

The cost of Head and Departmental Offices has been affected by the incidental charges previously charged under sectional heading but now charged against management, and the scale increases due to staff under the Classification Act.

The cost of maintenance of line, buildings and structures has decreased from £656,154 to £620,008, representing an average expenditure of £229·94, against £257·63 per mile of railway for the previous year. Increased expenditure has been incurred on the Kawakawa Section, £1,947; Gisborne, £223; North Island main line and branches, £5,010; Westport, £599; Picton, £876. The cost of maintenance has decreased on the Whangarei Section, £857; Kaihu, £381; South Island main line and branches, £38,840; Westland, £4,179; Nelson, £544.

Additions and improvements to lines and structures costing £6,093, which might fairly have been debited to capital, have been made during the year and charged to working-expenses.

The sum of £318,090 was expended under the head "Additions to open lines" and charged to Capital Account. Of this amount, £228,332 was expended on rolling-stock, tarpaulins, snow-plough for North Island Main Trunk Railway, Halley motor-car for Hanmer service, and machinery for workshops. The rolling-stock in respect to which the charges are made consists of 13 locomotives, 22 carriages, 11 brake-vans, 34 bogie and 649 four-wheeled wagons, and 500 tarpaulins completed on the 31st March, 1910; and 32 locomotives, 62 carriages, 17 brake-vans, 47 bogie and 1,245 four-wheeled wagons, and 325 tarpaulins incomplete but in hand on that date. £89,758 was spent in tablet, signals and interlocking, telegraph and telephone extensions, purchase of land, bridge-work, sidings, wharves, reclamation-work, turntables, electric lighting and gas installation, Kakahi Sawmill, fencing, steam-navvy, stone-crushing plant, excavating-machine, additions to workshops, station buildings and dwellings, &c.

DUPLICATION OF LINES.

On duplication work the following sums were charged to Capital Account under the provisions of the special Acts relating thereto, passed in 1903, 1904, 1905, and 1908:—

Wellington-Hutt duplication works	...	...	...	...	£ 30,814
New Hutt Road, and purchase of land for same	...	...	...	...	28,468
					<u>£59,282</u>
Auckland-Penrose duplication works	...	...	...	...	£ 5,476
Addington-Rolleston duplication works	...	...	...	...	9,256
Dunedin-Mosguel duplication, and deviation of line	...	...	...	...	66,517
					<u>£81,249</u>
Additions and improvements to railway, Wellington to Longburn	...	...	...	...	£ 39,355
Charges and expenses of raising loan	...	...	...	...	636
					<u>£39,991</u>