

CONFIDENTIAL
CABINET MATTER.

CABINET MINUTE.

PRIVATE AND CONFIDENTIAL:

PROPOSED RAILWAYS - (1) GUYRA TO DORRIGO: (2) CASINO TO BONALBO.

At various times and from various sources representations have been made that the work of constructing the railway lines from Guyra to Dorrigo, and Casino to Bonalbo, should be re-commenced. Both of these works were begun in 1929, and some One Hundred Thousand odd pounds was expended on each. Owing to the stringent financial position the work was discontinued in 1930. The question to be considered now is whether in the light of our present financial position, and the general development of transport, we should carry these two works to completion.

GUYRA TO DORRIGO RAILWAY:

So far as the Guyra to Dorrigo railway is concerned, this covers a distance of 89 miles, and has been the centre of agitation for many years. There is no question that there has always been the very strongest need for a west to east connection in the north, and it is safe to say that had any one of these across country lines been built years ago it would have had a very marked effect on the development of the State. Actually speaking the line which would probably have served the best purpose would have been a continuation of the Moree-Inverell route through Glen Innes to Grafton, but something always appeared to prevent this connection, and, ultimately, the people of the north and north-west concentrated on the Dorrigo-Guyra route with the idea that it would be ultimately linked with Inverell and thus give a trunk route connection from the north-west to the coast. The fact that a line had been built from Glenreagh to the Dorrigo enhanced the possibilities of this route, even though this particular section has a most difficult grade, which would always be costly to negotiate and would have a material effect on running costs.

If one were considering the matter from the view point of some years ago, even with the estimated loss of some £118,000 a year, this line would be justified from a developmental point of view, particularly if it were connected with Inverell. As it is we must deal with the problem as we have it at the present. First of all the cost is very great, and, even though it would give a great deal of employment directly and indirectly, it is doubtful whether such an expenditure is justified in view of the financial position of the railways at the present time. The strongest argument used in favour of such a route was that it would carry the heavy produce, such as wool and wheat, from the north-west tablelands to the coast at Coff's Harbour, and would also lead to a big inter-change of district produce.

Since the commencement of the line two very important factors must be taken into consideration so far as probable freight is concerned. The Government has definitely decided to erect a terminal silo at Newcastle, and this will mean that the whole of the wheat grown on the north will

undoubtedly come to that centre. Again, owing to the enterprise of many northern pastoralists and business people, Newcastle has definitely been established as a stock and wool selling centre, and last season some 24,000 bales of wool were disposed of there, and, it is safe to say, that business will extend until ultimately the bulk of the northern wool will go through this centre. In consequence of this development it is doubtful whether any wool or wheat could be diverted along the new route to Coff's Harbour, and the new line would have to depend entirely upon inter-district produce and passenger traffic. It is doubtful if it would secure sufficient business to enable the Commissioner to give an adequate daily service.

The Railway Authorities report against the completion of the line, and do not subscribe to the statement that a connection between the northern and coastal lines at this point would facilitate the use of rolling stock.

The real question is how can we give adequate service to the districts lying between Inverell, Guyra and the coast, and in this regard are there any products which cannot be carried by road transport provided proper road access is given? An analysis of the traffic would show that in times of drought there may be some movements of large stock and sheep going to agistment, but, apart from this, there is very little that could not be carried by motor vehicle, and, provided the road connection is given, whatever trade is likely between these points, including that of timber, should be fairly economically handled by road, and, incidentally, a road connecting Inverell, Guyra, Dorrigo and Coff's Harbour would act as a feeder to three great railway systems - the north-west at Inverell, New England at Guyra, and the north coast at Glenreagh.

The development of modern transport is moving at such a rate that it seems unwise to hasten with the construction of a line of this kind until we see more stability in the means of transport. It is still true that for the long haul the railway line is pre-eminent and can handle bulk goods at a much lower freight rate. It is equally evident that on the short haul, and for feeder purposes, road transport is very efficient and flexible, and certainly can give the more continuous service. With the improvement in the crude oil and compression ignition engine it is certain that there will be a very big reduction in running costs of road vehicles, and it must always be borne in mind that a great portion of passenger traffic will travel by private vehicle, and, judging from the position overseas, the aeroplane will also play an important part in this connection.

As one who has consistently advocated these cross country connections I feel diffident in definitely recommending against a proposal which, undoubtedly, should have been carried to a successful termination years ago; but I feel that under the present circumstances, and taking into consideration the State as a whole and the service of these particular districts, it is possible to stay our hand so far as this railway is concerned, provided we take steps to construct a proper road connection.

In order that Cabinet should have the fullest information I have obtained a report from the Commissioner for Main Roads, who informs me that there is already a main road between Inverell and Guyra, and that the cost of the necessary new construction, widening and general improvement of existing roadways to provide a direct connection between Guyra and Coff's Harbour - a distance of 82 miles - would be

approximately £160,000, or about £42,000 more than one year's estimated loss on the proposed railway. The Commissioner also reports that, in his opinion, such road communication would meet the transport requirements of the country by serving for many years to come.

Having carefully considered the whole of the circumstances I am of opinion that the immediate construction of the proposed roadway, together with arrangements for future maintenance, would be the soundest proposition, and, in consequence, I recommend this course. The work could be carried out as unemployment relief, and would provide work for a number of people, and, although those who have had the construction of this railway in their minds for many years will be disappointed, I feel sure if the Government embarks on the road construction immediately it will not be long before they realise the soundness of our decision.

CASINO TO BONALBO RAILWAY.

This railway has a length of 41 miles 71 chains. The estimated cost in 1929 was £949,516, and the annual loss is estimated at £40,000. One Hundred Thousand odd pounds was spent on construction work prior to its abandonment.

The agitation for this line goes back many years, and originally the proposal was a through route from Tenterfield to Casino linking the Tableland with the Coast. This line if it had been built would have changed the whole development of the State, but it was never approved of by any Government, and owing to the growing settlement at the head of the Clarence the Casino Bonalbo connection was concentrated on, and ultimately approved of. This line would not constitute a through route to Tenterfield as the Bonalbo line is too far north of the direct route, and, if a line were ever built to Tenterfield and the north-west, then the Bonalbo portion would become a spur line. It has been suggested that the line, having reached Bonalbo, might be extended on to Killarney in Queensland, but there seems to have been no reason for this. So that the line actually approved of and commenced was a spur line designed to give access to the country lying around Bonalbo and embracing the whole of the Upper Clarence.

Since the abandonment of this work the Government and the Main Roads Department have carried out extensive road works which have materially altered the position so far as this area is concerned. The New England Highway has been practically completed right from Tenterfield along the Queensland Border junctioning with the Queensland system at Mount Lindesay, and this road gives an outlet into Queensland at both Killarney and Mount Lindesay within easy reach of their railway systems, and, of course, a through route either south or north.

Under the Clarence Valley Developmental work carried out under the Unemployment Relief Scheme another route has been built from the Highway junctioning with the Kyogle-Beau Desert-Brisbane Railway at Grevillia, and this gives an outlet for the country around Woodenbong, Urbenville and along the Upper Richmond. A Developmental Road has been built from the Tenterfield-Casino Trunk road into Bonalbo, and is now being continued up through Urbenville to Woodenbong to meet the New England Highway

at that point, and proposals are already in train to complete the rest of this road between the Tenterfield-Casino Road and Grafton. So that isolation of this particular district has been overcome by road development, and it cannot be said that the main products of this district - butter and timber - cannot be effectively handled by road, always, of course, bearing in mind the relative cost of road transport as against rail.

Recently I was waited upon by representatives of the Casino Municipal Council and Chamber of Commerce asking that this line be continued, but, after placing the whole matter before them, as far as I could see, the consensus of opinion was that, provided proper road facilities were given, the completion of the line was not urgent. Since then there has been a meeting of the Kyogle and Toulki Shires at which a resolution was carried favoring the building of roads in preference to the completion of this line, and, in my opinion, now that we have definitely embarked on a plan of road development of this area, it would be more economical to continue development by road.

The Railway Commissioner reports against the line, and, it is quite evident that the use of the road has become so much a part of the daily life of the people, that it is unlikely that they would wholly go over to rail transport. At the same time it is quite evident that unless the existing roads are strengthened and surfaced, and other roads of access built to connect this area with the Kyogle-Beau Desert line, the local governing bodies would be quite unable, as they are at present, to stand up to the cost of road construction and maintenance.

In order to give Cabinet an alternative from the road point of view, I have had a report prepared by the Commissioner for Main Roads, which is as follows:-

"The distance from Casino to the Bonalbo Turnoff on the Trunk Road is approximately $28\frac{1}{2}$ miles, of which a length of about 7 miles has been surfaced, the balance consists of ordinary macadam or gravel construction of variable width. In the absence of such complete information as would be afforded by a survey and close investigation on the ground, it has been estimated that to lay down a pavement to the standard width of 18 ft. would cost in round figures £130,000. This expenditure would provide for the strengthening of the existing base, for the widening of that base to 18 ft., increased at curves, and for the placing thereon of a $2\frac{1}{2}$ " premixed bituminous drag surface course, and the work would be spread over a period of two years.

"As compared with this estimated expenditure of £130,000, it may be noted that in the annual report submitted by the Railway Commissioners for the year 1930, the estimated cost of the Casino-Bonalbo Railway was given as £949,516

Estimated annual revenue	...	£7,000
Estimated annual expenditure	...	£9,520
Estimated nett annual loss (including interest at 5%)	...	£54,743

It is not known exactly what amount has been expended on the railway construction work so far as it has been carried out, nor can it definitely be stated to what extent that construction could be used for road purposes. Immediately out from Casino, however, the piers and abutments of a reinforced concrete bridge have been placed in position and in the estimate of £130,000 provision has

been made for adding the super-structure to such width as will render it suitable for road requirements. It may be found practicable to utilise the railway formation for a very short distance at one or two other points, but generally it will be found more advantageous and more economical to adhere to the already consolidated road bed. Should such a road be provided then it is thought that there would be no further need to consider the connection of Casino and Bonalbo by rail, as a surfaced road will be available between the two points, the total length of which will be 43 miles.

"In giving consideration to the question of the provision of funds, it might be borne in mind that with the expenditure of approximately £264,000 on the development of the Upper Clarence Valley lying to the north of the Trunk Road, by road construction, there will be a very considerable increase in the traffic brought on to the Trunk Road, which will make it essential in any case to strengthen and improve that road. Then again, this Department has submitted a recommendation to the Unemployment Relief Council for the provision of additional moneys, in expenditure of which it is proposed to develop, by road construction, the Upper Clarence Valley south of Trunk Road No. 64 from the vicinity to Tabulam to Baryugil, from which point a main road exists to Grafton. With the completion of the Tabulam-Baryugil section and the throwing open of the country, further additional traffic will be brought on to the Trunk Road as the general trend will be to the rail head at Casino. This proposed further developmental expenditure may necessitate within the next two years the reconstruction of that portion of the Trunk Road lying between Tabulam and the Bonalbo Turn-off. This would involve, in all probability, an additional amount of £40,000 to £45,000.

"With a possible expenditure therefore of £170,000 to £175,000 the whole length of this main artery of traffic, from the rapidly growing district surrounding Tabulam, Bonalbo, Ewingar, etc., to the rail head at Casino will be brought up to such a condition as will enable it to carry the concentrated traffic that must be anticipated from the expenditure of the funds so far made available, and those which are yet to be provided.

"I think there can be no question whatever that this road should be reconstructed in the interests of one of the most fertile areas of the State and of the rapidly increasing population due to developmental works at present in progress; and it might be further stated that the road with its connections will better serve the area than would a line of railway from Casino to Bonalbo, omitting from consideration altogether the fact that it forms part of the through road from the Coast to the Tablelands and the North-Western Slopes and Plains."

From the foregoing report it can be seen that an expenditure of about £175,000, together with an annual contribution to be determined later for maintenance, the expenditure of £800,000 on the railway can be saved.

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There are other road connections that could be considered later on which would bring the traffic from other parts of this district on to the Casino-Kyogle-Beau Desert line, but more will be known of these when the topographical survey of the Upper Richmond has been completed.

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To sum up in connection with both the Guyra-Dorrigo and Casino-Bonalbo proposals, the completion of these lines would cost nearly £3,000,000 with an estimated annual loss of £160,000.

To adopt the road proposals a very good service by road could be given to both places for the expenditure of a sum of £450,000 and an annual maintenance contribution of £10,000 or £12,000.

Under all the circumstances I recommend that the road work be proceeded with as soon as possible, and that an announcement be made to the effect that this is being done.

M. F. BRUXNER

Minister for Transport.
24th September, 1935.