

72-ton four-cylinder balanced compound, built by Messrs. A. and G. Price (Limited), Thames, under contract.

During the year 983 modern steel axles were placed under cars and wagons, replacing the same number of old iron axles.

The quantity of Pintsch's gas manufactured for car-lighting at the various Railway Gasworks was 8,270,930 cubic feet. All cars in which the gas is used have now been fitted with incandescent mantles for the purpose of improving the light.

£34,730 was expended on new and improved machinery for the workshops.

The whole of the railway appliances and equipment, comprising rolling-stock, machinery, track bridges, buildings, and other structures, were maintained in an efficient and satisfactory condition.

One hundred miles of main-line track were relaid with 70 lb. steel rails, and 40 miles of branch line with 53 lb. steel rails taken out of the main line. The total mileage relaid was thus 140, which constitutes a record for relaying in any one year.

376,300 cubic yards of ballast were used in maintaining the track, and 304,755 new sleepers were laid.

The principal works carried out in the direction of improvements comprised enlargement of station buildings, erection of verandahs, weighbridges, houses for staff, water-services, fire-appliances, bridge-strengthening, station-lighting, additional signal and safety appliances, telegraph and telephone facilities, goods-sheds, siding accommodation, and sanitary arrangements. Many other works that will tend to efficiency in working and promote the public convenience were put in hand; some were completed, and others are well forward towards completion.

Tenders were invited during the year for the construction of a new passenger steamer for the Lake Wakatipu service, to run in conjunction with the "Mountaineer." Messrs. J. McGregor and Co., of Dunedin, were the successful tenderers, and have already made good progress with the work of constructing the vessel.

Further extension of the signal and interlocking systems has been made during the year, the appliances being brought into operation at Frankton, Aramoho, Blackball; a rearrangement was also made at Westport, Islington, and Timaru respectively; complete schemes for double-line working at Burnside, Kensington, Caversham, Dunedin (south end), and Kaiwarra. A rearrangement for double-line working was made at Wellington (north end). Harrison's Siding, Whangarei; Waingawa Siding; Works Siding, Chain Hills, have been interlocked with the tablet system, and twenty-three stations were equipped with fixed semaphores. Thirty-four Tyer's electric tablet instruments were brought into operation on sections Gore to Invercargill, Ngahere to Blackball, Whangarei to Kamo. Thirty-five stations were equipped with the automatic tablet exchangers. Electric lock-and-block for double-line working was completed and brought into operation between Kaiwarra and Wellington, Dunedin and Burnside, Christchurch and Templeton.

The total mileage of railway controlled by electric tablet at the 31st March was 1,306 miles. The train staff and ticket was in operation on 21 miles, and electric lock-and-block on 28 miles. The system of train-signalling railway telegraph and telephone consisted of 1,915 miles of poles and 5,295 miles of wire. The expenditure incurred in equipping the railway with these necessary appliances for safe working since 1901 has been £254,053.

REVENUE.

The gross revenue for the year amounted to £3,494,182. It exceeds the estimate by £244,182, and the gross revenue for the preceeding year by £244,392. Passenger revenue shows an increase of £33,503; season tickets, £18,868; coaching traffic, £1,204; goods and live-stock, £188,532; miscellaneous and rents, £2,285. The receipts per train-mile amounted to 8s. 6½d., as against 8s. 2½d. for the previous year. The earnings of the Lake Wakatipu steamers amounted to £6,643, as against £6,762 for the previous year. The net earnings, which amounted to £435 per mile for the average number of miles open, exceeded the previous year's net earnings by £35 per mile, and gave a return of 4.06 per cent. on the capital cost, against 3.80 per cent. for 1910.