

Train-operating Expenditure.—The total operating expenditure for the year amounted to £6,158,283, a decrease of £6,287 as compared with last year.

The particulars of the expenditure on train-operation are as follows :—

	1926-27.	Percentage of Operating Revenue.	1925-26.	Percentage of Operating Revenue.
	£		£	
Maintenance—Ways and works	1,074,334	14·47	1,144,385	15·08
Maintenance—Signals	100,861	1·36	105,064	1·38
Maintenance—Rolling-stock	1,303,444	17·56	1,311,317	17·28
Examination, lubrication, and lighting of vehicles	60,095	0·81	59,447	0·78
Transportation—Locomotive	1,609,257	21·68	1,577,173	20·78
Transportation—Traffic	1,752,998	23·61	1,743,641	22·98
Head Office and general charges	82,287	1·11	82,528	1·09
Superannuation subsidy	175,007	2·36	141,015	1·86
	6,158,283	82·96	6,164,570	81·23
Net operating revenue	1,265,189	17·04	1,424,704	18·77

The operating expenditure per train-mile for all lines was 137·82d., as against 143·37d. for the preceding year, a decrease of 5·55d. per train-mile. The expenditure per train-mile on the North Island Main Line and Branches Section was 127·02d., and on the South Island Main Line and Branches Section 151·90d.

Subsidiary Services Expenditure.—The expenditure in connection with subsidiary services was £332,597, as against £303,858 for the year 1925-26. The particulars of the expenditure in connection with subsidiary services are :—

	1926-27.	1925-26.
	£	£
Lake Wakatipu steamers	15,859	15,613
Refreshment service	119,567	119,585
Advertising service	42,509	31,239
Departmental dwellings	137,547	129,907
Leases refreshment-rooms, bookstalls, &c.	8,271	7,514
Road motor services	8,844	..
	£332,597	£303,858
Net revenue from subsidiary services (including miscellaneous receipts)	£233,364	£208,089

NET REVENUE.

The Net Revenue Account from all services, after setting aside the sum of £310,542 for renewals and equalization funds and paying interest charges amounting to £2,043,433, shows a deficit of £99,659, as compared with a surplus of £79,023 last year.

Particulars are shown hereunder :—

	£
Net earnings, train-operating	1,265,189
Net earnings, subsidiary services	233,364
	1,498,553
Subsidy in respect of developmental lines	445,221
	1,943,774
Interest charges	2,043,433
Deficit	£99,659

Renewals and Equalization Funds.—The position as regards payments to and expenditure from the renewals and equalization funds during the year is shown below :—

	Balance from Previous Year.	Contributions.	Expenditure.	Balance.
	£	£	£	£
Renewals	280,836	572,437	216,535	636,738
Fire insurance	4,783	10,841	5,180	10,444
Slips, floods, &c.	24,205	21,515	35,894	9,826
Workers' compensation	5,316	44,469	34,810	14,975
Betterments	60,000	4,778	51,079	13,699
	375,140	654,040	343,498	685,682