

The lines have been maintained throughout in safe condition, and in a fair and proper state of repair.

The permanent-way generally is in very good condition.

The number of sleepers requiring renewal has somewhat increased. The number used for ordinary repairs for the year ending 8th December, 1894, was 176,203. This represents an increase of about 21,000 sleepers used in renewals, or about 9 per mile, and is due to the increasing age of the lines.

Renewals of permanent-way have been effected to the extent of 36 miles, a decrease under the previous year of 3 miles.

Repairs and renewals of structures have been actively carried out, and the repairs required have been somewhat on the increase.

Expenditure.—The expenditure for maintenance during the nine months of the current financial year, up to the 8th December, 1894, was £193,397 as against £182,289, for corresponding period of previous year, showing an increase of £11,108.

In the following table a comparison is given of the various items of maintenance for the two years, showing where the increased expenditure arises, during the corresponding periods:—

Classification.	1893-94 (up to 9th Dec., 1893).	1894-95 (up to 8th Dec., 1894).	Increase.	Decrease.
	£	£	£	£
A. 1. Surfacing	74,249	74,680	431	
2. Renewals	39,165	44,821	5,656	
3. Ballasting	2,181	5,723	3,542	
4. Banks, &c.	9,207	10,401	1,194	
5. Bridges, culverts, &c. ..	21,725	26,251	4,526	
6. Fences, &c.	5,822	6,199	377	
7. Roads, &c.	1,879	1,756		123
8. Water-services, &c. ..	2,677	2,513		164
9. Wharves	6,243	2,490		3,753
10. Buildings	11,163	11,833	670	
11. Additions	7,978	6,730		1,248
			16,396	5,288
			5,288	
Total New Zealand railways	182,289	193,397	11,108	

The table shows that increases have taken place in track-surfacing, track-renewals, ballasting, banks and cuttings, and bridges, &c. while there has been a considerable decrease in wharves and additions.

1. *Track-surfacing.*—Compared with the corresponding period last year there has been an increase in mileage of 71 miles of track to be maintained. The increase in expenditure is only £431, but this is owing to the staff being employed to a great extent in resleepering, &c. But for this increased mileage there would have been a considerable reduction under this head.

2. *Track-renewals.*—As already explained, the sleeper-renewals have been heavy, the increase being in number about 21,000, and in money about £3,750. There has been a decrease in the number of miles relaid, but during the previous year there were large stocks on hand already paid for, about balancing the decrease in quantity purchased.

3. *Ballasting.*—The work done in the preceding year was unusually low. Ballasting was retarded from various causes, in some cases by difficulty in obtaining land for ballast-pits, in other cases ballast gangs were employed on alteration of grades. This year we were able to proceed with this work more regularly. There is an additional expenditure under this head of about £3,500.

4. *Banks and Cuttings* also show an increase. This invariably accompanies ballasting, because banks must be made up in height and width before new ballast is put on. This head also includes the clearing of slips and washaways, &c., which were exceptionally heavy on Wellington, Napier-Taranaki, and Dunedin Sections. Increase, about £1,200.

5. *Bridges and Culverts.*—In comparing this with previous years, it is to be borne in mind that the same class of workmen are employed and often the same workmen are engaged on bridge and wharf work, and when large wharf-works are in hand it is an object to postpone large bridge-renewals as much as is expedient. It is therefore proper to group these two items in making a comparison of expenditure upon two years' working. Grouping these accordingly,—

	1893.	1894.
Bridges and culverts	£21,725	£26,251
Wharves	6,243	2,490
Total	£27,968	£28,741
		27,968
Total increase		£773