

EXPENDITURE.

The working expenditure for the year under review, including £7,964, the cost of working the Lake Wakatipu traffic, amounted to £4,105,067, an increase of £796,492 over the expenditure for last year. The ratio of expenditure to earnings was 71·36, as compared with 66·32 for the preceding year, an increase of 5·04 per cent.

				Expenditure.		Per Cent. of Revenue.	
				1919-20.	1918-19.	1919-20.	1918-19.
				£	£		
Traffic	..	..	..	1,301,935	1,032,609	22·66	20·73
Locomotive	..	..	..	1,785,491	1,381,797	31·08	27·74
Maintenance	..	..	..	837,910	752,558	14·59	15·10
Management	..	..	..	171,767	134,626	2·99	2·70
				4,097,103	3,301,590	71·32	66·27
Lake Wakatipu steamers	..	..	..	7,964	6,985	0·04	0·05
				£4,105,067	£3,308,575	71·36	66·32

The expenditure for 1919-20 includes the increases in salaries and wages granted under the Government Railways Amendment Act, 1919, and the cost-of-living bonus granted from 1st January, 1920.

The increased expenditure in the Traffic Branch, Head and Departmental Offices resulted mainly from regulation scale increases and the increases and bonus referred to above.

The increase in the Locomotive Branch is due to increases in salaries and wages, bonus, and the enhanced cost of fuel, stores, materials for repairs, and upkeep of plant and appliances.

The increased expenditure in the Maintenance Branch is due to increases in salaries and wages and bonus, and the advance in the cost of materials. The expenditure per mile of railway was £281, as against £252 last year.

The sum of £52,722 was expended in the Maintenance Branch and charged to capital under the head "Additions to open lines." These comprise additions to workshops and engine-depots, water services, station facilities, additional dwellings, tablet-installation, telephone and telegraph facilities, and purchase of land.

In the Locomotive Branch £80,662 was expended in the provision of additional rolling-stock, tarpaulins, workshop machinery, and Westinghouse brakes.

The rolling-stock in respect of which the charges were incurred under the head "Additions to open lines" included four locomotives, three carriages, thirty-nine bogie and 240 four-wheeled wagons, and 585 tarpaulins completed on 31st March, and forty locomotives, thirty-five carriages, twelve brake-vans, ninety-seven bogie and 500 four-wheeled wagons, and 765 tarpaulins incomplete but in hand on that date.

The operations in both the Maintenance and Locomotive Branches were again considerably hampered by the inability to obtain the necessary material from abroad and the shortage of suitable labour.

COAL.

The quantity of coal carried on the Westport Section was 459,452 tons, against 551,410 tons for the previous year, a decrease of 91,958 tons, or 16½ per cent. On the Greymouth Section the quantity carried was 283,665 tons, against 366,448 tons the previous year, a decrease of 82,783 tons, or 23 per cent.

The output of coal carried on the Greymouth Section for the year ended 31st March, 1915, was 514,795 tons, compared with 283,665 tons at 31st March, 1920. The decrease, 231,130 tons, represents a decline of 45 per cent. in the output of West Coast coals in six years.

Price of Coal.—The cost of coal has again been substantially increased, and the tendency is towards a still further advance owing to increase in cost of labour and sea freight where sea-borne coal is concerned.

Coal-saving Time-table.—Consequent on the difficulties experienced during the years 1916-19 in obtaining adequate supplies to replenish the Department's coal stocks, serious depletion had taken place by 31st March, 1919, and the outlook was then causing anxiety. Strong efforts were made to improve the position and obtain adequate supplies, but owing to shipping and labour difficulties a full measure of success did not immediately result. Stocks rapidly diminished, and on the 2nd July, 1919, a drastic curtailment of the time-table was brought into operation, and remained in force until the 27th September.

The causes leading up to the coal-cut were investigated by a Royal Commission last year.

Although the position in respect of coal has improved in consequence of the savings effected by the curtailed train services, there is still necessity for the exercise of unremitting attention and constant vigilance in the matter of coal-supplies.

Pulverized Fuel.—Arrangements have been made for the practical testing of pulverized fuel at an early date. A pulverizer has been obtained, and will be fitted up as soon as some essential materials come to hand and labour is available to assemble the appliance and erect the necessary building, &c.