

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

New Zealand Government Railways Department,
General Manager's Office,
Wellington, 27th August, 1948.

The Hon. the MINISTER OF RAILWAYS.

SIR,—

I have the honour to submit the annual report on the working of the New Zealand Railways for the financial year ended 31st March, 1948.

WORKING RESULT (Whole Undertaking)

—	1948.	1947.	Variation, 1948 with 1947.	
	£	£	£	Per Cent.
Revenue	17,070,872	15,680,057	+1,390,815	8·87
Expenditure	17,710,897	15,944,270	+1,766,627	11·08
Loss	640,025*	264,213*	+375,812	..
Return on average capital invested in open lines, per cent.	Nil	Nil	..	..
Interest charges	3,030,033	2,992,900	+37,133	1·24
Excess of interest charges over net revenue	3,030,033	2,992,900	+37,133	1·24

* Loss recovered from vote—Economic Stabilization.

REVENUE

Details of the operating revenue under the main headings, with comparisons with the previous year's figures, are set out in Statement No. 3.

Railway-passenger revenue again decreased, this year by £565,981, or 17·40 per cent. Allowing for an estimated value of the fare increase operating from 14th September, 1947, the decline was £743,643.

Passenger journeys (ordinary) decreased by 2,110,908, or 20·65 per cent., while journeys on season tickets decreased by 871,038, or 4·67 per cent.

The main reasons for these decreases were—

- (1) The substantial decrease in receipts from the Armed Forces—£475,022.
- (2) The cancellation of all special trains for Easter, 1947, as a result of the Waikato coal-miners' strike.
- (3) The outbreak of poliomyelitis in December, 1947. Although no specific ban was placed on travel other than inter-Island, there was a large-scale cancellation of holiday arrangements and probably £100,000 revenue was lost as a result.
- (4) Intensified competition of road and air services. Both road and air services have expanded rapidly since the end of the war, and the inability of the railways to provide daily services has meant a greater diversion to road and air than would otherwise have been the case.

The revenue from parcels, luggage, and mails has shown an over-all increase of £112,635, mainly as a result of tariff increases.