

The operating earnings for the last three years for the North and South Island Main Lines and Branches separately per average mile open and per train-mile are as follow :—

Year.	North Island Main Line and Branches.		South Island Main Line and Branches.	
	Per Average Mile open.	Per Train-mile.	Per Average Mile open.	Per Train-mile.
	£	d.	£	d.
1932	2,376	131·49	1,353	143·83
1931	2,776	140·69	1,606	147·87
1930	3,052	144·53	1,794	154·23

EXPENDITURE.

The total expenditure for the year ended 31st March, 1932, was £5,670,955, a decrease of £1,211,855 as compared with the previous year's figures.

	1931-32.	1930-31.	1929-30.
	£	£	£
Expenditure on train operation ..	5,301,653	6,406,143	6,848,026
Subsidiary services	369,302	476,667	510,833
	<u>£5,670,955</u>	<u>£6,882,810</u>	<u>£7,358,859</u>

The reduction in expenditure for the past year may be grouped under the following main headings :—

	£
Reductions in salaries and wages	384,897
Decrease in fuel costs due to reduced train-milage, &c. ..	144,974
Reductions of expenditure resulting from general operating economies ..	604,695
Reduction in provision for depreciation due to writing-down of capital ..	77,289
	<u>£1,211,855</u>

Operating Expenditure.

—	1931-32.	Per Cent. of Operating Revenue.	1930-31.	Per Cent. of Operating Revenue.	1929-30.	Per Cent. of Operating Revenue.
	£		£		£	
Maintenance—Way and works	997,629	17·23	1,150,329	16·97	1,146,014	15·33
Maintenance—Signals ..	107,584	1·86	104,464	1·54	117,577	1·57
Maintenance—Rolling-stock ..	1,270,585	21·94	1,502,698	22·16	1,680,919	22·49
Examination, lubrication, and lighting of vehicles	59,619	1·03	77,646	1·15	82,711	1·11
Transportation—Locomotive	1,195,151	20·64	1,517,026	22·38	1,672,498	22·38
Transportation—Traffic ..	1,424,520	24·60	1,798,490	26·52	1,883,918	25·21
General charges	69,280	1·20	87,700	1·29	96,466	1·29
Superannuation subsidy ..	177,285	3·06	167,790	2·47	167,923	2·25
	<u>5,301,653</u>	<u>91·56</u>	<u>6,406,143</u>	<u>94·47</u>	<u>6,848,026</u>	<u>91·62</u>

Maintenance of Way and Works.

The expenditure for the year under this heading totalled £997,629, as compared with £1,150,329 for the previous year, a decrease of £152,700 (13·2 per cent.).

Compared with the average expenditure for the five years ended 31st March, 1930, the expenditure for the year under review represents a reduction of 11·2 per cent. on the average figure. Of the decrease of £152,700 the 10-per-cent. reduction in wages and salaries accounts for £67,660. Depreciation charges were £5,054 less than the previous year due to the reduction in capital account authorized by subsection (2) of section 20 of the Government Railways Amendment Act, 1931, and the balance of the decrease (£79,986) is due to general economy measures introduced to reduce expenditure.

Maintenance of Signals and Electrical Appliances.

The expenditure under this heading for the year totalled £107,584, an increase of £3,120 compared with the previous year.

As from the 1st April, 1931, the annual charge for renewals was increased from £10,000 to £20,000 per annum on account of the former amount not being sufficient to make adequate provision for renewals. This increase is offset by the reduction in labour costs, which amounted to £8,376.