

The net revenue, £1,080,316, exceeded that of the previous year by £265,605, and is equal to a return of 3·80 per cent. on the capital, £28,513,476, invested in the open lines, and 3·58 on the total capital, £30,321,191, invested in opened and unopened lines.

The cost of working the Kawakawa Section exceeded the gross earnings by £2,958. The net revenue from the Kaihu Section amounted only to £55.

The number of train-miles run during the year was 7,889,166, being an increase of 430,930. The increased train-mileage represents additional facilities to meet the requirements of the business and the public convenience, and in round figures has cost £118,500.

The major portion of this increased mileage represents services laid on in the North Island on the Thorndon–Longburn, Main Trunk lines, and Auckland Suburban lines. The balance, approximately 32,000 miles, represents additions to the South Island main line and West Coast services.

The following figures, which give the record of the late arrivals of the principal trains during the year, indicate that, notwithstanding the various changes made in the train services, the trains as a whole have maintained punctuality:—

|                                    |     | AVERAGE LATE ARRIVAL.         |        |
|------------------------------------|-----|-------------------------------|--------|
|                                    |     | Min.                          | Min.   |
| For long-distance passenger-trains | ... | 2·15, against 1·29 last year. |        |
| For suburban trains                | ... | 0·48, "                       | 0·36 " |
| For long-distance mixed trains     | ... | 2·69, "                       | 1·88 " |

These figures include delays arising from all causes, and embrace accidents, slips, floods, &c.

The passenger traffic shows a gratifying increase, the number of ordinary passengers carried being 11,141,142, an increase of 683,998 over the previous year. Season tickets issued numbered 199,371, an increase of 6,824. Workers continue to take advantage of the opportunity afforded them by the workers' tickets to live out in the suburbs; 150,074 such tickets were issued during the year, an increase of 2,585 over last year. 863,838 passengers travelled at holiday excursion fares, an increase of 73,659 when compared with last year, and 115,405 passengers travelled at the school and factory rates.

The coaching and goods traffic show substantial increases under each of the headings under which the traffic is grouped, carriages, sheep, chaff, lime &c., firewood and timber excepted. In the coaching the increases have been—parcels, 86,513; horses, 1,447; dogs, 437; and in live-stock and goods traffic—cattle, 16,528 head; pigs, 9,304 head; wool, 13,135 tons; grain, 250,675 tons; merchandise, 9,696 tons; minerals, 144,073 tons. The decrease in the sheep traffic is 84,727 head; chaff, lime, &c., 2,764 tons; firewood, 4,260 tons; timber, 59,014 tons.

The traffic in the agricultural produce class for the first time in the history of the railways totalled over a million tons. The large increase of a quarter of a million tons is accounted for by the late harvest last year and the bountiful early harvest in the current year, which resulted in a considerable portion of the cereals grown in two seasons being presented for carriage by rail during the financial year just ended.

The decrease in the sheep traffic is mainly confined to the North Island, and is attributed to the advances in the wool-market making it more profitable for stock-owners to hold their sheep for the clip than to dispose of them in a dull meat-market.

The traffic has also been affected to some extent by the through carriage between Wellington–Napier–Taranaki and Auckland Sections. Formerly such traffic was driven between the railheads and reconsigned, making two separate transactions for one lot of stock, which nominally increased the number of sheep carried. Although the sheep traffic compares unfavourably with that of 1909, it is nevertheless greater by about 500,000 head than the traffic for any other previous year.

The decrease in the timber traffic is mainly in respect of water-borne timber on the Canterbury Port lines, and in Westland export traffic—no doubt due to dullness in the building trade in various parts of the Dominion affecting the output and export from the mills.

The average number of men employed during the year was 12,224, against 12,505 for the previous year.

During the year 266 members of the permanent staff resigned, 127 retired on superannuation, 42 died, 128 were dismissed, and 563 engaged.