

Under the heading "Miscellaneous" is included provision of £125,000 for deferred maintenance. During the year a small amount of work was performed and charged to this fund, so that the increase in the General Reserve as shown in Statement No. 13 was £124,573.

Allowing for a decrease in the provision for deferred maintenance from £246,000 last year to £125,000 this year, the increase under "Miscellaneous" was £252,863. This is accounted for by a rise in a number of items, the main ones being in superannuation subsidies and allowances (£57,608) and the cost of ancillary lorries (£85,437).

SUBSIDIARY SERVICES

Particulars of revenue, expenditure, and net revenue for the various subsidiary services are set out in Statement No. 9A, and the following table shows the variations in revenue and expenditure with last year :—

	Revenue.			Expenditure.		
	Amount, 1947.		Variation, 1947 with 1946.	Amount, 1947.		Variation, 1947 with 1946.
	£	£		£	£	Per Cent.
Lake Wakatipu steamers ..	12,501	+1,830	17.15	16,477	-3,050	15.63
Refreshment service ..	340,798	-25,350	6.92	333,467	-5,659	1.67
Bookstall service ..	205,180	+21,353	11.62	202,459	+22,656	12.60
Advertising service ..	47,925	+7,621	18.91	37,701	+4,943	15.09
Dwellings ..	159,816	+1,550	0.98	279,598	+8,600	3.17
Other buildings ..	53,851	+5,848	12.18	41,002	+7,181	21.23
Road motor services ..	1,555,686	+456,742	41.56	1,388,787	+429,700	44.80
Miscellaneous revenue (non-operating)	480,516	+46,419	10.69	..	..	..
Totals ..	2,856,273	+516,013	22.05	2,299,491	+464,371	25.30

The most outstanding feature is, of course, the expansion of the railway road services. This is due to several factors—commencement of new services, extension of existing services, expanded time-tables, purchase of services, restricted train services, and the replacement of mixed trains by road passenger services.

The policy of replacing mixed trains has been pursued during the year and these trains were eliminated between Waitara and Lepperton, Kaikoura and Blenheim, Westport and Seddonville, and between Oamaru and Kurow.

The only disappointing feature of road service operation was the lack of vehicles to provide for sightseeing and other special trips, but with vehicles more readily coming to hand it is hoped to increase these services during the coming year.

LOCOMOTIVE FUEL

Coal-supplies have again been a source of continual worry to the Department, and as a result of a further decline in supplies it was necessary to bring into operation a further reduction in train services from June to November, 1946. Due to labour troubles in the Waikato coalfields, the train services were drastically curtailed during the Easter period. These reductions, apart from the fact that it had not been possible to run a normal train service since 1st February, 1944, caused considerable difficulties in the traffic and locomotive operating branches not only in making arrangements to deal with the traffic demands, but also in the consequent alterations to normal operating schedules and staff rosters.