot be corrected overnight. A formidable task still faces the Board in bringing the physical assets of the Railways up to the necessary standard, while at the same time providing for increased earning capacity in critical areas.

Unless this situation is rectified the Railways will suffer high maintenance costs and the inability to fully exploit the potential market for both freight and passenger services.

FUTURE CAPITAL NEEDS



Apart from urgent requirements for the replacement of obsolete suburban trains—the average age of which is in excess of 55 years—and inefficient freight wagons, the Board is most anxious to raise the present standards of safety and comfort of inter-urban and main line country services by the acquisition of sufficient steel-bodied rolling stock to eliminate the use of obsolete wooden-bodied carriages. In the case of fixed facilities, the condition of main line tracks is generally good but many bridges are reaching the end of their economic life and, along with many early buildings, require urgent replacement.

To enable areas of potential bulk freight traffic growth to be exploited, additional locomotives will be required. The two main trunk interstate routes must be relaid to a higher standard to permit heavier and faster trains to compete with road transports operating on upgraded highways.

The Board has surveyed its overall requirements and has determined that, as the first step in correcting the situation, an amount of over $300 million should be spent during the next five years, representing annually a 30 per cent increase above the amount made available in 1976/77. A diagram illustrating the main areas in which this expenditure is required appears on this page.

THE MARKET

During the year the market for rail transport reflected the generally depressed state of the economy. However, country passenger traffic showed some increase in volume over the previous year. The Passenger Marketing Division was again active in fostering group and tourist travel, and although the early part of 1976 saw a downturn in the market for package tours throughout the whole travel industry, the sales target set for the year for rail tours was exceeded. Particular success was recorded in the sales of Mount Buffalo package tours to groups of elderly citizens who now represent an important segment of the travel market.

Additional locomotives, modern freight wagons, and new suburban trains are gradually coming into service. The Board is thus slowly but steadily increasing its ability to meet the standards necessary to win custom in competitive markets. It is now poised to deal with the substantial increases in traffic demands that should result from improving economic conditions.

The principal indices of freight train performance are shown below. These disclose encouraging increases in net wagon load, daily wagon output and hourly goods train output. The fact that these three figures reached the highest levels ever recorded is an indication of the gains that are being achieved in operating efficiency.

PRINCIPAL OPERATING STATISTICS

	1975/76	1974/75	1973/74
Average kilometres per wagon per day	57·86	58·06	56·76
Average daily wagon output (net tonne kilometres)	663	647	655
Average net wagon load (tonnes)	17·07	16·67	16·89
Average net tonne kilometres per goods train hour	6,965	6,785	6,854
Average net train load (tonnes)	308	300	301
Standing time (hours) per 1000 train kilometres ..	6·43	6·20	5·73

Regional Freight Centres

The keystone of the Board's plans to adjust to the new, competitive environment foreshadowed in the introductory section of this Report is implementation of the "regional freight centre" method of distribution and collection of less than wagon-load freight in country areas. As mentioned in our previous Annual Report, the Horsham area was chosen as the location for the first such centre in Victoria, to act as a pilot study for further centres to follow.

The first steps in rationalizing the handling of less than wagonload freight in the north-western district were taken on September 1, 1975, with the introduction of co-ordinated road services from Speed to Patchewollock and from Nhill to Netherby and Yanac.

The Horsham Regional Freight Centre proper came into being on April 6, 1976, with the introduction of road services to serve stations on the Horsham–Carpolac line, as well as to the non-rail towns of Edenhope and Apsley. Further stages followed between April 26 and June 28, with full implementation of the scheme to follow during the first quarter of 1976/77.

The birth of the Horsham freight centre was not easy. Turning broad new concepts, no matter how logical, into workable day-by-day operating arrangements always takes time, and change of so radical a nature naturally breeds apprehension, if not outright opposition, that can be diminished by persuasive argument but overcome only by first-rate performance. It is with considerable satisfaction that the Board places on record that this has proved to be the case at Horsham.

The step-by-step approach adopted enabled the inevitable teething problems to be ironed out with a minimum of difficulty as they arose. As the benefits of door-to-door service, in many cases of much greater frequency than was previously possible, became apparent, early doubt and apprehension within the district were replaced by enthusiastic support. The invaluable experience so gained has laid a firm foundation for the setting up of further freight centres, at an accelerating rate, in 1976/77 and the years immediately following.

Freight Operations.

A general increase in goods tariff rates was applied effective from August 11, 1975, as follows:—

Cement, bitumen, petroleum products and unseasoned hardwood timber	15 per cent
All other traffic (except grain, wool, superphosphate and livestock on which no increase was applied)	20 per cent

Increases were also applied to minimum charges and loading and unloading charges. The "Smalls minimum" table was abolished and small consignments charged instead at pro-rata of the tonneage rate, with a minimum charge of $1·50 per consignment.

The separate rates previously published for Approved Decentralized Secondary Industries were also abolished and replaced by allowing a 10 per cent reduction on published tariff rates.

Rates under contract for intrasystem traffic were increased as from August 25, 1975, by a similar percentage as was applied to the commodity concerned under the tariff rate increase of August 11.

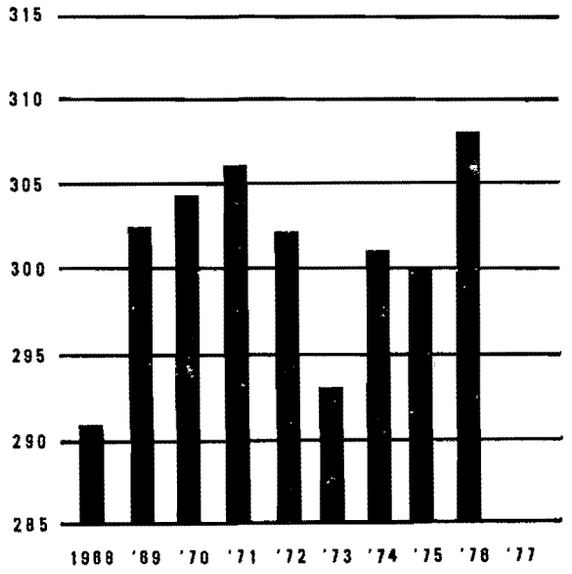
On September 1, 1975, Railways of Australia interstate tariff rates, classes B to 2, were increased by varying percentages to restore their original cubic measurement ratio to Class A rates. On February 1, 1976, Class A rates were increased by 10 per cent and a further stage of restoration of cubic relationships was implemented.

Interstate contract freight charges between the Eastern States and Western Australia were increased from August 1, 1975, by amounts varying from 10 to 26 per cent westbound and from 20 to 25 per cent eastbound, and a further 10 per cent increase in both directions was applied from February 1, 1976. On Eastern Seaboard routes, rates were increased by amounts varying from 5 to 15 per cent as from February 1, 1976.

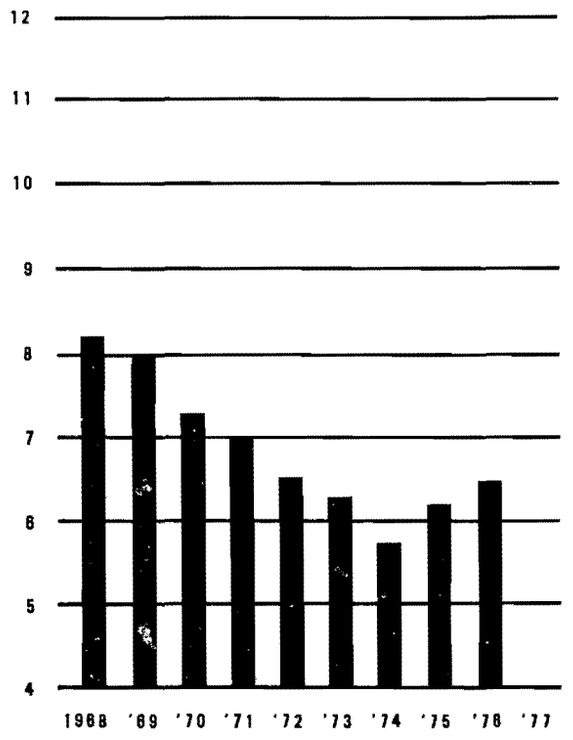
Freight business generally continued to be adversely affected by economic conditions during the year, and the total freight traffic task, measured in tonne-kilometres, declined marginally compared with the previous year. There was only a minimal fall in intersystem traffic and the main losses were in Victorian business, principally wheat, superphosphate, petroleum products, and solid fuels.

FREIGHT OPERATING STATISTICS

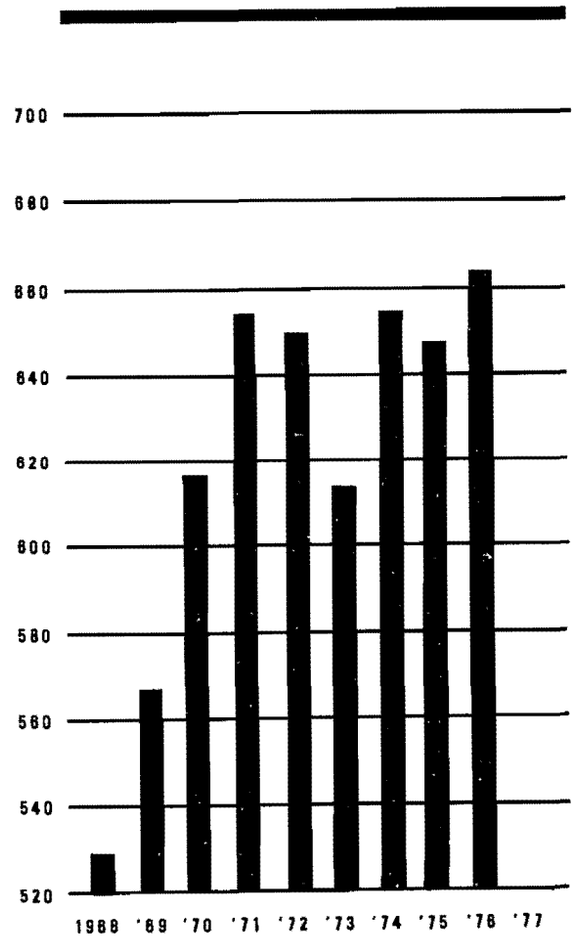
(YEARS ENDING JUNE 30)



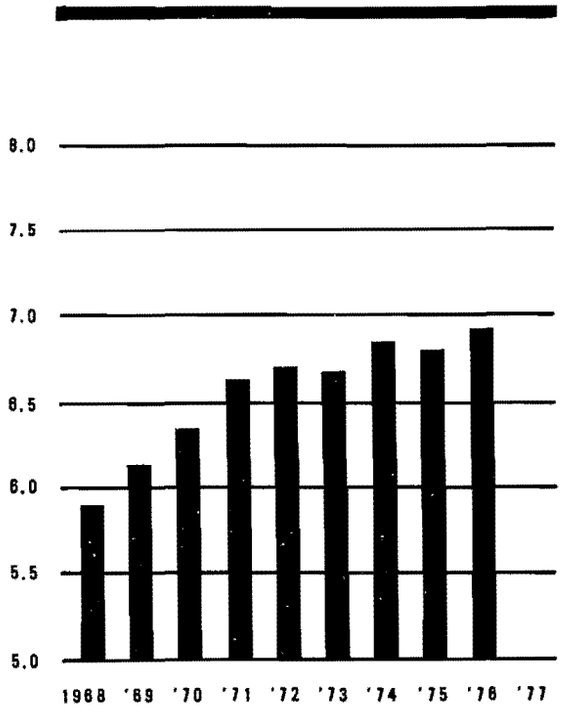
AVERAGE NET TRAIN LOAD (tonnes)



STANDING TIME PER 1,000 TRAIN km (HOURS)



AVERAGE DAILY WAGON OUTPUT
NET (tonne/km)



AVERAGE HOURLY TRAIN OUTPUT
NET (tonne/km)

Passenger Operations – General

Commencing on January 1, 1976, in respect of locomotive–hauled trains and on February 1, 1976, in respect of electric trains and rail cars, published rates for special trains were abolished and replaced by a scale of charges based on an assessment of all costs of operation.

On January 1, 1976, the concession fare basis for periodical and school term tickets issued to female students 18 years and over, and to trainee nurses, was increased from one half to two-thirds adult periodical fare, thus bringing these tickets into line with the basis of calculation for male student fares.

Commuter Passenger Operations

Commencing on August 10, 1975, suburban fare scales were completely revised by the introduction of 18 charging zones to replace a graduated distance scale, and at the same time the relationships between short-term (weekly and monthly) and long-term (quarterly, half-yearly and yearly) periodical tickets were adjusted to modify the concessions previously embodied in the longer-term tickets, while still retaining their feature as an attractive investment for the regular traveller. These changes which were associated with a basic fare increase of 20 per cent on single tickets, resulted in quite substantial increases on yearly periodicals. At the same time, the offer to make periodical tickets available at the old fares until the eve of the increase proved attractive to many passengers and additional sales of yearly and half-yearly tickets during August, 1975, yielded revenue to the order of $600,000.

While suburban passenger revenue increased by 15 per cent compared with 1974/75, there was a 7 per cent drop in passenger journeys. Part of this decline is accounted for by the greater incidence of industrial action affecting suburban services during the year under review. There were eight 24-hour stoppages compared with only one in the previous year, together with a number of cases of disruptive action affecting services for part of a day, all of which played their part in inducing passengers to seek alternative transport. However, other factors likely to have had a greater combined influence were the substantial increases in fares, the growth in unemployment and the necessity to further reduce peak period services owing to difficulties encountered in transferring sufficient drivers from country areas to meet the needs of the suburban system.

As indicated in our previous Annual Report, as the result of corrective action involving adjustments to time tables and an accelerated programme of crew training, operation of the suburban passenger service had satisfactorily stabilised by June, 1975. In spite of the action taken it did not prove possible to hold the number of electric train drivers at a level high enough to guarantee operation of the service in force at the beginning of 1975/76 and commencing on March 15, 1976, further alterations were introduced on most lines in order to correct the situation.

The two such adjustments made to the timetable published in January, 1975, have resulted in a number of unsatisfactory features which cannot be corrected without a complete revision of the timetable and associated crew rosters. This revision was in course at the end of the year under review and introduction of revised schedules making optimum use of the resources now available, and track and signalling works to be completed in the meantime, is planned for February, 1977. It is visualised that this will be the last major timetable revision before the first section of the city underground loop system is brought into service.

Extension of electric suburban trains to Pakenham in January, 1975, referred to in our previous Report, has resulted in an encouraging passenger response at peak periods. Outside the peaks, however, traffic has been light and commencing in February, 1976, a two-carriage stainless steel train was placed at Dandenong to operate a shuttle service to and from Pakenham between peak periods and after the evening peak, with trains from Melbourne terminating at Dandenong at those times.

Country and Intersystem Passenger Operations

Country single fares were increased by 5 per cent and return fares by 20 per cent as from August 10, 1975. From the same date country periodical fares were raised by amounts ranging from 35 to 46 per cent in line with suburban periodicals.

Country passenger journeys increased by 1·6 per cent and under the influence of the higher fares revenue increased by 24·4 per cent.

Owing to paucity of traffic and acknowledgment by district residents that the improved passenger services provided on the Swan Hill line during the previous financial year represent a suitable alternative, the rail car service between Echuca and Balranald was withdrawn as from November 10, 1975.

Intersystem travel declined by 17·9 per cent compared with the previous year. Intersystem fares for travel on and after February 1, 1976, were increased on December 19, 1975, from 2 cents to 2·5 cents per kilometre. When rounded to the next dollar in advance the effect of this change was to increase fares by amounts varying from 25 to 50 per cent. With the change which took place in the Federal Government in December, 1975, and a consequent change of policy concerning the recovery of air terminal costs, anticipated increases in air fares were deferred and some intersystem rail fares became non-competitive with air travel. Subsequent small increases in air fares helped in the direction of restoring the traditional relativity between rail and air fares, but at the end of the year interstate rail travel to and from Victoria was still at its lowest level for three years. Action to stimulate traffic was under urgent consideration by Marketing Officers of the Systems concerned, and during the early stages of 1976/77 publicity campaigns featuring the advantages of rail travel for business men on the Melbourne–Sydney route, combined with special "trial offer" fare concessions, have yielded encouraging results.

Public Relations, Promotion and Advertising

During the year the Public Relations Division was reorganized into three main sections—Media Relations, Publicity–Special Projects, and Advertising—with a view to increasing productivity at all levels and establishing a more positive corporate image.

In April, 1976, the new VicRail logo, illustrated on this page, was launched throughout the System. In addition, the Division's graphic designer produced an effective design, which was approved by all Systems, for a new Railways of Australia logo. This is also illustrated here.

In April, 1976, a public relations campaign contributed significantly to the successful launching of the Horsham Regional Freight Centre.

Advertising campaigns during the year were directed successfully towards the promotion of "package deal" tours to the Mt. Buffalo Chalet and elsewhere in the State. Late in the year a television level crossing safety campaign generated favourable publicity in all media.

As in previous years, display material was supplied to travel agents. Fourteen special large displays were produced for various functions throughout the year, as well as twenty general displays throughout Victoria and interstate.

VicRail

Railways of Australia

Vandalism

In August, 1975, a Special Operations Group was formed within the Investigation Division to combat vandalism and hooliganism on the Board's property. By the end of the year this Group, which includes two women security officers, had detected over 11,000 offences, committed by over 8,000 offenders, in addition to the number reported by the regular staff of the By-Laws Division.

In addition, many offences were detected as the result of special "blitzkreig" operations launched on several occasions during the year with the close co-operation of the Police Department.

Vandalism is a deep-seated social problem with extremely complex causes. By the very nature of railway operations, it cannot be totally prevented; but the increased likelihood of detection associated with the steps that have been taken to combat it as outlined above can, if backed by the firm application of more realistic (in terms of present-day money values) and perhaps more appropriate penalties, act as a considerable deterrent.

In the long run the only real answer is the development of an increased sense of responsibility and community involvement in the younger generation. In this area the Board has taken the initiative with its "Kids in Danger" educational program and the complementary "Operation Care" program for parents. These programs are directed mainly at the 8 to 12 age group whose propensity to take unnecessary risks when playing on or about railway property is a greater problem than vandalism as such, but if it is successful in generating a greater sense of responsibility, and a greater understanding of the costs to both the individual and the community of irresponsible behaviour, the results can be nothing but beneficial.

PERSONNEL AND ADMINISTRATION

The State-wide nature of railway operations effectively means that the success of the industry depends to a large degree on the dedication displayed by many thousands of staff in various occupations. Once again the Board is happy to record its recognition of the fact that this sense of dedication is very much in evidence in Victorian railwaymen and women.

At June 30, 1976, the total staff (including casual labour equivalent to 813 men working full time) was 24,903 compared with 25,691 at the end of last year.

An amendment to the early retirement provisions of the Superannuation Act, which came into force on July 1, 1975, has created a strong incentive for senior officers and employes to voluntarily retire upon reaching the age of 60.

Several reviews of Branch training were undertaken during the year and surveys made into training needs and objectives. Supervisor training was also modernized to bring management and supervisors closer together. Senior officers have continued to attend business and higher management courses at the Administrative Staff College, Mt. Eliza and the University of New South Wales. Part-time studies by other staff at Universities and technical institutions have also been continued.

During the year the Australian Conciliation and Arbitration Commission through its decisions on wage indexation granted substantial salary and wage increases and varied working conditions to staff which were estimated to cost an additional $27·6 million in a full year.

In February, 1976, payments under the State Incremental Payment Scheme were also increased and these are estimated to cost an additional $1·4 million in a full year.

The average annual payment, including overtime and penalty payments to all officers and employes including juniors was $8,275 compared with $7,368 the previous year—an increase of 12.3 per cent.

On January 5, 1976, Mr. David Evans took up an appointment as Manager, Public Relations. Mr. Evans replaced Mr. Alan Brook, whose untimely death in August, 1975, came as a great shock to the Board and to his colleagues.

On March 28, 1976, Mr. R. J. Gallacher, Assistant Chief Civil Engineer, was appointed to the position of Director of Planning, created when the Development & Planning and Management Services Divisions were combined to form the Planning Branch as described elsewhere in this Report.

Mr. A. J. Nicholson, Assistant Chief Mechanical Engineer, visited North America, the United Kingdom and Europe to study the latest developments in suburban passenger train design.

Mr. R. T. Barden, Assistant Chief Traffic Manager, and Mr. J. Emmins, Chief Design Engineer, visited Europe, U.S.A., Canada and the United Kingdom to investigate development, design and operation of freight terminals.

Mr. J. H. Eberhard, Senior Architect, and Mr. J. L. Draper, District Superintendent (Special Duties) visited Europe, U.S.A., Canada and the United Kingdom to study station design and buildings.

Mr. A. Irving, Signal and Communications Engineer, visited Japan, U.S.A., Europe and the United Kingdom to review the latest techniques in train describer systems.

BOARD MEMBERSHIP

In December, 1975, the Railways Act 1958, was amended to increase the number of Board Members from seven to eight.

Mr. J. J. Brown, who had been acting as the deputy of Mr. Urbahns, was appointed as a Member of the V.R. Board for a term from 1st January, 1976, to 7th May, 1977.

CERTIFICATES OF HEADS OF BRANCHES

I hereby certify that the rolling stock, machinery and equipment under my control were maintained in good working order and repair during the year ended June 30, 1976.

S. F. KEANE,
Chief Mechanical Engineer.
September 15, 1976

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 June 30, 1976.

D. D. WADE,
Chief Civil Engineer.
September 15, 1976.

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 the year ended June 30, 1976.

A. FIRTH,
Chief Electrical Engineer.
September 15, 1976.

I hereby certify that the stock of Stores has been carefully and systematically inspected during the year and that its value at June 30, 1976, was $9,536,317.

A. J. FELL,
Comptroller of Stores.
September 15, 1976.

I certify that materials from Tubemakers Ltd., (pipes), to the value of $949,969 were in transit to the Department as at June 30, 1976.

These materials did not form part of the Stocks on Hand of the Department at that date.

A. J. FELL,
Comptroller of Stores.
September 15, 1976.

APPENDICES

A statement of assets and liabilities as at June 30, 1976 and various accounts, statements and other information are embodied in the appendices, a list of which appears at the front of this Report.

VICTORIAN RAILWAYS BOARD

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

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STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 1976

1975	1975		1976	1976
$000	$000		$000	$000
		FUNDS PROVIDED (NOTE 1)		
		STATE		
504,214		From Loans	534,684	
33,615	537,829	Other	36,670	571,354
	47,326	COMMONWEALTH		55,868
	585,155			627,222
		LESS UNDER PROVISION		
	129,468	FOR DEPRECIATION ON EXISTING BASIS (NOTE 2)		191,424
	455,687			435,798
	—	ASSET REVALUATION RESERVE (NOTE 3)		40,145
	455,687	NET WORTH ON EXISTING BASIS (NOTE 4)		475,943
		REPRESENTED BY		
	2,702	SPECIAL FUNDS HELD BY STATE TREASURER (NOTE 5)		13,300
		CURRENT ASSETS (NOTE 6)	33,734	
		LESS CURRENT LIABILITIES	31,270	
	9,213	EXCESS OF CURRENT ASSETS OVER CURRENT LIABILITIES		2,464
		FIXED ASSETS (NOTE 7)		
242,500		Track	253,314	
246,872		Rolling Stock	309,836	
33,494		Machinery and Plant	36,100	
6,944		Land	6,694	
69,074		Buildings	71,473	
7,722		Other Assets	7,968	
606,606		TOTAL — FIXED ASSETS	685,385	
162,834	443,772	Less Depreciation	225,206	460,179
	455,687	NET ASSETS		475,943

NOTES TO AND FORMING PART OF THE ACCOUNTS

Note 1.

The amount of $534·684 million represents advances for capital purposes from Loans raised on behalf of the State. It specifically excludes from such Loans—

Loans for Renewals, Replacements and Maintenance Works not represented by assets, $1·050 million.
Discounts and Expenses on Loans, $7·684 million.

The State of Victoria has an Equity of $93·799 million in the National Debt Sinking Fund in respect of State Loans; this arises from Sinking Fund Repayments by the State on behalf of the Railways. The State has made repayments of principal totalling $1·446 million on behalf of the Railways in respect of a Commonwealth loan for construction of the standard gauge line between Melbourne and Albury.

Advances from Other State Funds relate to:—

	$M
Transport Fund	2·539
Level Crossing Fund	10·888
Boom Barriers — Various Acts	·475
Funds from Public Account	8·876
Sundry Special Funds	13·892
	36·670

Commonwealth Funds relate to:—

Urban Transport	24·268
Uniform Gauge	31·600
	55·869

Note 2.

Total depreciation up to June 30, 1976, is $225·206 million. Of this amount only $33·782 million was provided by cash appropriations; the underprovision is therefore $191·424 million.

Note 3.

The Asset Revaluation Reserve reflects the increase in the net value of Fixed Assets as at June 30, 1976, resulting from the revaluation of certain assets; action on these lines was foreshadowed in the Annual Report 1974–75 (Note 3 — page 6). Particulars are given in Note 7.

Note 4.

The Net Worth on the existing basis represents the total advances to the Railways for Capital purposes provided from Loans and Special Funds after deducting depreciation not provided for by cash appropriations. The figure also takes account of a realistic valuation of certain Assets, and in particular track and over-age rolling stock.

Note 5.

The balances as at June 30, 1976, in the Special Funds held by the State Treasurer were—

	$M	$M
Railway Accident & Fire Insurance Fund	·200	
Less Accrued Liability	·200	
Trust Fund — Agency Works		1·480
Railways Stores Suspense Account		2·327
Railways Repayment Account		·018
Treasury Trust Funds		
Salaries and Wages		6·502
Payroll Deductions		2·779
Railways Cash Advance		·194
		13·300

The Railways Stores Suspense Account is an account out off which payment is made for all stores stock, except Trading and Catering stocks and equipment.

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

The Treasury Trust Fund balances represent liabilities for certain items as at June 30, 1976.

Note 6.

Current assets as at 30 June 1976—

	$M
Cash advances	2·230
Debtors:	
Revenue	11·287
Works	4·979
Other	1·271
Stores & Materials	10·552
Work in Progress — Manufacturing	2·636
Trading and Catering Stock and Equipment	·779
	33·734

Current liabilities were—

	$M
Trade Creditors	15·901
Trust — Liabilities less securities held in Trust	·018
Treasury — Current Account	15·351
	31·270

EXCESS OF CURRENT ASSETS OVER CURRENT LIABILITIES	2·464

Note 7.

Expenditure to June 30, 1976 on Fixed Assets including renewals and replacements was $645·240 million, including $38·633 million spent during 1975–76.

The revaluation of rolling stock relates to those wagons, carriages and vans which have been depreciated to residual values although still in service and likely to remain in service for some years at least. The basis of the revaluation has been to consider current replacement cost taking into account expired life and expected life of each asset group. This revaluation increases the gross value of Fixed Assets by $40·145 million to $685·385 million; there is a corresponding increase in the net value of Fixed Assets.

The value of the track at June 30, 1976, has been reassessed by applying to the historical cost of the constituent assets the depreciation rates appearing at page 184 of the Bland Report. As a result, depreciation not provided for by cash appropriations has been increased by $53·327 million and the net value of Fixed Assets as at June 30, 1976, has been adjusted accordingly.

From July 1, 1976, no further depreciation is being applied to assets constituting the track and associated renewals and replacements will be charged as working expenses.

Depreciation provided by cash appropriations to June 30 1976 was $33·782 million of which $0·416 million was provided in 1975–76. Asset values have been adjusted for total depreciation assessed on original cost including depreciation not provided for by cash appropriations.

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

—	Year 1975–76	Year 1974–75	Increase (+) or Decrease (—) In 1975–76
	$	$	$
GROSS REVENUE—			
Railways	147,355,164.28	129,998,037.72	+ 17,357,126.56
Road motor public services	94,781.12	89,301.51	+ 5,479.61
Total	147,449,945.40	130,087,339.23	+ 17,362,606.17
WORKING EXPENSES—			
Railways	271,939,527.96	243,393,004.43	+ 28,546,523.53
Road motor public services	455,521.61	385,838.30	+ 69,683.31
WORKING EXPENSES CHARGED AGAINST REVENUE	272,395,049.57	243,778,842.73	+ 28,616,206.84
NET RESULT	(124,945,104.17)	(113,691,503.50)	+ 11,253,600.67
Interest charges, exchange and contribution to the National Debt Sinking Fund	14,375,660.90	12,594.526.25	+ 1,781,134.65
OVERALL RESULT	(139,320,765.07)	(126,286,029.75)	+ 13,034,735.32

Excess of expenses over revenue shown thus ( ).

RECONCILIATION OF THE RAILWAY AND THE TREASURY FIGURES RELATING TO REVENUE AND WORKING EXPENSES, FOR THE YEAR 1975–76

REVENUE.

	$
Revenue shown by Railways	147,449,945·40
To bring this amount into agreement with Treasury,	
ADD — Outstanding Debtors as at June 30th., 1975 collected in 1975/76 and therefore included by Treasury in that year	10,471,774·04
Amounts collected by Railways in 1975/76 and due to other States but included by Treasury as Income received in 1975/76	1,121,000·00
	159,042,719.44
and DEDUCT — Outstanding Debtors as at June 30th., 1976 not included by Treasury	12,099,601·76
REVENUE AS SHOWN BY TREASURY	$146,943,117·68

EXPENDITURE.

	Treasury Books $	Railway Books $
Railways Operating Expenses, Votes and Special Appropriations	272,395,049·57	272,395,049·57
ADD—Accruals and Repayments credited to Operating Expenses by Railways but not by Treasury	1,166,396·80	
Working Capital provided for Railway Manufacturing and Trading & Catering Operations	3,205,643·18	
TOTAL OPERATING EXPENSES	276,767,089·55	272,395,049·57

RESULT.

Operating Expenses		276,767,089·55	272,395,049·57
Revenue		146,943,117·68	147,449,945·40
	NET RESULT	(129,823,971·87)	(124,945,104·17)
Interest and Exchange charges, etc.		14,375,660·90	14,375,660·90
	OVERALL RESULT	(144,199,632·77)	(139,320,765·07)

Excess of expenses over revenue shown thus ( )

NEW LINES UNDER CONSTRUCTION AT JUNE 30, 1976.

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

LINES CLOSED FOR TRAFFIC DURING THE YEAR ENDED JUNE 30, 1976.

Section	Kilometres	Date closed
Stanhope to Girgarre	5.28	1.3.75

LENGTH OF RAILWAYS AND TRACKS

		Kilometres open for Traffic at June 30											
		Tracks			Railways								
		Tracks	Sidings	Total	Ten tracks	Eight tracks	Seven tracks	Six tracks	Four tracks	Three tracks	Two tracks	One track	Total
Year 1975–76	1600 mm gauge	7347·83	1484·02	8831·85	0·61	2·16	1·42	2·49	27·49	103·04	718·92	5783·50	6639·63
	1435 mm gauge	332·26	66·59	398·85									
	Dual gauge	8·59	6·10	14·69									
	762 mm gauge	13·65	1·50	15·15								13·65	13·65
	Total	7702·33	1558·21	9260·54	0·61	2·16	1·42	2·49	27·49	103·04	718·92	5797·15	6653·28
Year 1974–75	1600 mm gauge	7352·15	1496·01	8848·16	0·61	2·16	1·42	2·49	27·49	101·90	720·07	5788·97	6645·11
	1435 mm gauge	332·26	66·42	398·68									
	Dual gauge	8·59	6·10	14·69									
	762 mm gauge	13·65	1·50	15·15								13.65	13.65
	Total	7706·65	1570·03	9276·68	0·61	2·16	1·42	2·49	27·49	101·90	720·07	5802.62	6658·76

		Average Kilometres open for traffic during the year											
		Tracks			Railways								
		Tracks	Sidings	Total	Ten tracks	Eight tracks	Seven tracks	Six tracks	Four tracks	Three tracks	Two tracks	One track	Total
Year 1975–76	1600 mm gauge	7348·31	1484·80	8833·11	0·61	2·16	1·42	2·49	27·49	103·01	719·20	5783·49	6639·87
	1435 mm gauge	332·26	66·53	398·79									
	Dual gauge	8·59	6·10	14·69									
	762 mm gauge	13·65	1·50	15·15								13·65	13·65
	Total	7702·81	1558·93	9261·74	0·61	2·16	1·42	2·49	27·49	103·01	719·20	5797·14	6653·52
Year 1974–75	1600 mm gauge	7351·70	1500·99	8852·69	0·61	2·16	1·42	2·49	27·49	101·90	720·04	5788·58	6644·69
	1435 mm gauge	332·26	66·42	398·68									
	Dual gauge	8·59	6·10	14·69									
	762 mm gauge	13·65	1·50	15·15								13.65	13.65
	Total	7706·20	1575·01	9281·21	0·61	2·16	1·42	2·49	27·49	101·90	720·04	5802·23	6658·34

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	9,536,316·48	
		1,018,881·62	Equalization Account	65,671·33	9,601,987·81
Advances from Loan Account subsequent to June 30, 1896		7,981,118·38	Sundry debtors		263,095·28
Total funds provided		9,000,000·00	Cash in Treasury at June 30, 1976		2,327,043·80
Sundry creditors		3,294,374·41	Advances with Agent General		102,247·52
		12,294,374·41			12,294,374·41

RAILWAYS RENEWALS AND REPLACEMENTS FUND

Nature and source of funds			Disposal of funds		
	During the year ended June 30, 1976	Period July 1 1937, to June 30, 1976		During the year ended June 30, 1976	Period July 1, 1937, to June 30, 1976
	$	$		$	$
Balance at June 30, 1975	—	—	Renewals and replacements		
Funds specially appropriated under Act No. 6355	400,000·00	15,600,000·00	Traffic	—	486,131·42
Additional funds authorised by Parliament	—	11,500,000·00	Rolling Stock	328,204·01	115,237,063·89
Rail motor and road motor, &c. depreciation	15,972·00	4,587,896·74	Way and Works	939,812·42	43,583,981·54
Sundry sales, abolitions, &c.	852,044·43	13,460,667·96	Electrical Engineering	—	6,441,154·19
Interest on investments	—	1,406,582·80			
Amount charged Item 5 Loan Acts	—	119,193,183·54			
	1,268,016·43	165,748,331·04		1,268,016·43	165,748,331·04

DEPRECIATION—PROVISION AND ACCRUAL

	During the year ended June 30, 1976	Period July 1, 1937, to June 30, 1976		During the year ended June 30, 1976	Period July 1, 1937, to June 30, 1976
	$	$		$	$
Special appropriations	400,000·00	15,600,000·00	Normal depreciation— Way, works, buildings, &c.	2,482,393·00	48,238,017·53
Additional funds authorised by Parliament		11,500,000·00	Rolling stock (including machinery and equipment in Rolling Stock Workshops)	6,154,613·00	109,089,721·35
Sundry depreciation provided in working expenses	15,972·00	4,587,896·74	Electrical Engineering plant and equipment	391,818·00	10,062,654·32
Provision from sundry sales &c., included as additional depreciation	—	687,993·39	Rail motors and road motors	16,012·00	4,488,981·32
Interest on investments	—	1,406,582·80			
Balance at June 30, 1976 amount short provided	8,628,864·00	138,096,901·59			
	9,044,836·00	171,879,374·52		9,044,836·00	171,879,374·52

STATEMENT OF CAPITAL EXPENDITURE

	Year ended June 30, 1976	Year ended June 30, 1975
	$	$
New lines and surveys—		
Gross expenditure	1,302,830	410,475
Credits	—	—
Net expenditure	1,302,830	410,475
Additions and improvements on existing lines—		
Gross expenditure	14,992,483	16,801,485
Credits	939,812	1,160,846
Net expenditure	14,052,671	15,640,639
Rolling stock—		
Gross expenditure	23,222,607	18,430,021
Credits	328,204	188,849
Net expenditure	22,894,403	18,241,172
Electrification of Melbourne suburban lines—		
Gross expenditure	384,696	549,103
Credits	—	—
Net expenditure	384,696	549,103
Total railways—		
Gross expenditure	39,902,616	36,191,084
Credits	1,268,016	1,349,695
Net expenditure	38,634,600	34,841,389
Road motor public service (including garage accommodation)—		
Gross expenditure	—	—
Credits	—	—
Net expenditure	—	—
Total—		
Gross expenditure	39,902,616	36,191,084
Credits	1,268,016	1,349,695
Net expenditure	38,634,600	34,841,389

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