D.—2.

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

xviii

					Balance from Previous Year.	Contributions.	Expenditure.	Balance.
					£	£	£	£
17:					636,738	615,674	321,542	930,870
					10,444	12,373	4,688	18,129
Slips, floods, &c.					9,826	21,504	4,730	26,600
Workers' compensat Betterments	tion			• •	$14,975 \\ 13,700$	44,483 1,433	41,198 39,207	Dr.24,074
		• •						
					685,683	695,467	411,365	969,785

THE WHOLE UNDERTAKING. TRAIN OPERATION. 4.469 Luggage, & Passengers, 5s. 03d Goods and Live-stock, £1 EARNED. & Labour, &c., 1.89% 10s. 113d. Goods and Live-stock, 12s. 9d. Rolling-stock, 3s. 9d. Rolling-stock 3s. 3d. Loco. Way and Work '3s. 10‡. Way and Works and Signals, Zero 2s. 11d. and Signals, 3s. 5d. £1 SPENT. Net Earnings. Traffic. Interest, 4s. 11d. Traffic, 4s. 9½d. 5s. 0d.

New Lines opened.—The Waihi-Tahawai Section (13 miles 8 chains) and the Petone-Waterloo Section (2 miles 50 chains) were taken over and opened for traffic during the year, making the total mileage opened for traffic on the 31st March, 1928, 3,180 miles.

Train-mileage.—The train-mileage for the year was 10,838,594 miles, as against 10,723,864 miles the previous year, an increase of 114,730 miles. The particulars are as follows:—

	Section	n.			1927-28.	1926-27.	Increase Miles.
Kaihu	• •				17,738	17,668	70
Gisborne		• •			82,211	84,961	Dec. $2,750$
North Island Main Lin	e and Bra	$_{ m nches}$			6,479,921	6,402,044	77,877
South Island Main Lin	e and Bra	$_{ m nches}$			4,049,450	4,004,155	45,295
Westport			••		94,140	95,309	Dec. 1,169
Nelson					63,292	71,478	Dec. 8,186
Picton	• •	• •	• •		51,842	48,249	3,593
				-	10,838,594	$\overline{10,723,864}$	114,730