EXPENDITURE.

With so large an increase in the work by the Maintenance Department in almost every direction it is only to be expected that there would be a very large increase in annual expenditure.

The returns are not yet completed for the current financial year which ends in a few days, so that the expenditure for this year is given only approximately at about £760,000. For the year ending 31st March, 1912, the maintenance expenditure was £735,545 13s. 11d. The corresponding expenditure for the year 1899 was £357,188 14s. 5d. This shows that the expenditure has more than doubled. Part of this increase is due to extension of the lines, and part is undoubtedly caused by the general rise in price of materials of all kinds and in the increased rate of wages paid for labour of lower grades.

By reducing the totals to a rate per mile of railway maintained we get a more just basis of comparison. In 1899 the cost of maintaining 2,084 miles was £171 per mile. In 1912 the cost of maintaining 2,807 miles was £262 per mile, or more than half as much again—say, an increase of 53 per cent. per mile of railway. An analysis of this expenditure is given in the annual Railways Statement (Return 10), from which the subjoined table is compiled.

Cost of Maintenance in 1899 compared with 1912.

—	1899 (2,084 Miles).		1912 (2,807 Miles).		Increase.
	£	Per Mile. £	£	Per Mile. £	Per Mile. £
Track surfacing	119,557	57·4	239,514	85·3	27·9
Track renewals	101,048	48·5	173,067	61·7	13·2
Ballasting	11,290	5·4	29,945	10·7	5·3
Banks, cutting, &c.	13,944	6·7	22,106	7·9	1·2
Bridges, culverts, &c.	49,761	23·9	84,385	30·1	6·2
Fences, gates, &c.	9,333	4·4	22,784	8·1	3·7
Roads, approaches, &c.	2,896	1·4	6,712	2·4	1·0
Water-services, signals, cranes, &c.	7,140	3·4	34,484	12·3	8·9
Wharves	7,146	3·4	9,050	3·2	0·2
Buildings	24,550	11·8	86,875	30·9	19·1
Miscellaneous	7,298	3·5	23,024	8·2	4·7
General charges	3,224	1·6	3,596	1·3	0·3
Totals	£357,187	£171·4	£735,542	£262·1	..

	£
Gross increase	91·2
Less decrease	0·5
Total increase, per mile	£90·7

Cost of Track Surfacing.—From this it will be seen that the item of the greatest increase is the "track surfacing," which has risen close upon £120,000 a year. This represents a rise from 57·4 to 85·3 per mile. This item includes the greatest number of men at the lowest rate of pay in the service. Moreover, the greatest part of this expenditure consists of payments for wages. I find the number of platelayers and surfacemen employed at present is 1,420 men at 9s. on 2,807 miles, as compared with 997 men at 6s. 6d. on 2,084 miles. These numbers of men employed are practically the same as before—that is, approximately one man to two miles of railway—the greatest number now employed corresponding with the additional mileage almost exactly. The difference of the total expenditure on this head, therefore, is accounted for by the greater mileage and the extra amount of pay and allowances now given.

I do not find the men do more work than formerly, but that they work less hours, and conclude that this item of £239,514 is raised about £66,000 a year by the extra rate of pay and allowances. With this great rise in pay of the surfacemen the pay of the ganger has not been adequately raised to correspond with his vastly greater position of trust and responsibility, and this seems to me to disparage a service on which safety of the lines so largely depends.

I attribute the improved condition of the tracks to the very greatly enhanced stability of the material in the lines due to the relaying, which enables the tracks to be kept in better condition with less work.

Cost of Buildings.—The next highest increase of cost is in the items "Station buildings and houses," which has risen £62,325—that is, from £11·8 per mile to £30·9—a rise of £19·1 per mile. The great additions to and renewals of stations and buildings and extra cost of materials have already been noticed, and I think this rise is thereby accounted for.

Cost of Track Renewals.—This shows a rise of £13·2 per mile. This increase is fully accounted for by the great amount of relaying done in the period. I consider it the most satisfactory increase; it represents an enhanced asset of the Railway property, and, together with the strengthening of bridges, is the line on which the exigencies of increasing traffic has been and is provided for.

Other Increases in Cost.—The other items of increased expenditure correspond with the additional work done in maintaining and improving existing works, as has been already described.