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Since the inauguration of the housing scheme the total number of houses erected is—Departmental, 1,100; non-departmental, 271: total, 1,371.

Hot- and cold-water services and baths have been provided, and electric light and sewerage installed where available.

The total quantity of timber which passed through the big planer during the year was 4,936,186 lineal feet, averaging 15,771 lineal feet per working-day.

Seventy-three and a half chains of roading were constructed during the year to serve railway settlements.

STAFF.

The total number of staff employed on the 31st March, 1928, including those engaged on works chargeable to capital, was 18,584, and the average number actually at work throughout the year was 18,541, as compared with 18,458 the previous year. The average number of men engaged on works charged to capital was 1,087, as against 1,239 last year.

One hundred and twelve members of the Second Division were promoted to the First Division, 124 members resigned, 112 retired on superannuation, 41 died, 66 were dismissed, and 439 engaged.

The sum of £41,198 was paid under the Workers' Compensation Act during the year to members of Division II who sustained injuries in the course of their duties.

The Board again desires to place on record the good conduct and loyalty of the staff during the past year, and the cordial relations which have existed.

The recommendations of the Classification Committee which reviewed all First Division positions have been given effect to, and, judging by the few appeals with regard to the grading of positions, the work of the Committee appears to have given very general satisfaction.

The comprehensive scheme of ambulance training which was instituted during the past year was very largely availed of by employees, and the results of the attendance at classes and examinations have been very satisfactory. It is proposed to carry out similar instruction classes during the forthcoming year, to ensure that as many employees as possible shall be qualified to render first-aid treatment in case of accidents to their fellow-employees or members of the travelling public.

CORRESPONDENCE CLASSES AND TRAINING SCHOOL.

The total number of students receiving tuition in the various phases of railway work numbered 1,668 at the end of March.

The classes are open to all employees of the First and Second Divisions, and the instruction given is of such a comprehensive character that any ambitious employee desiring to increase his knowledge or equip himself for advancement has an excellent opportunity if he avails himself of the tuition given by the Correspondence School.

Already 802 members have sat for the various examinations.

Cadets in the Training School receive lectures daily in accounting, tariff regulations, and elementary railway principles, and practical knowledge is gained through a system of stations at which sets of books, forms, and tickets are used.

The new method of instructing cadets has proved to be most valuable to the Department, as cadets appointed to stations now have sufficient knowledge of general railway work to be of immediate use.

Eighty-six cadets have undergone a course of training during the year.

As a means of training boys in right habits and eliminating the risks that they are exposed to in city life, the Cadets' Hostel has proved itself to be of value.

Cadets at the hostel are encouraged to take up courses of study, and sports and pastimes receive special attention.

There is no doubt that this establishment has assisted in the direction of obtaining for the Department a better type of youth, whose training under continuous supervision will better fit them for their carreers as railway officers.

STORES BRANCH.

The amount expended in connection with the purchase of stores and material during the year was £2,223,567 0s. 6d.

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|----|---|---------|-------------|--------------|----------------------|-----|--|--|---------|------------|----|----|
| Pa | yments wer | e divid | ed as f | follows : | | | | | 4 | E | s. | d. |
| | To merchants, manufacturers, and others in New Zealand | | | | | | | | | 121 | 16 | 5 |
| | Through | High C | ommis | sioner, Lone | don | | | | 315, | 140 | 11 | 1 |
| | Material manufactured in railways workshops | | | | | | | | | 756 | 12 | 1 |
| | Coal and | | | | | | | | 813, | 631 | 6 | 5 |
| | Stationer | V | | | | | | | 40, | 504 | 16 | 11 |
| | For used material recovered from other railway branches | | | | | | | | | 411 | | |
| | | | | | | | | | | | | |
| | | To | $_{ m tal}$ | • • | • • | • • | | | £2,223, | 567 | 0 | 6 |
| | | | | | | | | | | | | |

The increased expenditure is accounted for under the headings of "Material manufactured in railway workshops" and "Coal." Stocks of coal were considerably greater at the end of year ending 31st March, 1928, than in the previous year, while a larger output of manufactured material in workshops was brought under the control of the Stores Branch than had been the case in the previous year.

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