

*Efficiency of Workshops Staff.*—Your Commission in dealing with the efficiency of the workshops staff has given due consideration to the changed conditions under which the men find themselves as a result of the introduction of modern machinery. This change must come especially hard on those men who are nearing the retiring-age and who all their lives have worked under conditions entirely dissimilar to those now existing. The change in conditions should not affect the younger members of the staff, as the improved layout of the workshops, and the ideal conditions under which the men now work in comparison with the conditions existing in the old shops should result in a much better output per man than was the case a few years ago. Whilst it is realized that the workshops have not yet reached their maximum of efficiency, and will, perhaps, not do so for another year, no reason can be advanced for the comparatively poor results now being obtained. Your Commission is forced to the conclusion that in some instances there is an indisposition to make the most effective use of the facilities now available, with the result that the full benefit of efficient service is not being obtained. It would seem that the only method available to combat this lack of efficiency when the ability to carry out the work speedily and thoroughly is there, is to place in the hands of the management the power to discipline or dispense with those members of the staff who do not fulfil the usual conditions of employment.

*Heating System.*—An elaborate heating system, costing approximately £35,000, has been installed in the four main workshops. The method which has been adopted is very expensive in operation and, as far as we can judge, ineffective in its results.

*Summary and Conclusion.*—Your Commission is of opinion that the maximum benefit is not being obtained from the new workshops recently erected in the four main centres, and that the volume of regular repair work passing through the shops is not nearly sufficient to keep them fully employed. Therefore, without an adequate programme of replacement of obsolete locomotives and rolling-stock, the volume of necessary work is at present insufficient to keep all branches of the shops fully employed at their maximum capacity throughout the year.

**(14) Whether locomotive transportation costs are down to a minimum consistent with the maintenance of a proper margin of safety and efficiency in operation.**

The expenditure on locomotive transportation for the year ended 31st March, 1930, was £1,755,208, as compared with £1,650,793 for the previous year, an increase of £104,415, and an increase of £118,587 compared with 1928, when a new system of accounting came into operation.

For the year ended 31st March, 1930, the engine-mileage was 16,735,624, as against 16,150,146 for the year ended 31st March, 1929, and 14,657,039 miles for the year ended 31st March, 1926. While the train-mileage increased from 11,113,482 miles in 1929 to 12,022,043 miles in 1930, the cost per engine-mile in 1930 for stores, fuel, and wages was 20·52d. per mile, as against 20·12d. for 1929. Although the engine-mileage had increased, a decrease in stores, &c., per engine-mile might have been expected. The increase is largely due to the increased cost of fuel, which rose from £754,713 in 1929 to £834,968 in 1930; £779,930 of the latter amount was for fuel for steam-locomotives. Wages of drivers and firemen increased from £557,274 in 1929 to £576,295 in 1930, principally on account of the additional mileage run.

The cost of district superintendence, which was introduced in 1926, rose from £8,167 in 1926 to £11,402 in 1929, and for 1930 it was £10,093. The regrading of First Division positions and consequent increase in salaries since 1927 is the cause of a portion of this increase, and also for a portion of the increase in depot supervision.

The cost of cleaning engines has steadily decreased since 1926, when it was £87,839, as compared with £59,110 for 1930, due to a decrease in the amount of cleaning performed. The reduction in the amount of cleaning performed appears to be carried much further than is desirable. A reduction in the washing-out costs since 1926 has been brought about by the fact that there are fewer engines