

OPERATING EXPENDITURE.

The following table shows the *operating expenditure* under the main headings, together with appropriate comparisons with the previous year's figures :—

Operating Expenditure.	Amount.		Variation 1939 with 1938.		Percentage of Operating Revenue.	
	1939.	1938.				
Maintenance—	£	£	£	Per Cent.	1939.	1938.
Way and works ..	1,375,829	1,278,980	+ 96,849	7·57	17·19	16·85
Signals ..	186,546	178,892	+ 7,654	4·28	2·33	2·36
Rolling-stock ..	1,832,615	1,792,562	+ 40,053	2·23	22·89	23·61
Examination, lubrication, and lighting of vehicles	85,482	78,727	+ 6,755	8·58	1·07	1·04
Transportation—						
Locomotive ..	1,727,375	1,624,383	+102,992	6·34	21·58	21·40
Traffic ..	2,208,310	2,090,471	+117,839	5·64	27·58	27·54
General charges ..	247,475	247,770	— 295	0·12	3·09	3·25
Totals ..	7,663,632	7,291,785	+371,847	5·10	95·73	96·05

MAINTENANCE OF WAY AND WORKS.

The expenditure under this head amounted to £1,375,829, an increase of £96,849 (7·57 per cent.). Of the increase the cost of effecting repairs to the permanent-way caused by slips and floods accounted for £68,616. A large part of this increase was due to the unprecedentedly heavy floods which occurred in the upper Hawke's Bay district in the autumn of 1938. Other items of increased expenditure were the payment of wages at higher rates, certain increases to the outdoor staff having operated for the full year in 1939, as compared with seven months the previous year, and increased material debits.

Taking 1926 as the standard, and fixing the index figure for that year at 100 for the expenditure on maintenance of way and works and the average mileage of line maintained, the following summary shows the position over the past five years :—

	1926.	1935.	1936.	1937.	1938.	1939.
Total expenditure ..	100	92	94	102	112	120
Average mileage of line ..	100	104	104	104	105	105

MAINTENANCE OF SIGNALS AND ELECTRICAL APPLIANCES.

The expenditure amounted to £186,546, as against £178,892 last year, an increase of £7,654 (4·28 per cent.). Increased depreciation charges, additional staff, and various wage increases due to the operation of new wages schedule were the principal causes of the increase in expenditure under this heading.

MAINTENANCE OF ROLLING-STOCK.

The sum of £1,832,615 was expended under this head during the year, an increase over the expenditure for the previous year of £40,053 (2·23 per cent.). This increase is due to heavier engine-repair charges, mainly as the result of higher wages and material costs.

Locomotive Repairs.—Expenditure under this head was £765,501, an increase of £56,745 (8·01 per cent.) as compared with 1938. Of this increase, workshops repairs accounted for £34,782, depot repairs for £13,926, and depreciation charges for £10,270. Small reductions in expenditure occurred under other headings.

The following table shows the cost of maintenance per locomotive and per locomotive-mile over a period of five years :—

Cost per Locomotive.					Cost per Locomotive-mile.				
1935.	1936.	1937.	1938.	1939.	1935.	1936.	1937.	1938.	1939.
£	£	£	£	£	d.	d.	d.	d.	d.
855	1,016	1,117	1,228	1,350	8·44	9·42	9·61	9·82	10·31

Maintenance of Carriages, Vans, and Wagons.—The total cost of repairing and painting carriages and vans was £350,803, a decrease of £12,301 (3·39 per cent.) as compared with the previous year. The cost per vehicle-mile was 1·95d., as against 2·06d. in 1938. The principal decreases in expenditure were in connection with carriage repairs (£9,739) and conversions and alterations (£6,289). Small increases in expenditure were incurred in respect of depreciation charges and in repairs due to accidents.