

The particulars of the expenditure on train-operation are as follows :—

	1927-28.	Percentage of Operating Revenue.	1926-27.	Percentage of Operating Revenue.
	£		£	
Maintenance—Ways and works	1,147,067	15.62	1,074,334	14.47
Maintenance—Signals	102,871	1.40	100,861	1.36
Maintenance—Rolling-stock	1,380,727	18.80	1,303,444	17.56
Examination, lubrication, and lighting of vehicles	62,510	0.85	60,095	0.81
Transportation—Locomotive	1,599,564	21.78	1,609,257	21.68
Transportation—Traffic	1,760,459	23.97	1,752,998	23.61
Head Office and general charges	75,048	1.02	82,287	1.11
Superannuation subsidy	173,873	2.37	175,007	2.36
	6,302,119	85.81	6,158,283	82.96
Net operating revenue	1,041,726	14.19	1,265,189	17.04

The operating expenditure per train-mile for all lines was 139.55d., as against 137.82d. for the preceding year, an increase of 1.73d. per train-mile. The expenditure per train-mile on the North Island Main Line and Branches Section was 128.82d., and on the South Island Main Line and Branches Section 153.71d.

Subsidiary Services Expenditure.—The expenditure in connection with subsidiary services was £383,004, as against £332,597 for the year 1926-27. The particulars of the expenditure in connection with subsidiary services are :—

	1927-28.	1926-27.
	£	£
Lake Wakatipu steamers	15,627	15,859
Refreshment service	114,644	119,567
Advertising service	48,921	42,509
Departmental dwellings	162,263	137,547
Leases refreshment-rooms, bookstalls, &c.	8,828	8,271
Road motor services	32,721	8,844
	<u>£383,004</u>	<u>£332,597</u>
Net revenue from subsidiary services (including miscellaneous receipts)	<u>£308,121</u>	<u>£233,364</u>

NET REVENUE.

The Net Revenue Account from all services, after setting aside the sum of £284,102 for renewals and equalization funds and paying interest charges amounting to £2,130,867, shows a deficit of £291,452, as compared with a deficit of £99,659 last year.

Particulars are shown hereunder :—

	£
Net earnings, train-operating	1,041,726
Net earnings, subsidiary services	308,121
	<u>1,349,847</u>
Subsidy in respect of developmental lines	489,568
	<u>1,839,415</u>
Interest charges	2,130,867
	<u>2,130,867</u>
Deficit	<u>£291,452</u>