

EXPENDITURE.

The expenditure for the year, including £5,029 incurred in connection with the Lake Wakatipu steamers, amounted to £2,303,272, an increase of £133,798 over the previous year, and absorbed 65·92 per cent. of the revenue, as against 66·76 per cent. for the previous year.

				Expenditure.		Per Cent. of Revenue.	
				1910-11.	1909-10.	1910-11.	1909-10.
				£	£		
Traffic	...	...	...	631,380	615,033	18·10	18·96
Locomotive	...	...	...	875,282	833,392	25·10	25·70
Maintenance	...	...	...	693,445	620,008	19·89	19·12
Management	...	...	...	98,136	95,902	2·81	2·96
				2,298,243	2,164,335	65·90	66·74
Lake Wakatipu steamers	...	...	...	5,029	5,139	0·02	0·02
				2,303,272	2,169,474	65·92	66·76

The increased expenditure in the Traffic Branch is due to the additional train-mileage, increases in the salaries and wages of the staff under the Classification Act, extra staff to carry on the business and operate the safety appliances.

In the Locomotive Branch the increase is due to extra train-mileage, additional staff, advance in salaries and wages of staff under the Classification Act, and in the price of fuel and materials. The increase in the cost of the Head and Departmental Offices is incidental to the inclusion in the Head Office portion of the vote of items that have previously been charged under the sectional heading, and to the scale increase of salaries under the Classification Act.

The cost of maintenance of line, buildings, and structures has increased from £620,008 to £693,445, representing an average expenditure of £253·58 against £229·94 per mile of railway for the previous year. The increased expenditure has been incurred on the Whangarei Section, £1,244; Kaihu, £725; Gisborne, £2,413; North Island main line and branches, £50,098; South Island main line and branches, £13,189; Westland, £1,927; Westport, £2,730; Nelson, £1,645. The cost of maintenance has decreased on the Kawakawa Section, £403; Picton, £131.

Additions and improvements to lines, structures, &c., costing £27,159, which might fairly have been debited to capital, have been made during the year and charged to working-expenses.

The sum of £362,903 was expended under the head "Additions to Open Lines," and charged to Capital Account, and of this amount £250,051 was expended on rolling-stock, pneumatic coaling-cranes, and machinery for workshops. The rolling-stock in respect to which the charges are made consists of 14 locomotives, 26 carriages, 7 brake-vans, 35 bogie and 765 four-wheeled wagons, and 335 tarpaulins, completed on the 31st March, 1911, and 28 locomotives, 53 carriages, 8 brake-vans, 26 bogie and 1,346 four-wheeled wagons, and 810 tarpaulins incomplete, but in hand on that date. £112,852 was spent in tablet, signals, and interlocking telegraph and telephone extensions, purchase of land, bridge-work, water-services, sidings, stockyards, wharves, reclamation-work, dwellings, fencing, weighbridges, gas-lighting, deviation of line, reduction of grades and improvements of curves, additions to 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:—

				£
Wellington-Hutt duplication-works	...	...	...	19,511
New Hutt Road and purchase of land for same	...	...	...	15,485
				£34,996
				£
Auckland-Penrose duplication-works	...	...	...	75
Addington-Rolleston duplication-works	...	...	...	1,801
Dunedin-Mosgiel duplication and deviation of line	...	...	...	58,469
Charges and expenses of raising loan	...	...	...	6
				£60,351