

Working-expenses and Revenue Account for the Period 25th May, 1924, to 16th August, 1924—Period in which the Line was worked by the Railway Department and ordinary Mileage Rates were charged.

To Working-expenses—	£	s.	d.	By Revenue—	£	s.	d.
Maintenance of way and works	433	16	11	Passengers	327	14	4
Locomotive power	2,642	10	8	Parcels and mails	90	1	4
Signal and electrical works ..	454	10	5	Goods	3,107	1	7
Traffic expenses	365	2	4	Miscellaneous	59	14	8
Cars and wagons—Renewals and repairs	306	15	3	Rents	366	5	2
Miscellaneous	126	19	11	Total revenue	3,950	17	1
				Loss in working	378	18	5
	<u>£4,329</u>	<u>15</u>	<u>6</u>		<u>£4,329</u>	<u>15</u>	<u>6</u>

Net Revenue Account.

	£	s.	d.		£	s.	d.
Interest on approximate capital cost, £1,500,000, at $3\frac{1}{4}$ per cent.	12,945	0	0	Deficiency	13,323	18	5
Loss in working	378	18	5				
	<u>£13,323</u>	<u>18</u>	<u>5</u>		<u>£13,323</u>	<u>18</u>	<u>5</u>

REORGANIZATION OF STAFF.

With regard to retirements, it has been decided as a general policy that all members are to retire on superannuation on completion of forty years' service, or when they otherwise become eligible. Exemptions will only be allowed in exceptional cases. Indeed, up to the present only one or two such cases have arisen. One was due to the fact that no other officer was considered sufficiently experienced to fill the position—that of Chief Accountant. It has been arranged to make an exemption in this case until the end of the present financial year. In the meantime an officer is to be given an opportunity of qualifying for the position.

In my opinion there has been in the past insufficient incentive given to the staff to qualify for the higher and more responsible positions in the service, although this does not now apply to the Civil Engineering Branch.

I propose to arrange that every encouragement be given to officers in the Accountant's Branch, for instance, to become qualified accountants by examination, and that the examination be made an essential qualification for important positions in that branch. It is fully recognized that a system of this kind cannot be built up in a day, but formulating the policy now will act as a very strong incentive to officers to improve their position and incidentally become of more value to the service. The same policy will be extended to other branches, such as the Commercial, where qualifications in railway transport and economics would be specially considered, and so on. In addition, I think better results would be obtained by endeavouring to secure lads as cadets with higher educational qualifications, such as Matriculation or Civil Service Examinations.

The positions of Chief and Assistant Traffic Manager have been abolished, and an additional Assistant General Manager appointed. This change was made with the object of bringing the Head Office into more direct touch with the Traffic Branches and the officers in charge of the various districts.

As will be seen from the diagram attached, the management in the Head Office consists of the General Manager, First Assistant General Manager, and Second Assistant General Manager, the former being responsible for the whole of the transportation and the Commercial Branch, the latter for the tariff, staff, and general matters. The responsibilities appertaining to these positions have been fully defined, and consequently the General Manager has been relieved of a large amount of work connected with those branches which occupied a considerable portion of his time previously. The results of this reorganization are being watched, and changes will be made if found by practical working to be advantageous.