

The proportion of imported coal included for the year 1931-32 in the above tabulation represents a quantity of coal which was obtained from Newcastle to replenish the reserve stocks of coal held for railway purposes. This was rendered necessary owing to the fact that these reserves were at a very low level, and as they may be held for quite a lengthy period of time it is essential that the coal should be of a kind which will store well. Newcastle coal is pre-eminent in this quality, and the Department may therefore be regarded as being in quite a sound position so far as reserve stocks are concerned. The Board itself has, since it took charge of the Department, not purchased any imported coal, and its policy will be to obtain its supplies to the greatest possible extent from coal mined in New Zealand.

The Board desires to record its hope that the coal-mining industry will appreciate this policy, and show that appreciation by affording the Department the qualities of coal that are best suited to its needs at prices which will fully justify the policy of the Board, having regard to its obligation to manage the business of the Department on economic lines.

#### STAFF.

The total number of staff employed on the 31st March, 1932, including those on works chargeable to capital, was 14,930, as compared with 17,806 for the previous year. The average number actually at work throughout the year was 16,114, as compared with 18,840 the previous year. Of the average number of staff at work during the year 12,528 were permanent and 2,402 were casual employees. The average number of men engaged on works chargeable to capital was 738, as compared with 1,435 during the previous year.

During the year 37 members of the permanent staff were transferred to other Government Departments, 119 resigned, 763 retired on superannuation, 61 died, 143 were dismissed or paid off. Thirty-nine employees were engaged.

Eighty-seven members of the Second Division were promoted to the First Division.

A total of £28,811 was paid under the Workers' Compensation Act during the year to members of the Second Division who suffered injury in the course of their employment.

In the report for the year ended 31st March, 1931, reference was made to the staff adjustments which had been necessary owing to the fall in revenue, and during the past year a continued decline in traffic necessitated the staff position being constantly under review.

In addition to the reduction in business, capital expenditure was also substantially reduced owing to the necessity for the curtailment of such expenditure.

Every effort was made to effect economies by reorganizing and amalgamating positions and by withdrawing staff from stations where train services had been curtailed or traffic conditions warranted the reduction.

In the workshops the decline in the amount of repair work and the reduction in the construction of new rolling-stock necessitated further staff reductions in that branch, and these were carried out during the year as the circumstances warranted.

#### WORKSHOPS.

##### AMALGAMATION OF WORKSHOPS.

The amalgamation of the workshops attached to the Maintenance Branch with the Locomotive Workshops has been continued during the past year. The Penrose shops of the Maintenance Branch have been amalgamated with the locomotive shops at Otahuhu, and at Addington, Dunedin, Invercargill, and East Town the maintenance shops have been amalgamated with the locomotive shops.

##### STAFF (WORKSHOPS BRANCH).

During the past year the staff in the workshops branch has been reduced for the following reasons :—

- (1) A reduction in the construction of new rolling-stock and the completion of orders in hand.
- (2) A general reduction in repair work due to the falling-off in traffic.

The following tabulation shows the staff variation for the past seven years :—

Year.	Permanent Employees.	Casuals	Term Casuals.	Emergency Casuals.	Totals.
1926 .. ..	2,332	494	687	16	3,529
1927 .. ..	2,355	475	674	33	3,537
1928 .. ..	2,241	389	653	44	3,327
1929 .. ..	2,211	413	643	383	3,650
1930 .. ..	2,330	461	664	761	4,216
1931 .. ..	2,317	458	565	333	3,673
1932 .. ..	2,143	240	245	126	2,754

The reduction in the number of men employed and in the volume of work undertaken necessitated a readjustment of the clerical and supervisory staffs, and twenty-one clerical and forty supervisory positions were abolished.

##### OUTPUT OF NEW ROLLING-STOCK.

The rolling-stock turned out during the year comprised 12 Class C shunting-engines, 20 first-class and 39 second-class carriages, 19 bogie horse-boxes, and 427 four-wheeled wagons of various classes.

In addition to the above nineteen new boilers were constructed during the year.