

These figures show that while a greater quantity of work per engine-hour has been obtained from the engines the cost of working the engines has actually been reduced.

Statistics of the consumption and cost of coal are as follow :—

Coal.	Consumption.		Cost.	
	1932.	1931.	1932.	1931.
	lb.	lb.	d.	d.
Per engine-mile .. .. .	57·52	59·77	9·41	10·60
Per engine-hour .. .. .	591·76	600·31	96·88	106·46
Per thousand gross ton-miles .. .. .	398·96	410·88	65·29	72·86

These figures show that both the quantity and the cost of coal consumed has been reduced notwithstanding—as the figures in the previous table show—that more work per engine-hour has been obtained from the engines.

#### Traffic Transportation.

Traffic transportation costs totalled £1,424,520, a decrease of £373,970 (20·79 per cent.) compared with the previous year.

The continued decline in traffic during the past year necessitated a careful review of train-mileage, and a number of services were cancelled or curtailed. The total decrease in train-mileage for the year was 1,113,178 miles, and while a proportion of this decrease is due to the curtailment of passenger services the largest decline was in goods-train mileage, where the decline in traffic did not require the same number of goods trains as would have been the case in a normal year.

Taking the transportation costs for 1926 and the train-miles and revenue tonnage as the standard and fixing the index figure at 100, the position regarding these three items is as follows :—

	1926.	1927.	1928.	1929.	1930.	1931.	1932.
Transportation costs ..	100	101	101	105	108	103	82
Train-miles ..	100	104	105	108	116	109	99
Revenue tonnage ..	100	101	102	105	107	96	80

These figures show that, notwithstanding the decrease in business—which owing to the high proportion of fixed charges would tend to increase unit cost—the unit cost has been reduced very substantially as compared with the 1926 standard.

#### General Charges.

The expenditure under this heading totalled £246,565, a decrease of £8,927 compared with the previous year, due to salary reductions and general economies.

#### Subsidiary Services.

*Subsidiary Service Revenue.*—The revenue from subsidiary services amounted to £719,983, as compared with £790,149 for the previous year, and an analysis of the figures is as follows :—

	1931-32.	1930-31.	1929-30.
Lake Wakatipu steamers .. .. .	8,013	9,166	11,447
Refreshment service .. .. .	89,026	120,563	132,301
Advertising service .. .. .	39,312	49,941	53,532
Departmental dwellings .. .. .	138,725	116,256	109,694
Leases of bookstalls, &c. .. .. .	17,822	20,022	21,405
Road-motor services .. .. .	72,740	103,348	105,702
Miscellaneous .. .. .	354,345	370,853	380,087
	<u>£719,983</u>	<u>£790,149</u>	<u>£814,123</u>

*Subsidiary Services Expenditure.*—The particulars of the expenditure in connection with the subsidiary services are as follow :—

	1931-32.	1930-31.	1929-30.
Lake Wakatipu steamers .. .. .	10,068	14,064	18,374
Refreshment service .. .. .	86,335	116,506	125,230
Advertising service .. .. .	36,414	48,692	53,151
Departmental dwellings .. .. .	149,974	178,140	187,816
Leases of bookstalls, &c. .. .. .	10,820	9,804	9,144
Road-motor services .. .. .	75,691	109,191	117,118
	<u>£369,302</u>	<u>£476,667</u>	<u>£510,833</u>

Analyses of the above variations are contained under the appropriate heading for each of these services as set out later in this report.