

1945
NEW ZEALAND

RAILWAYS STATEMENT

(BY THE MINISTER OF RAILWAYS, HON. R. SEMPLE)

MR. SPEAKER,—

This is the fifth Railways Statement it has been my pleasure to present. Each of them has been a wartime statement, and each of them has recorded the splendid work done by the railways in the prosecution of the war effort. It has been a source of pride to me to have under my charge during a most difficult period a Department which has risen so magnificently to the heavy demands made upon it.

FINANCIAL

As was anticipated in my last Statement, there was a substantial decrease in the net revenue for the year. The gross revenue for the year was £14,459,750, compared with a gross revenue of £15,325,306 for the previous year. Although the decrease, £865,556, or 5·65 per cent., is substantial, the total earnings for the year are the second highest on record.

The decrease, which occurred principally in passenger traffic, was due in some measure to altered war conditions, resulting in a substantial decline in the return from Armed Services' fares and freights. This decline would probably have been more than compensated for by other traffic had it not been necessary to operate restricted services throughout the year on account of the inadequate coal-supplies, and having regard to these factors the revenue earnings must be considered as satisfactory.

Expenditure for the twelve months amounted to £13,260,277, an increase of £502,941, or 3·94 per cent. The rise in expenditure is due principally to two factors—the cost of implementing the decisions of the Government Railways Industrial Tribunal, and the increase (except in the case of coal) in both the quantity used and unit costs of materials and supplies.

When comparing the expenditure for this year and last it must also be borne in mind that last year's expenditure included the sum of £410,500 which was set aside to meet future expenditure on maintenance work deferred up to that time owing to war conditions. Certain arrears of maintenance work were carried out during the year, but, on reviewing the position at the end of the year, it was found that in total the deferred work was approximately the same as at the close of the previous year, the arrears undertaken being counter-balanced by other work since deferred. The reserve set aside the previous year was therefore considered adequate, and no further provision for deferred maintenance was made in this year's accounts.

In connection with work deferred as a result of the war it should be noted that the reserve for track-renewals now stands at £940,316, as compared with £582,708 in 1940. This reserve is built up on the basis of a normal year's renewal work, and, while the track has been maintained to standard, renewal work during the war years has necessarily been interrupted. This reserve will, of course, be available to assist in overtaking renewal arrears when men and materials become available.

The net revenue of £1,199,473 showed a decrease of £1,368,497 (53·29 per cent.), compared with 1943–1944, the net return on average capital being 1·69 per cent., as compared with 3·71 per cent. last year.