

REVENUE.

The gross revenue for the year amounted to £6,908,531, an increase of £1,156,044 on the earnings of the previous year and £908,531 above the estimates. The particulars are as follows :—

	1921.	1920.
	£	£
Passengers, ordinary	2,459,362	2,138,391
Season tickets	198,717	165,596
Parcels, luggage, and mails	335,754	290,453
Goods	3,676,665	2,956,237
Miscellaneous, rents, &c.	238,034	201,810
	<u>£6,908,531</u>	<u>£5,752,487</u>

The gross receipts per train-mile for all lines were 178·00d., as against 186·00d. for the preceding year, a decrease of 8·00d. per train-mile.

The North Island main line and branches produced 180·00d., as against 183·50d. per train-mile for the previous year, a decrease of 3·50d.

The South Island main line and branches gave a return of 173·00d., as against 195·50d. last year, a decrease of 22·50d.

The earnings from the Lake Wakatipu steamers amounted to £8,989, an increase of £1,111 over the revenue for the previous year.

The net revenue, £1,271,930, was equal to a return of 3·42 per cent. on the capital invested in the lines open for traffic (£37,235,254), and 3·07 per cent. on the capital invested in the opened and unopened lines (£41,425,496).

EXPENDITURE.

The working expenditure for the year under review, including £10,458, the cost of working the Lake Wakatipu traffic, amounted to £5,636,601, an increase of £1,531,534 over the expenditure for last year. The ratio of expenditure to earnings was 81·59, as compared with 71·36 for the preceding year, an increase of 10·23.

	Expenditure.		Per Cent. of Revenue.	
	1920-21.	1919-20.	1920-21.	1919-20.
	£	£		
Traffic	1,712,376	1,301,935	24·82	22·66
Locomotive	2,656,812	1,785,491	38·51	31·08
Maintenance	1,053,049	837,910	15·26	14·59
Management	203,906	171,767	2·95	2·99
	<u>5,626,143</u>	<u>4,097,103</u>	<u>81·54</u>	<u>71·32</u>
Lake Wakatipu steamers	10,458	7,964	0·05	0·04
	<u>£5,636,601</u>	<u>£4,105,067</u>	<u>81·59</u>	<u>71·36</u>

Of the gross increase (£1,531,534), the sum of £860,563, equal to 56·19 per cent., represents the increased cost of wages, salaries, and conditions granted to the Railway staff as the result of investigations made into cost of living by the Boards set up in 1920. The balance, £649,166, or 42·39 per cent., represents the enhanced prices for stores and materials used during the year in carrying out the operations of the Department, and £21,805, or 1·42 per cent., the increase in the cost of miscellaneous services.

The cost-of-living bonuses were incorporated in the schedule to the Government Railways Act, 1920, to operate retrospectively from the 1st April of that year.

On 6th March, 1921, a further bonus of 1s. per day was granted to tradesmen, and the forty-four-hour week which had been effective in the workshops since 1919 was made applicable to those members of the Second Division who had previously worked forty-eight hours, a corresponding reduction in hours being made in the case of those members performing light duties and whose week was longer than forty-eight hours.

Of the total increase in the expenditure of the Traffic Branch, salaries and wages absorb £360,033, or 87·20 per cent.; stores £32,095, or 7·77 per cent.; and miscellaneous £20,752, or 5·03 per cent.

In the Locomotive Branch salaries and wages absorb £320,011, or 36·72 per cent.; coal, oil, and other stores and materials £515,436, or 59·14 per cent.; miscellaneous £36,002, or 4·14 per cent.

Maintenance increases are represented by salaries and wages, £151,548, or 70·47 per cent.; stores, £61,789, or 28·73 per cent.; and miscellaneous, £1,720, or 0·80 per cent.

Under the head "Management," salaries and wages absorb £28,970, or 90·11 per cent. of the increase; stores, £3,178, or 9·89 per cent.

The sum of £218,182 was expended in the Maintenance Branch and charged to capital under the head "Additions to open lines." These comprise improvements to workshops, engine-depots, station facilities, water-services, additional dwellings; signal, tablet, and telephone installation interlocking; gasworks extension, and purchase of land.

In the Locomotive Branch £112,248 was expended in the provision of additional rolling-stock, tarpaulins, Westinghouse brake, and workshops machinery.