

The operating expenditure per average mile open and per train-mile is as follows :—

	Per Average Mile open. £	Per Train-mile. d.
1929-30	2,104	136·71
1928-29	1,959	137·66
1927-28	1,983	139·55

The increase in operating expenditure was principally due to the following factors :—

- (1) Increased expenditure on the maintenance of rolling-stock.
- (2) Greater consumption and higher cost of locomotive coal.
- (3) Additional train-mileage.
- (4) Increased cost on account of housing.
- (5) Increased mileage of line worked for the whole year.
- (6) Additional expenditure incurred in connection with the Government scheme for the relief of unemployment.

Further details of the principal items making up the increase in expenditure are as follow :—

Maintenance of Way and Works.

Increase, £34,785.

The principal items were : Maintenance permanent-way, £14,409 ; buildings, £15,862.

Under the former heading—namely, Permanent-way—the increase is due mainly to the writing-off of the following assets that have been scrapped or demolished :—

	£
Mount Egmont crusher	3,050
Bishop excavator, Wanganui district	1,275
Mount Albert ballast-pit plant and sidings	4,513
Hawera—50 ft. turntable	290
Woodville—50 ft. turntable	240
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	£9,368

The increase in the average track mileage for the year would more than make up for the balance of increase on account of maintenance of track.

Under the latter heading—Buildings—the following are the principal items :—

	£
Fitting up booking-offices at Symonds Street and Karangahape Road, Auckland; Courtenay Place, Wellington; Rotorua; and Napier	2,590
Renewing the roof of Cross Creek engine-shed	650
Reroofing Dunedin “D” goods-shed	839
Stone-preservative work on Dunedin Station building	1,179

The expenditure on account of unemployment relief on Way and Works Branch amounted to £6,400.

There was also an increase in the amount of repair work carried out to buildings during the past year, and it is interesting to note in this connection that for the three previous years the amount of expenditure under the heading “Buildings” was much below what might be regarded as normal. Taking 1926 as the standard, and fixing the index figure for that year at 100, the following statement shows the position : 1926, 100 ; 1927, 80 ; 1928, 83 ; 1929, 79 ; 1930, 93.

Maintenance of Signals and Electrical Appliances.

There was an increase under this heading of £5,371, due principally to the extension of our signalling and electrical appliances that has taken place within recent years. Very extensive rearrangements of the interlocking-facilities also had to be undertaken at the east end of Christchurch yard in order to permit of the readier reception of the ferry train to the platform in the mornings. Previously it was necessary for the ferry train to remain outside the signal until the 7.25 a.m. train for Lyttelton had departed from Christchurch. Almost invariably the ferry train had to be kept either at Lyttelton or at Christchurch owing to the inability to receive it at the platform at Christchurch. A rearrangement was designed and carried out that has overcome this difficulty, and has enabled a much improved service to be given in connection with the conveyance of the passengers from the Lyttelton ferry-boat to Christchurch in the morning. The whole of this work was charged to working-expenses.

Maintenance of Rolling-stock.

The largest factor in the increase in our expenditure for the last year comes under this heading, the increase amounting to £256,754. Two questions arise in this connection—

- (1) Whether the increased amount of repair work was necessary, and, if so, what made it necessary ; and
- (2) Was fair value obtained for the expenditure.