

EXPENDITURE.

The expenditure for the year, including £5,997 incurred in connection with the Lake Wakatipu steamers, amounted to £2,465,896, an increase of £162,624 over the previous year, and absorbed 67·07 per cent. of the revenue, as against 65·92 per cent. for the previous year.

				Expenditure.		Per Cent. of Revenue.	
				1911-12.	1910-11.	1911-12.	1910-11.
				£	£		
Traffic	...	...	...	670,632	631,380	18·27	18·10
Locomotive	...	...	...	952,482	875,282	25·96	25·10
Maintenance	...	...	...	735,546	693,445	20·04	19·89
Management	...	...	...	101,239	98,136	2·76	2·81
				2,459,899	2,298,243	67·03	65·90
Lake Wakatipu steamers	...	...	...	5,997	5,029	0·04	0·02
				2,465,896	2,303,272	67·07	65·92

The increased expenditure in the Traffic Branch is due to the additional train-mileage, increases in the salaries and wages of the staff, and extra staff to carry on the business and operate the safety appliances.

In the Locomotive Branch the increase is due to extra train-mileage, additional staff, advance in salaries and wages of the staff, and in the prices the Department has to pay for fuel and materials. The increase in the cost of the Head and Departmental Offices is incidental to the inclusion in the Head Office vote of items that have previously been charged under the sectional heading and to scale increases of salaries under the Classification Act.

The cost of maintenance of lines, buildings, structures, safety appliances, &c., has increased from £693,445 to £735,546, representing an average expenditure of £263·46 against £253·58 per mile of railway for the previous year. The increased expenditure has been incurred on the Whangarei-Kawakawa Section, £3,921; North Island main line and branches, £15,337; South Island main line and branches, £21,698; Westland, £4,950; Nelson, £260. The cost of maintenance has decreased on the Kailu Section by £191; Gisborne, £2,475; Westport, £582; Picton, £817.

Additions and improvements to lines, structures, &c., costing £39,080, which might reasonably have been debited to capital, have been made during the year and charged to working-expenses.

The sum of £372,018 was expended under the head "Additions to Open Lines," and charged to Capital Account. Of this amount, £227,302 was expended on rolling-stock, tarpaulins, motor-rail car, pneumatic coaling-crane, workshops' machinery, and the new steamer for the Lake Wakatipu service. The rolling-stock in respect to which the charges are made consists of 14 locomotives, 48 carriages, 7 brake-vans, 23 bogie and 456 four-wheeled wagons, and 723 tarpaulins, completed on the 31st March, 1912, and 54 locomotives, 38 carriages, 1 brake-van, 31 bogie, and 1,058 four-wheeled wagons, and 997 tarpaulins incomplete, but in hand on that date. The sum of £144,716 was spent in signals and interlocking, lock-and-block and tablet installation, telegraph and telephone extensions, purchase of land, bridge-work, sidings, wharves, weighbridges, turntables, water services, additions to workshops, station buildings, and dwellings, electric light and gas installations, deviation of line, reduction of grades and improvement of curves, &c.

DUPLICATION OF LINES.

On duplication-work the following sums were charged to Capital Account under the provisions of the special Acts relating thereto :—

	£
Wellington-Hutt duplication-works	1,635
New Hutt Road (including land for same)	6,070
	<u>£7,705</u>
Dunedin-Mosgiel duplication and deviation of line	£51,429