

Bonuses paid to Members of the Second Division.

Members of the Second Division have been granted the following bonuses :—

From the 1st April, 1916 : 1s. per day.

From the 9th December, 1917 : Married men and widowers with children, 1s. per day.

From the 1st October, 1918 : 1s. per day.

From the 1st April, 1919, these bonuses were added to the daily rate of pay and granted to married and single men alike.

From the 1st January, 1920—

Married men and widowers and widows with children, 1s. per day.

Single men and widowers and widows without dependants, 6d. per day.

On the 1st April, 1920, the bonuses granted on the 1st January, 1920, were cancelled, and 3s. per day added to the rates of pay, equivalent to a bonus of 3s.

On the 6th March, 1921, members were granted a forty-four-hour week and the daily rates of pay altered to hourly rates to enable them to earn as much in forty-four hours as they had done previously in forty-eight. This alteration is equivalent to a bonus of 1s. 4d. per day to the lowest-paid member.

6th March, 1921 : The tradesmen who had been granted the forty-four-hour week from a prior date were granted a further bonus of 1s. per day to provide improvement in their pay commensurate to that enjoyed by other members from same date.

The total bonuses, therefore, paid to members of the Second Division of the Railway staff since the 1st April, 1916, amount to 7s. 4d. per day.

The total number of free passes issued to members of the Railway service and their families travelling on holiday leave was—First class, 13,212 ; second class, 6,668.

These passes represent free travel of 18,762 first-class and 10,324 second-class passengers, making a total number of passengers carried free 29,086. The estimated value of the journeys covered by the passes was £149,811.

Privilege tickets to the number of 128,000 were also issued to members of the staff at one-fourth the passenger rates, the total amount of fares paid being £14,403. The difference between privilege and ordinary rates represents a saving to the staff of £43,209.

GENERAL.

During the six years commencing 1916 the rate of relaying has not only fallen very far short of the ideal standard for that work, but is very much below the average of the relaying done in the six years from 1910 to 1915.

The average rate of relaying for the six years 1910 to 1915 was—

Main lines (70 lb. track)	..	..	..	..	84 miles per annum.
Branch lines (53 lb. and 56 lb. track)	..	..	..	..	29 „
					—
					113

The average rate of relaying for the six years 1916 to 1921 was—

Main lines (70 lb. track)	..	..	..	..	17 „
Branch lines (53 lb. and 56 lb. track)	..	..	..	..	6 „
					—
					23 „

Owing to the inability of the Department to carry out during the war period the usual programme of relaying, sleeper renewal, and rolling-stock construction, the expenditure that would otherwise have been incurred on such works during the period intervening between 1914 and date was saved and the amount made available for use by the Government for war purposes.

For many years the Department was strongly criticized regarding the high rate of expenditure on the maintenance of its tracks and rolling-stock. The present condition of the track, plant, and appliances after having stood the test of the war period, during which a minimum expenditure only could be incurred, amply proves the soundness of the policy followed in maintaining track, rolling-stock, and other appliances at the highest standard of practical efficiency. Nevertheless, it is very desirable to now make a strong effort to overtake some of the belated work, and once more bring the lines back to the high standard they had attained before the war. The attainment of this end involves provision for carrying out a comprehensive programme of relaying on an increased scale and of normal pre-war construction of rolling-stock.

Taking interest at 3½ per cent., which is the rate the Department is required by the Government policy to earn on the capital (£37,235,254) invested in the lines, the year's operations show a deficit of £124,375. Omitting the increase in wages charged to "Additions to open lines" votes, &c., the increase of £860,563 in the ordinary working account made in the wages bill alone, in giving effect to the recommendations of the Wages Board, would of itself have been sufficient to pay 2.31 per cent. on the whole of the capital invested in the working railways.

For the purpose of meeting the cost of the increased wages, fares and rates were increased by approximately 19 per cent., dating from August, 1920 ; but, by reason of the fact that the increases in pay were made to operate retrospectively as from the 1st April, the expenditure had been increased very materially for five months before any compensating benefit could be obtained from the amended rates which could not be made retrospective.

Without taking interest charges into consideration, the expenditure for the year on the Whangarei line exceeded the total revenue by £540, on the Kaihu line by £1,286, on the Nelson Section by £5,512, and on the Lake Wakatipu steamers by £1,469 ; while the net returns from the Gisborne, South Island Main Trunk, Westland, Westport, and Picton Sections fell short of the amounts required to pay interest charges on the capital invested.