

Considerable advancement has been made during the year in connection with the installation of the signalling and interlocking appliances, which were brought into operation at Kaiwarra, Ngaio, Parnell Tunnel, Ngaurukehu, Tawa Flat, Marton, Paekakariki, Sockburn, Templeton, Islington, and Ngahauranga; and with the schemes for double-line working between Addington and Rolleston, Kensington and Cattle-yards, and Auckland and Penrose. Seventeen stations were equipped with fixed semaphores; and Perham's Siding at Rangataua was interlocked with tablet system. The interlocking of Frankton Junction, Blackball, and Caversham is in hand.

Fifty-two Tyler's electric tablet instruments were installed and brought into operation on sections Woodville to Waipukurau, Pukeuri to Washdyke, Granity to Stockton. Automatic tablet-exchanger was fitted at forty stations. Electric lock and block for double-line working has been brought into use between Kaiwarra and Lower Hutt and Rolleston-Heathcote double lines.

At the end of the year under review there were 1,261 miles of line controlled by the electric tablet, 21 miles by the electric staff and ticket, 12 miles double line by electric lock and block. 1,809 miles of poles and 5,051 miles of wire were comprised in the system of train-signalling, railway telephones and telegraphs. Since 1901 the sum of two hundred and twenty-five thousand eight hundred and seventeen pounds sterling has been spent on these adjuncts to safe railway working.

REVENUE.

The gross revenue for the year under review amounted to £3,249,790; it exceeded the estimate by £199,790, and the gross revenue for the previous year by £320,264. Passenger revenue shows an increase of £149,380; season tickets, £10,001; coaching, £5,545; goods and live-stock, £141,843; miscellaneous and rents, £13,495. The receipts per train-mile amounted to 98·75d. as against 94d. for the previous year. The earnings of the Lake Wakatipu steamers amounted to £6,763, as against £6,438 last year. The net earnings, which amounted to £400 per mile for the average number of miles open, exceeding the previous year's net earnings by £80 per mile, gave a return of 3·80 per cent. on the capital cost, against 3·13 per cent. for 1909.

EXPENDITURE.

The expenditure for the year, including £5,139 incurred in connection with the Lake Wakatipu steamers, amounted to £2,169,474, an increase of £54,658 over the previous year; and absorbed 66·76 per cent. of the revenue, as against 72·19 per cent. for the previous year:—

	Expenditure.		Per Cent. of Revenue.	
	1909-10. £	1908-9. £	1909-10.	1908-9.
Traffic	615,033	605,940	18·96	20·73
Locomotive	833,392	794,260	25·70	27·17
Maintenance	620,008	656,154	19·12	22·45
Management	95,902	92,445	2·96	3·16
	2,164,335	2,148,799	66·74	73·51
Less credit recoveries	...	39,042	...	1·33
	2,164,335	2,109,757	66·74	72·18
Lake Wakatipu steamers	5,139	5,058	0·02	0·01
	<u>£2,169,474</u>	<u>£2,114,815</u>	<u>66·76</u>	<u>72·19</u>

The increased expenditure in the Traffic Branch is due to additional train-mileage, extra staff to carry on the business and operate the safety appliances consequent on the extended hours that trains are now running in the more important districts, increases in the pay of staff under the Classification Act, and the cost of working the Wellington and Manawatu Railway for a full year, against four months only during the year 1909.

In the Locomotive Branch the increase is due to the working of the Wellington and Manawatu Railway for a full year, as compared with four months in 1909, additional staff consequent on longer hours of running, increases in pay, cost of fuel and materials generally.