

## EXPENDITURE.

The expenditure for the year, including the sum of £6,618 incurred in connection with the Lake Wakatipu steamers, amounted to £2,705,609, an increase of £239,713 over the previous year, and absorbed 68·13 per cent. of the revenue, as against 67·07 per cent. for the previous year.

	Expenditure.		Per Cent. of Revenue.	
	1912-13. £	1911-12. £	1912-13.	1911-12.
Traffic ... ..	768,937	670,632	19·40	18·27
Locomotive ... ..	1,059,292	952,482	26·73	25·96
Maintenance ... ..	765,860	735,546	19·32	20·04
Management ... ..	104,902	101,239	2·64	2·76
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Lake Wakatipu steamers ...	2,698,991	2,459,899	68·09	67·08
	6,618	5,997	0·04	0·04
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	2,705,609	2,465,896	68·13	67·07

The increased expenditure in the Traffic Branch is due to the additional train-mileage, increases in salaries and wages of the staff, extension of tablet system and extra staff required to carry on the increasing business and operate the safety appliances installed.

In the Locomotive Branch the increase is due to the extra train-mileage, additional staff to meet requirements of the business, advances in salaries and wages, and the prices paid for fuel, stores, and material.

The increase in the cost of Head and departmental offices is incidental to the inclusion in the Head Office vote of items that have previously been charged under the sectional heading, and to scale increases of salaries under the Classification Act.

The cost of maintenance of lines, buildings, structures, safety appliances, &c., has increased from £735,546 to £765,860, representing an average of £270·61 against £263·46 per mile of railway for the previous year.

The increased expenditure has been incurred on the Whangarei-Kawakawa Section, £187; Gisborne, £1,579; North Island main line and branches, £27,414; South Island main line and branches, £3,099; Westland, £1,091; Picton, £91. The cost of maintenance has decreased on the Kaihu Section, £144; Westport, £1,315; Nelson, £1,688. In this branch also the principal increase has resulted from advance in the wages of the staff and the price of materials.

Additions and improvements to lines, structures, rolling-stock, &c., costing £50,319, which might reasonably have been debited to capital have been made during the year and charged to working-expenses.

The sum of £444,101 was expended under the head "Additions to open lines" and charged to Capital Account. Of this amount £279,524 was expended on rolling-stock, tarpaulins, pneumatic coaling-cranes, Westinghouse brake, Pintsch gas, steam heating-gear, foot-warmers, workshop machinery, and steamer for Lake Wakatipu service.

The rolling-stock in respect to which the charges were made consists of 20 locomotives, 71 carriages, 4 brake-vans, 40 bogie and 927 four-wheeled wagons, and 1,267 tarpaulins completed on the 31st March, 1913; and 44 locomotives, 99 carriages, 26 brake-vans, 113 bogie and 1,438 four-wheeled wagons, and 2,025 tarpaulins incomplete but in hand on that date.

The sum of £164,577 was spent in additions to station buildings, extension of station-yards and siding accommodation, water-services, additional dwellings, purchase and reclamation of land, additions to workshops, cranes, weighbridges, turntables, stone-crusher, bridgework and subways, fire-prevention services, wharves, gasworks, extension of signal and interlocking system, tablet-installation, telegraph and telephone facilities, duplication of line, reduction in grades and improvement of curves, &c.

## DUPLICATION OF LINES.

Expenditure under the Railways Improvements Authorization Act, 1904—Dunedin-Mosgiel duplication and deviation of line, £29,253 13s. 3d.