ANNUAL REPORT OF THE GENERAL MANAGER OF THE NEW ZEALAND GOVERNMENT RAILWAYS

New Zealand Government Railways Department,
Head Office, Wellington, 18th September, 1946.

The Hon. the MINISTER OF RAILWAYS.

SIR,—

I have the honour to submit my annual report on the working of the New Zealand Railways for the financial year ended 31st March, 1946.

WORKING RESULT (Whole Undertaking)

—	1946.	1945.	Variation, 1946 with 1945.	
				Per Cent.
Revenue	£15,444,847	£14,459,750	+£985,097	6·81
Expenditure	£14,384,844	£13,260,277	+£1,124,567	8·48
Net revenue	£1,060,003	£1,199,473	—£139,470	11·63
Return on average capital invested in open lines, per cent.	1·47	1·69	—0·22	13·02
Interest charges	£2,889,195	£2,842,399	+£46,796	1·65
Excess of interest charges over net revenue	£1,829,192	£1,642,926	+£186,266	11·34

Revenue.—The gross revenue established a new record, exceeding the previous record year, 1943–44, by £119,541. The increase over last year's figure is highly satisfactory, especially having regard to the fact that services continued to be restricted owing to the limited supplies of coal.

Expenditure.—The increased expenditure was due principally to the following factors :—

(1) An increase of £459,924 in the wages bill consequent upon increased traffic and the decisions of the Government Railways Industrial Tribunal giving higher rates and improved conditions of employment.

The cost of giving effect to the decisions made during the year is estimated at £82,500, while a number of major increases were in force for the whole of the year under review but for part only of the previous year.

(2) An increase of £209,056 in the cost of stores and materials used (including coal).

(3) An increase in contributions to the Track Renewals Fund of £241,989, necessary because of the rising costs, in labour and materials, of relaying.

(4) Provision of £246,000 for deferred maintenance.

In March, 1945, the position regarding deferred work was considered and found to be approximately the same as at the close of the previous financial year, the arrears undertaken being counterbalanced by other work deferred.