

1944
NEW ZEALAND

RAILWAYS STATEMENT

(BY THE MINISTER OF RAILWAYS, HON. R. SEMPLE)

MR. SPEAKER,—

This is the fourth Railways Statement it has been my pleasure to present, and I am gratified to be able to report another very good performance on the part of the railways.

FINANCIAL

The financial results of the year's operations may be regarded as entirely satisfactory. The gross revenue, £15,325,306, set a new record, exceeding last year's revenue by £1,196,313 (8·47 per cent.). Expenditure for the twelve months amounted to £12,757,336, an increase of £1,454,923 (12·87 per cent.).

The net revenue of £2,567,970 showed a decrease of £258,610 (9·15 per cent.) compared with 1942-43, and on a percentage basis the net return on capital was 3·71 per cent., as compared with 4·31 per cent. last year.

A factor in the increased expenditure which warrants special mention is the provision of £410,500 for deferred maintenance. During the war period the extraordinarily heavy volume of traffic has meant abnormal wear-and-tear on the rolling-stock, track, and equipment generally, while the shortage of material due to war requirements, coupled with the difficult man-power situation, has necessarily meant that less renewal and replacement work could be done than would have been the case in time of peace. In such circumstances it is better, while railway finance is buoyant, to charge to working-expenses an amount estimated to meet maintenance expenditure which would have been incurred but for wartime conditions rather than to make a more favourable showing for the present and load such costs on to the post-war period.

TRAFFIC

The amount of traffic handled during the year was greater than ever before in the history of the railways. The number of ordinary passenger journeys exceeded last year's record by 1,146,109 (6·67 per cent.), and the tonnage hauled also set a new record of 9,026,626 tons, an increase of 1·56 per cent. over last year's figure.

Both the traffic handled and the revenue would have been substantially greater had it not, unfortunately, been necessary to impose restrictions on both goods and passenger traffic in January of this year. Up till that time the results showed much greater increases over the comparable figures for last year than obtained at the end of the year.

COAL POSITION

Following the mention of the restrictions which had to be imposed, it is of interest to note the heavy increase in the purchases and consumption of coal by the railways since the outbreak of war. For the year ended 31st March, 1940, the purchases of New Zealand coal amounted, in round figures, to 490,000 tons, while for the year under review the purchases reached 615,000 tons; the consumption figures for coal used by the Locomotive Branch in the same years were 492,000 tons, as against 634,000 tons, an increase of nearly 29 per cent.