

The particulars of the expenditure on train-operation are as follows :—

	1925-26.	Percentage of Operating Revenue.	1924-25.	Percentage of Operating Revenue.
	£		£	
Maintenance—Ways and works	1,144,385	15·08	1,137,629	16·22
Maintenance—Signals	105,064	1·38	83,880	1·20
Maintenance—Rolling-stock	1,311,317	17·28	1,095,640	15·62
Examination, lubrication, and lighting of vehicles	59,447	0·78	58,500	0·83
Transportation—Locomotive	1,577,173	20·78	1,365,838	19·47
Transportation—Traffic	1,743,641	22·98	1,626,928	23·19
Head Office and general charges	82,528	1·09	84,721	1·21
Superannuation subsidy	141,015	1·86	80,000	1·14
	6,164,570	81·23	5,533,136	78·88
Net operating revenue	1,424,704	18·77	1,481,512	21·12

The operating expenditure per train-mile for all lines was 143·37d., as against 146·19d. for the preceding year, a decrease of 2·82d. per train mile.

The expenditure per train-mile on the North Island Main Line and Branches Section was 130·99d., and on the South Island Main Line and Branches Section 159·85d.

Subsidiary Services Expenditure.—The expenditure in connection with subsidiary services was £303,858, as against £176,516 for the year 1924-25. The particulars of the expenditure in connection with subsidiary services are :—

	1925-26.	1924-25.
	£	£
Lake Wakatipu steamers	15,613	12,279
Refreshment service	119,585	99,997
Advertising service	31,239	29,647
Departmental dwellings	129,907	34,203
Leases refreshment-rooms, bookstalls, &c. ..	7,514	390
	<u>£303,858</u>	<u>£176,516</u>
Net revenue from subsidiary services (including miscellaneous receipts)	£208,089	£85,596

NET REVENUE.

The Net Revenue Account from all services, after setting aside the sum of £317,143 for renewals and equalization funds and paying interest charges amounting to £1,913,311, shows a surplus of £79,023, as compared with a deficit of £87,736 last year, when no provision of any kind was made for reserves.

From the surplus of £79,023 the amount of £58,000 has been placed to betterments and £21,023 carried forward.

Particulars are shown hereunder :—

	£
Net earnings, train-operating	1,424,704
Net earnings, subsidiary services	208,089
	<u>1,632,793</u>
Subsidy in respect of developmental lines	359,541
	<u>1,992,334</u>
Less interest charges	1,913,311
	<u>£79,023</u>
<i>Appropriations—</i>	£
To Betterments Fund	58,000
Carried forward	21,023
	<u>£79,023</u>

Renewals and Equalization Funds.—The position in respect of the renewals and equalization funds on the 31st March was :—

	Contributions.	Expenditure.	Balance.
	£	£	£
Renewals	553,893	273,055	280,838
Fire insurance	9,664	4,880	4,784
Slips, floods, &c.	31,505	7,300	24,205
Workers' compensation	43,174	37,858	5,316
Betterments	39,718	37,718	2,000
	<u>677,954</u>	<u>360,811</u>	<u>317,143</u>
Betterments : To appropriation from net revenue	58,000	—	58,000
	<u>£735,954</u>		<u>£375,143</u>