1948

NEW ZEALAND

RAILWAYS STATEMENT

(BY THE MINISTER OF RAILWAYS, HON. R. SEMPLE)

MR. SPEAKER,—

In accordance with section 9 of the Government Railways Act, 1936, I have the honour to present the Railways Statement for the year ended 31st March, 1948.

FINANCIAL

The gross revenue for the year was £17,070,872, which surpassed the previous record attained last year by £1,390,815, or 8·87 per cent. The greater part of this additional revenue was received from the increases in rates and fares which applied from 14th September, 1947. Rail fares other than suburban were increased by 15 per cent. and freight rates were increased by 20 per cent., and these increases produced £1,300,700.

Passenger revenue declined by £566,000, due to a large extent to the very heavy decrease in Armed Services traffic. Added to this was the loss of passenger traffic during Easter, 1947, and Christmas, 1947, on the latter occasion due to the outbreak of poliomyelitis.

The revenues from subsidiary services were well maintained with the exception of those produced by the Refreshment Branch, the receipts from which are substantially affected by the density of passenger traffic.

In contrast to the passenger traffic, goods traffic continued to rise and new records in both tonnage and revenue were set up. Even without the increase in freight rates, the goods revenue would have been a record. This was a particularly fine effort, accomplished despite the coal shortage and the difficulties at present associated with wagon supply.

Gross expenditure for the twelve months was £17,710,897, a substantial increase of £1,766,627, or 11·08 per cent., compared with last year. Two items particularly were responsible for this increase—namely, wages and locomotive fuels.

The total wages bill rose by £786,000, partly due to additional hours worked, but mainly due to higher rates of pay and improved conditions of employment.

The cost of locomotive fuels rose by £673,000, due to the increased use of imported coal and fuel oil.

The net result was a loss on working of £640,025. As indicated in my last Statement, it was estimated that the increase in rates and fares would not be sufficient to balance revenue and expenditure, but the sum required from the vote—Economic Stabilization—was larger than anticipated, due to further increases in wages and fuel costs.