

ANNUAL REPORT OF THE GENERAL MANAGER OF THE NEW ZEALAND
GOVERNMENT RAILWAYS

New Zealand Government Railways Department,
Head Office, Wellington, 14th July, 1944.

The Hon. the MINISTER OF RAILWAYS.

SIR,—

I have the honour to submit my annual report on the working of the New Zealand Railways for the financial year ended 31st March, 1944.

The report covers only the more important aspects of the year's operations, the usual comprehensive review of activities having been again dispensed with in view of the need to conserve paper supplies.

WORKING RESULT (Whole Undertaking)

	1944.	1943.	Variation, 1944 with 1943.	
Revenue	£15,325,306	£14,128,993	+£1,196,313	8·47
Expenditure	£12,757,336	£11,302,413	+£1,454,923	12·87
Net revenue	£2,567,970	£2,826,580	— £258,610	9·15
Return on average capital invested in open lines, per cent.	3·71	4·31	— 0·60	13·92
Interest charges	£2,765,724	£2,622,713	+ £143,011	5·45
Surplus of net revenue over interest charges	£197,754*	£203,867	— £401,621	..

* Deficit.

Revenue.—The gross revenue earned again established a new record, exceeding the previous record figure of last year by £1,196,313 (8·47 per cent.). The increased revenue was due to the higher earning-capacity of the community generally, increased industrial and commercial activity, and increased receipts from the movement of Armed Forces personnel and the carriage of military stores and equipment.

Expenditure.—The increased expenditure was chiefly due to the cost of handling the larger volume of traffic, the increased cost of stores and materials, increased wages-costs, and the provision of £410,500 for deferred maintenance. The last item was charged to operating expenditure and transferred to the general reserve.

The ratio of operating expenditure to revenue was 84·41, compared with 80·71 for the year 1942-43.

Net Revenue.—The net revenue showed a decrease of £258,610 (9·15 per cent.) compared with last year. This was a satisfactory result when allowance is made for the provision for deferred maintenance referred to above. In addition to that provision, the sum of £1,489,175 was set aside from the revenue account for depreciation, renewals, and other reserves, and superannuation subsidy prior to arriving at net revenue.

INTEREST CHARGES

Interest charges totalled £2,765,724, an increase of £143,011 compared with the previous year, and the net revenue fell short of the interest charges by £197,754.

MILEAGE OF LINES OPEN FOR TRAFFIC

The mileage of lines open for traffic at 31st March, 1944, was 3,504 miles 01 chains, being an increase of 44 miles 18 chains over the figure for the preceding year. The increased mileage is due to the Railways Department taking over the section between Inangahua and Te Kuha on 5th December, 1943, and the section between Clarence and Kaikoura on 13th March, 1944. Details of the additions made during 1943-44 are shown hereunder :—

Mileage of lines open for traffic; 31st March, 1943		M.	ch.
Mileage opened for traffic during 1943-44—		M.	ch.
Inangahua - Te Kuha	21	45	
Clarence - Kaikoura	22	53	
		44	18
Mileage of lines open for traffic as at 31st March, 1944		3,504	01

CAPITAL ACCOUNT

On the 31st March, 1944, the capital invested in the lines open for traffic and subsidiary services was £70,999,125. This represents an increase of £2,314,062 as compared with the previous year.