

# DEFICIT DOUBLED.

## RAILWAY REVENUE AND EXPENDITURE.

### NINE LINES ONLY PAY IN FULL.

### WHAT THE ANNUAL REPORT REVEALS.

The report of the Commissioner for Railways for the year ended June 30 last, presented to Parliament yesterday, reveals that, although the gross earnings increased by £327,880, the deficit on the year's working was more than double that of the previous year. Nine sections only paid working expenses and full interest on capital; 18 sections paid working expenses, but did not return full interest on capital; and 60 sections paid neither working expenses nor interest on capital. Compared with the previous year the position was:—

	1924-25.	1925-26.
Gross earnings . . . . .	£7,109,210	£7,437,090
Deduct working expenses . . . . .	£5,425,167	£6,459,792
Producing a net revenue of . . . . .	£1,684,043	£977,298
Interest on capital . . . . .	£2,578,541	£2,770,052
Deficit . . . . .	£894,498	£1,792,754

The report shows that 6240 miles of line were open for traffic on June 30 last, comprising 2719 miles in the Southern division, 1552 in the Central division, and 1939 in the Northern division, and 30 miles of the Innisfail-Mourilyan tramways. During the year 126 miles of new lines were opened for traffic; while 91 miles of new railways were under construction. The amounts authorised by the several Loan Acts to be expended on the survey, construction, and equipment of railways throughout the State now totalled £61,397,016, including depreciation, of which £57,709,407 had been expended. During the year 1925-26 £2,846,835 was expended for loan fund, compared with £1,844,650 during the previous year.

#### EARNINGS AND EXPENDITURE.

The gross earnings increased by £327,880 in comparison with the previous year, the particulars being:—

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	1924-25.	1925-26.
	£	£
Passenger traffic . . . . .	2,022,950	1,970,496
Parcels traffic . . . . .	607,275	640,382
Goods traffic . . . . .	3,651,029	3,958,102
Live stock traffic . . . . .	826,956	859,120
Totals . . . . .	£7,109,210	£7,437,090

The expenditure increased by £1,034,625, the particulars being:—

	1924-25.	1925-26.	Per cent. of revenue.	1924-25.	1925-26.
	£	£		25.	26.
Maintenance . . . . .	1,290,190	1,513,588	18.01	20.95	
Locomotive . . . . .	2,459,370	2,973,063	34.50	39.97	
Traffic . . . . .	1,583,347	1,870,116	22.41	23.15	
General . . . . .	92,260	103,055	1.30	1.39	
Totals . . . . .	5,425,167	6,459,792	76.31	86.86	

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The train mileage covered on all lines totalled 12,866,323, against 12,107,995 in 1924-25. While the expenditure per train mile jumped from 8/11½ in 1924-25 to 10/0½ in 1925-26, the revenue per train mile decreased from 11/9 to 11/6½, thus reducing the net revenue per train mile from 2/9 to 1/6½. An analysis of the revenue shows that there was an increase in every section with the exception of passenger traffic, in which the decrease compared with last year amounted to 2.20 per cent. The percentage increases on the other sections were: Coaching traffic, parcels, and miscellaneous, 5.43; goods traffic, minerals, 4.64; agricultural produce, 6.41; wool, 8.59; general merchandise, 10.03; live stock, 3.89. The expenditure on all lines increased by the following amounts: Maintenance, £239,398; locomotive, £513,663; traffic, £274,769; general, £10,795.

#### THE NINE PAYING SECTIONS.

Only nine sections paid working expenses and interest on capital. They were: Southern division, Brisbane to Toowoomba (£68,226), Toowoomba to Roma (£987), North Ipswich to Tivoli (£1184), Brisbane to Gympie (£104,854), Crofton Junction to Yandaran (£20,777), Woorarra Junction to Pemberton (£462); Central division, Yandaran to Rockhampton (£5616), Emerald to Longreach (£36,080); Northern division, Daradgee to Cairns (£6318). The figures in parentheses show the profit after meeting interest on capital.

The following 18 sections paid working expenses, but did not return full interest on capital:—Southern division: Toowoomba to Wallangarra (£26,225), Warwick to Dittanbandi (£20,335), South Brisbane to Southport and Tweed Heads (£55,073), Caboolture to Kilcoy (£6389), Gympie to Maryborough (£32,777). Central division: Bajool to Port Alma (£1226), Rockhampton to Emerald (£3143), Jericho to Yaraka (£18,628), Rockhampton to Mackay (£57,446), Mackay to Bloomsbury (£24,495). Northern division: Bloomsbury to Townsville £70,429, Merinda to Collinsville (£32,692), Stewart's Creek to Hughenden (£13,371), Hughenden to Winton (£18,140), Hughenden to Cloncurry (£31,049), Townsville to Daradgee (£74,148), Mourilyan Tramway (£551), Cairns to Mareeba (£68,275). The figures in parentheses represent the amount short of full interest that the sections failed to earn.

The following 60 sections paid neither

working expenses nor interest on capital, the amount in parentheses representing the total loss:—Southern Division: Roma to Cunnamulla (£83,939), Westgate to Quilpie (£27,959), Ipswich to Dugandoo (£17,424), Munbilla to Mount Edwards (£8779), Wulkuraka to Yarraman Creek (£51,181), Rosewood to Marburg (£5915), Laidley to Mulgowie (£3083), Wyreema to Milmerran (£15,132), Hendon to Goomburra (£3610), Warwick to Maryvale (£8259), Killarney Junction to Killarney (£16,678), Cotton Vale to Amiens (£4888), Pengarry Junction to Crow's Nest (£13,545), Kingsthorpe to Hader (£7842), Oakley to Cooyar (£14,193), Oakley to Cecil Plains (£13,184), Dalby to Hannaford (£19,276), Dalby to Bell (£4136), Dalby to Jandowae (£4871), Miles to Juandah (£14,736), Roma to

(£4136), Dalby to Jandowae (£4871), Miles to Juandah (£14,736), Roma to Injune (£26,024), Bethania Junction to Beaudesert (£9466), Logan Village to Canungra (£7038), Park-road to Manly (£34,600), Manly to Cleveland (£24,132), Mayne Junction to Dayboro' (£37,438), Eagle Junction to Pinkenba (£25,937), Northgate Junction to Sandgate (£23,639), Monkland to Brooloo (£18,447), Theebine to Nanango and Tarong (£44,821), Murgon to Preston and Winders (£24,604), Mungar Junction to Ceratodus (£51,542), Colton to Urangan (£13,147), Isis Junction to Dallarnil (£18,439), North Bundaberg to North Perry (£32,316), Goondoon to Wallaville (£7680), Central Division.—Boyne Valley Junction to Many Peaks (£18,513), Kabra to Nippan (£33,406), Rannes to Thangool (£17,710), Springsure Junction to Springsure (£9222), Emerald to Blair Athol (£27,942), Alton Downs Junction to Ridge-lands (£6171), Glenmore Junction to Emd Park (£25,923), Nankin Junction to Broadmount (£10,294), Sleeper Junction to Yeppoon (£7486), Paget Junction to Netherdale, &c (£23,095). Northern Division.—Great Northern Railway: Cloncurry to Mount Cutbberd and Dobbyn (£36,692), Cloncurry to Selwyn (£24,937), Malbourn to Dajarra (£22,395), Ravenswood Junction to Ravenswood (£9684), Innisfail and Mourilyan Tramways.—Innisfail Tramway (£12,831), Cairns Railway—Mareeba to Ravenshoe (£20,714), Bibbobra to Mount Molloy (£3087), Tolga to Millaa Millaa (£30,913), Mareeba to Mungana (£55,064), Almaden to Forsyth (£40,290), Dimbulah to Mount Mulligan (£16,506), Lappa Junction to Mount Garnet (£6569), Cooktown Railway (£21,553), Normanton Railway (£18,223).

Interstate passenger traffic showed a continued improvement, the number of passengers outwards—37,166—constituting a record. The goods traffic—157,800 tons—was very satisfactory, although not quite as heavy as the previous year, when the figures were 166,984 tons. The revenue from the carriage of live stock during the year was £859,120, an increase of £32,164, and the revenue from wool, £535,010. The revenue in both these sections was greater than in any other year since 1921-22.

#### COMMISSIONER'S OBSERVATIONS.

In his observations on the financial position the Commissioner says:—"The vagaries of meteorological conditions in Queensland were strikingly emphasised during the year just passed. At the commencement of the financial period the State was experiencing a bountiful season, and the outlook for the primary industries was most promising. The absence of the usual summer rains, however, completely altered the situation, and during the remainder of the financial year a great part of the State was ravaged by drought, which caused serious losses in stock. The department was called upon to convey large numbers of stock (principally sheep) to relief country, and to haul great quantities of fodder for others from the extreme South and North to the Central-west and North-west. At one period nearly 12 per cent. of our locomotives were engaged solely in the starving stock and fodder traffic. Both stock and fodder were conveyed at concession rates, and the long haulage, coupled with empty running one way, rendered it unprofitable business for the department, but the great expense incurred in saving the

able business for the department, but the great expense incurred in saving the pastoral industry has to be viewed much in the same way as the expense incurred in saving a building from fire, with a view to continuing business later on. The traffic handled was even greater than in 1924-25—which itself constituted a record. This heavy traffic, following on busy preceding seasons, imposed a great strain upon our locomotive power. In order to safeguard the principal primary industries of the State, it was necessary to keep engines in traffic with a minimum of workshop attention. To further increase our difficulties the drought caused such deterioration in quality of many water supplies as to set up trouble with boiler tubes.

#### COMPETITION OF MOTOR TRAFFIC.

"Although the number of passenger journeys decreased by 1,273,530, the revenue was only £44,464 less than last year, showing that the average length of journeys increased, and the falling off took place principally in the shorter distance business. When the business in the suburban area is analysed, however, it is found that, while the tickets issued at ordinary full rates showed a marked decrease, the number of workmen's weeklies has largely increased. This means that the department has been called upon to provide more transportation than ever at the peak periods, and at the same time it has lost considerable business of a more remunerative nature during the slacker hours of the day. While a considerable proportion of the falling off was attributable to cessation of traffic during the railway strike, and to the drought prevailing, the rapid expansion of motor traffic is also responsible for loss of business to the railways.

#### COST OF 44-HOUR WEEK AND BASIC WAGE.

"The revenue increased by £327,880. On the other hand the expenditure increased by £1,034,625, chiefly due to the extension of the 44-hour week principle and increase in basic wage and clerical award, which items alone were responsible for, approximately, £681,000, and no increase in rates and fares was made to meet this increase. Then the greater traffic necessitated the use of more fuel and stores, as well as increasing the expenditure on maintenance of lines and rolling stock repairs. It must be recognised that as the permanent way, bridges, rolling stock, buildings, &c., increase in age, the cost of maintaining them in a

the past nine years (excepting 1924-1925). The earnings per train mile were 2½d. less than in the previous year, due to the longer haulage and long empty running as a result of the drought, live stock and fodder being carried at low tapering rates which diminish for a given distance as length of haul increases. The increase of 1/1 per train mile in expenditure was to be expected as a result of the advances in rates of pay and reduction in working hours already referred to, but in addition, owing to the drought, the department was called upon to remove great numbers of sheep to fresh pastures and large quantities of fodder to drought-stricken districts; consequently, a great amount of Sunday work and overtime had to be incurred, thereby increasing the cost per train mile. The number of staff employed at June 30 was 22,036, or 3664 more than in the previous year. This does not represent a permanent increase in the staff by the number quoted, as large numbers of men were employed on loan works of a temporary nature, such as relaying, strengthening bridges and permanent way, &c., the abnormally heavy traffic necessitating an improvement of some of the busier main line sections."

satisfactory state of repair advance also. The percentage of expenses to earnings was 86.86. This appears high in comparison with the figure for the previous year (76.31), but it should be noted that it was the lowest for the past eight years, with the exception of last year. The percentage of net earnings to capital expended on open lines was £1/16/1½, compared with £3/4/10½ in the preceding year, the figure being the best for the past nine years (excepting 1924-1925). The earnings per train mile were 2½d. less