NEW ZEALAND GOVERNMENT RAILWAYS—*continued.*

Working-expenses and Revenue Account for the Year ended 31st March, 1923.

Dr.	£	s.	d.	*Cr.*	£	s.	d.
To working-expenses—				By Revenue—			
Maintenance of way, works, and buildings	1,040,892	2	2	Passengers, ordinary	2,216,514	0	10
Signal and electrical works ..	67,424	10	1	Season tickets	204,105	9	6
Locomotive power	2,121,531	11	10	Parcels, luggage, and mails ..	393,322	6	1
Carriage and wagons—Repairs and renewals	535,621	12	1	Goods	3,671,008	5	1
Traffic expenses	1,527,033	5	1	Miscellaneous (including refreshment-room services) ..	119,933	2	8
Head Office	57,262	7	7	Rents and commission (including advertising at stations) ..	122,919	2	8
Departmental offices	138,631	9	3				
Lake Wakatipu steamers ..	14,099	17	1				
Total working-expenses ..	5,502,496	15	2				
Balance	1,225,305	11	8				
	£6,727,802	6	10		£6,727,802	6	10

Net Revenue Account for the Year ended 31st March, 1923.

Dr.	£	s.	d.	*Cr.*	£	s.	d.
To Interest for the year 1922–23 on cost proportionately to the time during which lines taken over during the year were revenue-earning — $3\frac{3}{4}$ per cent. on £40,258,417	1,509,690	12	10	By Net earnings for the year after payment of working-expenses ..	1,225,305	11	8
				Deficiency for the year ..	284,385	1	2
	£1,509,690	12	10		£1,509,690	12	10

L. Hamann, Chief Accountant, N.Z. Railways.

I hereby certify that the Revenue Account and balance-sheet have been duly examined and compared with the relative books and documents submitted for audit, and correctly set out the position as disclosed thereby. The Audit Office is of opinion that—

(1.) The rate of interest provided in the net Revenue Account, $3\frac{3}{4}$ per cent., is insufficient.
(2.) Provision for a Depreciation Reserve Fund should be made.
(3.) Credit should be taken for services which are at present gratuitously provided for certain Government Departments.
(4.) All moneys raised under Railways Improvement Authorization Act should be included in the accounts, instead of only the amount actually expended.

Notes.—The Cape Foulwind Railway, taken over by the Government on the abolition of the Westport Harbour Board, has been vested in the New Zealand Railways and will be included in future balance-sheets. Railway-lines while under construction are controlled by the Public Works Department, and all expenditure connected therewith is consequently included in the accounts of that Department.

G. F. C. Campbell, Controller and Auditor-General.