

1926.
NEW ZEALAND.

RAILWAYS STATEMENT

BY THE MINISTER OF RAILWAYS, THE RIGHT HON. J. G. COATES.

MR. SPEAKER,—

In presenting my fourth annual Railways Statement I am pleased to be able to record a year of very satisfactory progress.

The net revenue amounted to £1,992,333, which is equal to 4·35 per cent. on the capital invested in lines open for traffic, including expenditure on railway-improvement works which have not yet reached the stage when they are revenue-producing.

Included in the revenue is £359,540 paid from the Consolidated Fund in terms of the Government Railways Amendment Act, 1925, in respect of services performed by the Department in working developmental lines.

The sum of £317,142 has been charged against expenditure and set aside as a Renewals and Insurance Fund. Excluding these two items, which have not hitherto appeared in the accounts, the net revenue amounted to £1,949,935, equal to 4·25 per cent. on the average capital invested, as compared with 3·55 per cent. for the previous year.

A Betterments Fund has also been established to provide for improved accommodation in passenger-carriages and the replacement of gas by electric-lighting therein, improvements in shunting-yards, the retirement of obsolete equipment and works not fully covered by the Renewals Fund, and minor improvements required to maintain the standard of service. The sum of £58,000 has been credited to this fund during the year.

After paying interest charges at the rate of £5·3s. 9d. per cent. on capital raised under the provisions of the Railways Improvement Authorization Act, 1914, and £4·2s. 6d. per cent. on all other capital moneys, there remains a surplus of £21,022.

The subsidy paid from the Working Railways Account to the Government Railways Superannuation Fund was increased during the year by £65,000 to £145,000, equivalent to 18s. 10d. in the pound on members' contributions.

The results of the year's working must on the whole be considered to be very satisfactory. Nearly all classes of traffic show an increase in both volume and revenue, due not only to the natural growth of business, but also in a large measure to the spirit of enterprise which has actuated all ranks of the staff in fostering traffic and catering for the requirements of the Department's customers.

RAILWAY FINANCES AND ACCOUNTING.

In accordance with the policy laid down in previous Statements, and under authority of the Government Railways Amendment Act, 1925, a separate Working Railways Account was established in the Treasury as from the 1st April, 1925, from which date full responsibility for the financial administration of the railway revenue