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NEW ZEALAND

# REPORT OF ROYAL COMMISSION TO INQUIRE INTO AND REPORT UPON THE NEW ZEALAND GOVERNMENT RAILWAYS

*Laid on the Table of the House of Representatives by Command of His Excellency*

*Commission to Inquire Into and Report Upon the New Zealand  
Government Railways*

ELIZABETH THE SECOND by the Grace of God, of Great Britain, Northern  
Ireland, and the British Dominions beyond the Seas, Queen,  
Defender of the Faith:

To Our Trusty and Well-beloved SIR JOHN ANDREW CHARLES ALLUM  
C.B.E., Mayor of the City of Auckland; WALTER OSWALD GIBB,  
Company Director and Manager, of Wellington; and CARL  
VICTOR SMITH, C.B.E., Company Director, of Dunedin:  
GREETING:

WHEREAS we have deemed it expedient that a Commission should issue  
to inquire into the New Zealand Government Railways:

Now know ye that We, reposing trust and confidence in your  
impartiality, integrity, and ability, do hereby nominate, constitute, and  
appoint you, the said

Sir John Andrew Charles Allum, C.B.E.,  
Walter Oswald Gibb, and  
Carl Victor Smith, C.B.E.

to be a Commission to inquire into and report upon all aspects of  
the New Zealand Government Railways, their future development and

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sphere of operations, and, in particular, but without in any way limiting the scope of the inquiry and your powers relating thereto, to inquire into and report upon the following matters:—

1. The adequacy and efficiency of all services operated by the New Zealand Railways Department, and of its motive power, rolling-stock, road service vehicles, stations, sheds, workshops, yards, and similar establishments.

2. The adequacy in numbers, experience, efficiency, and mobility of the existing staff and steps, if any, necessary, to conserve and augment the staff or improve its location by means of housing, hostels, and the like.

3. The incidence of competition by other transport operations, the effect of subsidies on services, and the desirability of delineating a sphere of operations for railway services and other transport operations.

4. The desirability or otherwise of the abandonment of working (either wholly or partly or temporarily or permanently) of any portion or portions of the railway system or of any stations thereon having regard to the present and prospective resources of the railways in staff and facilities, the financial results of operating such lines or stations, and the extent to which they are used, and the alternative transport arrangements (if any) which should be made available in the event of such abandonment.

5. The adequacy and suitability of the scale of goods rates, passenger fares, and all other charges for railway services having regard to the proper sphere of railway operations, the costs of operation, the competitive situation, and the capacity of the railways to handle existing and prospective traffic.

And generally to inquire into and report upon such other matters as may come to your notice in the course of your inquiries and which you consider should be investigated in connection therewith, and upon any matters affecting the premises which you consider should be brought to the attention of the Government.

And We do hereby appoint you the said

Sir John Andrew Charles Allum

to be Chairman of the said Commission:

And for the better enabling you to carry these presents into effect you are hereby authorized and empowered to make and conduct any inquiry under these presents at such time and place as you deem expedient, with power to adjourn from time to time and place to place as you think fit, and so that these presents shall continue in force, and the inquiry may at any time and place be resumed although not regularly adjourned from time to time or from place to place:

And you are hereby strictly charged and directed that you shall not at any time publish or otherwise disclose, save to His Excellency the Governor-General, in pursuance of these presents or by His Excellency's direction, the contents of any report so made or to be made by you or any evidence or information obtained by you in the exercise of the powers hereby conferred upon you except such evidence or information as is received in the course of a sitting open to the public:

And We do further ordain that you have liberty to report your proceedings and findings under this Our Commission from time to time if you shall judge it expedient so to do:

And, using all due diligence, you are required to report to His Excellency the Governor-General, in writing under your hands and seals, not later than the 30th day of June 1952, your findings and opinions on the matters aforesaid, together with such recommendations as you think fit to make in respect thereof:

And, lastly, it is hereby declared that these presents are issued under the authority of the Letters Patent to His late Majesty dated the 11th day of May 1917, and under the authority of and subject to the provisions of the Commissions of Inquiry Act 1908, and with the advice and consent of the Executive Council of New Zealand.

In witness whereof We have caused this Our Commission to be issued and the Seal of New Zealand to be hereunto affixed at Wellington, this 3rd day of March in the year of Our Lord one thousand nine hundred and fifty-two, and in the first year of Our Reign.

Witness Our Trusty and Well-beloved Bernard Cyril, Baron Freyberg, on whom has been conferred the Victoria Cross, Knight Grand Cross of Our Most Distinguished Order of Saint Michael and Saint George, Knight Commander of Our Most Honourable Order of the Bath, Knight Commander of Our Most Excellent Order of the British Empire, Companion of Our Distinguished Service Order, Lieutenant-General in Our Army, Governor-General and Commander-in-Chief in and over New Zealand and its Dependencies, acting by and with the advice and consent of the Executive Council of New Zealand.

[L.S.]

FREYBERG, Governor-General.

By His Excellency's Command—

W. S. GOOSMAN, Minister of Railways.

Approved in Council—

T. J. SHERRARD, Clerk of the Executive Council.

## REPORT

To His Excellency the Right Honourable Bernard Cyril, Baron Freyberg, on whom has been conferred the Victoria Cross, Knight Grand Cross of Our Most Distinguished Order of Saint Michael and Saint George, Knight Commander of Our Most Honourable Order of the Bath, Knight Commander of Our Most Excellent Order of the British Empire, Companion of Our Distinguished Service Order, Lieutenant-General in Our Army, Governor-General and Commander-in-Chief in and over New Zealand and its Dependencies.

MAY IT PLEASE YOUR EXCELLENCY,—

Your Commission commenced sitting in Auckland on the 24th March 1952, and heard evidence until the 26th March inclusive, and then proceeded to Dunedin, evidence being taken there on 1st April. From Dunedin your Commission proceeded to Christchurch, where evidence was heard on 21st and 22nd April. Your Commission returned to Wellington and heard evidence from the 5th to 8th May, and on 15th May heard evidence at Nelson. After hearing evidence at Palmerston North on the 26th May your Commission returned to Wellington.

The hearing of evidence was completed at Wellington on 27th May and your Commission then carefully reviewed all evidence, both oral and written, placed before it.

In addition to its public sittings your Commission had discussions with various local bodies and organizations at Donnelly's Crossing, Dargaville, Blenheim, New Plymouth, and Wanganui. Your Commission inspected various branch lines throughout the railway system, and also workshops, marshalling yards, goods sheds, and various other facilities.

The following is a list of the witnesses examined:—

- H. C. Lusty, General Manager, New Zealand Government Railways, Wellington.
- D. A. Clarke, Transportation Superintendent, New Zealand Government Railways, Wellington.
- A. H. Murison, Chief Civil Engineer, New Zealand Government Railways, Wellington.
- E. J. Brennan, Managing Director, Northern Road Transport, Ltd., Auckland.
- H. J. Knight, Secretary, New Zealand Road Transport Alliance, New Zealand Carriers' Federation, and New Zealand Passenger Services' Federation, Wellington.
- J. P. Glenie, Chairman, Communications and Transport Committee, Auckland Chamber of Commerce, Auckland.
- H. Turner, Managing Director, Turners and Growers, Ltd., Auckland.
- C. L. Edwards, Manager, Edwards Motors, Ltd., Auckland.
- E. H. Alington, Chief Accountant, New Zealand Government Railways, Wellington.
- S. M. Conway, Secretary, New Zealand Citrus Council (Inc.), Auckland.
- J. R. Tyson, Secretary, Pukekohe Chamber of Commerce, Pukekohe.
- S. Ensor, Mayor, Thames.
- W. E. Hodges, Commercial Manager, New Zealand Government Railways, Wellington.
- R. F. Black, Chief Mechanical Engineer, New Zealand Government Railways, Wellington.
- E. V. Friend, Staff Clerk, District Civil Engineer's Office, New Zealand Government Railways, Auckland.
- W. G. Sommerville, Representing Hobson County Council, Dargaville.

- H. L. Hedger, Councillor, Omapere Riding, Hokianga, County.  
 D. V. Day, President, Federated Farmers of New Zealand, Auckland Province (Inc.), (Waiuku Branch), Waiuku.  
 H. O. England, President, Auckland Master Carriers' Association (Inc.) and Auckland Owner-Drivers Carriers' Association (Inc.), Auckland.  
 R. W. Bennett, Councillor, Franklin County Council, Pukekohe.  
 F. N. Hemphill, Town Clerk, Waiuku Town Board, Waiuku.  
 W. Ringer, President, Waiuku Chamber of Commerce, Waiuku.  
 J. R. Barker, Commercial Agent, New Zealand Government Railways, Auckland.  
 G. J. Errington, President, Otago Expansion League, Dunedin.  
 J. Phillips, Otago Commercial Transport Association (Inc.), Dunedin.  
 J. Preston, Chairman, Otago Harbour Board, Dunedin.  
 W. P. Hartstonge, Mayor, Borough of Mosgiel.  
 J. A. McPhail, Secretary, New Zealand Port Employers' Association (Inc.), Dunedin Branch, Dunedin.  
 J. A. Bradshaw, Staff Instructor, New Zealand Government Railways, Dunedin.  
 M. S. Arthur, President, Dunedin Chamber of Commerce (Inc.), Dunedin.  
 O. D. Fraser, Secretary, Canterbury Sale Yards Co., Ltd., Christchurch.  
 R. C. Neville, President, New Zealand Road Transport Alliance (Christchurch Branch), Christchurch.  
 D. J. Cunningham, Chairman, Christchurch and Suburban Carriers' and Customhouse Agents' Association, Ltd., Christchurch.  
 F. J. Murray, Secretary, Federated Coal Merchants (South Island), Christchurch.  
 T. W. Curr, Secretary, Christchurch Tomato and Stone Fruit Growers' Association, Ltd., Christchurch.  
 W. F. Sillars, Secretary, New Zealand Port Employers' Association (Inc.), (Christchurch Branch), Christchurch.  
 R. A. Witbrock, Vice-President, Canterbury Chamber of Commerce, Christchurch.  
 H. M. Carr, Representing North Canterbury Lime Trade Group, Christchurch.  
 J. B. Bayley, Member, Federated Farmers of New Zealand, North Canterbury Provincial District, Christchurch.  
 J. F. G. Blakeley, Chairman, Federated Farmers of New Zealand, North Canterbury Provincial District, Christchurch.  
 C. J. Alford, Surfaceman, New Zealand Government Railways, Styx.  
 J. L. Laby, Chairman, Cargo Control Committee, Christchurch.  
 L. C. Walker, Christchurch.  
 W. R. Carey, President, Automobile Association, Canterbury, Christchurch.  
 C. H. Crombie, Representing the Canterbury Steam Shipping Co., Ltd., Christchurch.  
 A. P. O'Shea, General Secretary, Federated Farmers of New Zealand (Inc.), Wellington.  
 J. M. Jeffs, Secretary, Wellington Carriers' Association, Wellington.  
 W. H. Johannsen, Carrier, Wellington.  
 A. L. Hunt, President, Dominion Settlement and Population Association (Inc.), Wellington.  
 C. A. R. Walker, Fruit Distributors, Ltd., Wellington.  
 H. Maddock, Publicity and Advertising Manager, New Zealand Government Railways, Wellington.  
 P. W. Gasson, Comptroller, Refreshment Branch, New Zealand Government Railways, Wellington.  
 J. B. Main, President, Amalgamated Society of Railway Servants, Wellington.  
 T. F. Gebbie, General Secretary, the New Zealand Railway Tradesmen's Association, Wellington.  
 W. E. Worsfold, Staff Superintendent, New Zealand Government Railways, Wellington.  
 G. Fairburn, Comptroller of Stores, New Zealand Government Railways, Wellington.  
 A. E. Davenport, General Manager, State Hydro-electric Department, Wellington.  
 S. Newman, Managing Director, Newman Brothers (North Island), Ltd., Palmerston North.  
 F. G. Tebay, Managing Director, Hawke's Bay Motor Co., Ltd., Napier.  
 A. R. Tarr, General Secretary, New Zealand Railway Officers' Institute (Inc.), Wellington.  
 N. D. Binnie, Chairman, Overseas Shipowners' Allotment Committee, Wellington.  
 Captain M. T. Holm, Secretary, New Zealand Port Employers' Association, Wellington.  
 G. H. Norman, Secretary, New Zealand Shipowners' Federation, Wellington.  
 R. V. Frederic, Superintendent, New Zealand Government Railways Road Services, Wellington.  
 F. W. Aickin, Ex General Manager, New Zealand Government Railways, Wellington.  
 D. G. Ormsby, Representing Auckland Provincial Lime Millers' Association, Auckland.

- Professor Munro, Representing the Progressive and Ratepayers' Associations of Tawa Flat, Linden, Porirua, Titahi Bay, Paremata, Plimmerton, Pukerua Bay, and Paekakariki.
- H. Trewby, Wellington.
- V. J. Wilson, Clerk, New Zealand Government Railways, Wellington.
- J. Walker, Transport Licensing and Co-ordination Officer, New Zealand Government Railways, Wellington.
- G. L. Laurenson, Commissioner of Transport, Wellington.
- T. D. Ward, Assistant Secretary, Dominion Sawmillers' Federation (Inc.), Wellington.
- J. V. Kean, Executive Officer, Professional Engineers' Association of New Zealand (Inc.).
- M. B. Grainger, Executive Officer, Commercial Division, New Zealand Forest Service, Wellington.
- E. A. Gibson, Director of Civil Aviation, Wellington.
- J. S. Hunter, Deputy Chairman, National Airways Corporation.
- C. C. Couchman, General Secretary, New Zealand Locomotive Engine-drivers, Firemen, and Cleaners' Association, Wellington.
- R. T. Smith, Chairman, Main Highways Board.
- J. A. Harley, Mayor, Nelson.
- J. H. Brunt, Vice-President, Nelson Provincial Progress League, Nelson.
- W. D. Dron, Representing Nelson Provincial Federated Farmers, Nelson.
- S. A. Whitehead, Secretary, the Nelson Trades and Labour Council, Nelson.
- W. H. Parr, Managing Secretary, Nelson Harbour Board, Nelson.
- H. G. West, Nelson District Licensed Goods Operators' Association (Inc.), Nelson.
- S. A. Croucher, Managing Director, Nelson Suburban Bus Co., Ltd., and Cotton's Bus Co., Ltd., Nelson.
- J. Newman, and P. S. Boyes, Transport (Nelson), Ltd., Nelson.
- G. Tremaine, Mayor, Palmerston North.
- A. J. Beattie, President, G. R. Kear, representing Palmerston North Chamber of Commerce, Palmerston North.
- J. E. Greenslade, President, New Zealand Carriers' Federation (Manawatu Branch), Palmerston North.
- J. B. Bergin, Representing Foxton Chamber of Commerce, Foxton.
- N. Speirs, Timber Merchant, Foxton.
- J. P. McDavitt, Secretary, New Zealand Motor Omnibus Proprietors' Association, Wellington.
- C. F. Lowe, Representing New Zealand Dairy Produce Cool Stores Association, Wellington.
- J. B. Walton, Representing North Island and South Island Freezing Companies' Associations, Wellington.
- H. C. Campbell, Accountant, New Zealand Road Transport Alliance, Wellington.
- T. M. McKewen, Secretary, New Zealand Counties' Association (Inc.), Wellington.
- F. W. Lindup, Inspecting Engineer, Ministry of Works, Wellington.
- F. R. Murray, Train Running Officer, New Zealand Government Railways, Wellington.
- E. R. McKillop, Commissioner of Works, Wellington.

Written evidence was also submitted by the following :—

- W. E. Knowles, K. W. Denton, G. May, Stockbuyers, Oxford.
- T. D. Lee and others, Christchurch.
- J. Corbett, Secretary, New Zealand Carriers' Federation (Inc.), the New Zealand Road Transport Alliance (Inc.), North Otago Branches.
- T. H. Brehant, Guard, New Zealand Government Railways, Timaru.
- D. Scott, Guard, New Zealand Government Railways, Timaru.
- Blenheim Chamber of Commerce, Blenheim.
- W. Knudsen, County Clerk, Awatere County Council, Seddon.
- G. J. Struthers, Greymouth.
- D. J. Sullivan, Secretary, the New Zealand Road Transport Alliance (Inc.), Buller Branch.
- P. A. Hannifin, Officer in Charge, New Zealand Government Railways Road Services, Waimate.
- E. Roberts, Oamaru.
- R. H. Clark, Public Accountant, Dunedin.
- F. G. Duncan, Orchardist, Dunedin.
- R. H. Cardno, Port Chalmers.
- R. S. Thompson, Wetherstones, Lawrence.
- A. M. Kinnaird, Earnsclough Fruitgrowers' Association, Ltd., Alexandra.
- W. R. Smart, Otautau.

- E. C. S. Hay, Secretary, Southland District Motor Transport Association (Inc.), Invercargill.
- J. S. Haywood, Secretary, The New Zealand Road Transport Alliance (Inc.), Waipara-Amuri-Cheviot Branch.
- J. M. Bottomley, East Chatton, Gore R.D.
- G. Hewton, Managing Director, H. and H. Motors, Ltd., Invercargill.
- Secretary, Federated Farmers of New Zealand (Inc.), Gisborne Provincial District, Gisborne.
- S. S. Green, Representing Settlers of Donnelly's Crossing and the Ridings of Tutamoe and Waipoua.
- J. W. Wydur, Donnelly's Crossing.
- The Kaikohe Businessmen's Association, Kaikohe.
- The Kaikohe Chamber of Commerce, Kaikohe.
- The Whangarei Chamber of Commerce, Whangarei.
- C. Waymouth, Secretary, the New Zealand Road Transport Alliance (Inc.), Whangarei Branch.
- W. Trueman, Town Clerk, Foxton Borough Council.
- D. F. Lagan, Secretary, New Zealand Timber Merchants' Federation (Inc.), Wellington.
- B. Hutchin, Chairman, Taranaki Local Bodies' Association, Eltham.
- B. E. Pope, Secretary, Takanini Racing Owners, Breeders', and Trainers' Association (Inc.), Takanini.
- C. F. Laing, Hon. Secretary, Auckland Associated Mountain Clubs, Auckland.
- The Auckland Harbour Board.
- Federated Farmers of New Zealand (Inc.), Auckland Province.
- G. Loretz, Hon. Secretary, Rosebank Peninsular Property Protection Association, Avondale.
- T. A. F. Stone, Retired Railway Engineer, Auckland.
- L. J. Wydur, Auckland.
- J. L. Stichbury, Patumahoe.
- Te Aroha Chamber of Commerce.
- G. E. Button, Secretary, Thames Valley Carriers' Association (Inc.), Thames.
- D. E. Friedlander, Putaruru Master Carriers' Association, Putaruru.
- J. W. Sutherland, Thames.
- Matamata County Council.
- A. E. Wilson, Secretary, Te Puke Chamber of Commerce, Te Puke.
- I. E. Thompson, Secretary, Opotiki Carriers' Association (Inc.), Opotiki.
- P. Addis, Ohura.
- F. C. Daniell, Masterton.
- P. G. James, Sailmaker, New Zealand Government Railways, East Town.
- K. E. McLennan, Gisborne.
- A. J. Hills, Hastings.
- C. H. Beddis, Hastings.
- H. G. Carr, Secretary, the New Zealand Road Transport Alliance (Inc.), Hawke's Bay Branch.
- T. May, Ganger, New Zealand Government Railways, Opapa.
- The New Zealand Road Transport Alliance (Inc.), South Hawke's Bay Branch.
- H. J. Topp, Manager, the Farmers' Mauriceville Lime Company, Ltd., Mauriceville.
- C. F. Wood, Masterton.
- Shannon Borough Council.
- J. R. Richardson, Johnsonville.
- W. London, Trentham.
- New Zealand Port Employers' Association (Inc.), New Plymouth Branch.
- New Plymouth Harbour Board.
- D. B. Curry, The New Zealand Road Transport Alliance (Inc.), Wairarapa Branch, Masterton.
- K. Hammond, Hunterville.
- W. J. Gardner, Secretary, Harbours' Association of New Zealand, Wellington.
- A. B. Dellow, General Secretary, New Zealand Manufacturers' Federation, Wellington.
- A. Headfin, Secretary, New Zealand Apple and Pear Marketing Board, Wellington.
- A. D. M. G. Laing, Wellington.
- T. F. Simpson, Lower Hutt.
- H. J. Conder, Wellington.
- I. T. G. Johnston, Hon. Secretary, the New Zealand Railway and Locomotive Society.
- N. W. McCormick, County Clerk, Waikohu County Council, Te Karaka.
- J. Newman, representing Newman Bros., Ltd., Nelson.
- W. P. J. Allardyce, Nelson.
- H. C. Hanes, President, Gisborne Chamber of Commerce, Gisborne.
- S. Cameron, Hon. Secretary, the New Zealand Institute of Refrigeration Engineers.

We commenced our duties immediately after our appointment, and in dealing with the various topics contained in the order of reference we have given careful consideration to the points raised and have endeavoured to answer all matters contained therein. The order of reference is wide and overlaps in parts; because of this a certain amount of repetition has been unavoidable.

As the completion of this report was regarded as urgent, we decided to direct our attention more to the major facts creating the present position of the railways and endeavoured to find a solution, rather than investigate a wide range of details which should be the responsibility of management.

The financial year of the Railways Department closed on 31st March 1952. We have since viewed the financial results for last year and have in most cases been able to obtain the latest statistical information. Some of the comparative statistics we have referred to are, however, of necessity related to the financial year ended 31st March 1951.

This report is divided as follows:—

Preface.

1. The Present Position of the Railways.
  2. The Order of Reference Nos. 1, 2, 3, 4, 5.
  3. Other Matters Affecting Railways.
  4. General and Recommendations.
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## PREFACE

SHORTLY after we entered on our investigations we realized that in an undertaking turning over approximately two million pounds per month a very small margin of error in costing or calculating a suitable tariff could, at the end of the financial year, produce the difference between a profit and a loss. One of the early submissions made raised doubts in our minds as to whether the railways freight tariffs were soundly based and whether the Department really knew their basic costs for individual commodities transported. We doubted also whether railway freights for what are popularly known as "short hauls" were actually as unprofitable as the Department deemed them to be. We realized, also, that as Section No. 5 of the order of reference required us to report to Your Excellency as to the adequacy and suitability of the scale of goods rates, passenger fares, and other charges, it would be most desirable to investigate the costs of this intricate organization. We therefore arranged to engage the services of Mr. L. C. Nisbet, F.P.A.N.Z., who has in recent years had extensive experience in investigating and reviewing the financial returns and costs of several large industrial organizations, including transport, both in the course of public practice and for the Government Stabilization Commission.

We wish here to express our thanks to the Hon. the Minister of Justice for releasing Mr. Nisbet for a time from his duties as a member of the Licensing Commission.

Mr. Nisbet has reported to us in some detail, and we regard his report of such moment in the operation of the Railways that we have incorporated it in full as Appendix No. 1. We regard the question of costing in the Railways Department as a matter of supreme importance, and we strongly recommend a careful perusal of the whole of Mr. Nisbet's report. The matter is referred to in further detail in Part 2 of this report.

We take this opportunity of expressing publicly our great appreciation of Mr. Nisbet's strong sense of national duty in undertaking this task at very short notice and, within our knowledge, at very considerable inconvenience.

## PART 1

**BRIEF OUTLINE OF THE PRESENT POSITION OF THE RAILWAYS**

WE found the present position to be as follows:—

(1) The gross earnings for the year ending 31st March 1952 increased by £1,907,695, but the gross expenditure increased by £3,115,973.

(2) As a result the operational earnings fell from a profit of £5,790 in 1951 to a loss of £1,202,488, without provision for any interest.

(3) With interest charges added the total loss amounted to £4,199,005.

(4) The operating earnings increased by 76·18d. per revenue train-mile, but the operating expenses increased by 99·87d.

(5) Largely owing to the dislocation caused by the strike, necessitating a serious curtailment of passenger services, the number of passenger journeys decreased by 3,531,519.

(6) The tonnage carried increased by 212,914 tons.

(7) Branch Lines: With only one exception all the Branch lines show a loss.

(8) The loss of £21,616 in operating refreshment-rooms in 1951 increased to £50,053 in 1952.

(9) A profit of £2,863 in operating bookstalls in 1951 turned into a loss of £2,393 in 1952.

(10) The New Zealand Railway Road Services show a loss of £28,200 in 1952, compared with a loss of £52,504 in 1951.

(11) The staff shortages as submitted by the Department amount to 4,920.

(12) The shortage of locomotive-running staff prevents the operation of more trains, while shortage of workshop staff delays repairs to wagons.

(13) At 31st March 1952 over 280,000 private motor-cars were registered, an increase of 30,000 over 1951. At the same date 95,181 commercial vehicles were registered, being an increase of 10,260 over 1951.

(14) There is increasing competition from road transport, brought about mainly through a substantial increase in the number of licences (temporary or otherwise) granted by the Licensing Authorities for the carriage of goods and comparatively little policing of the Transport Regulations. (The number of temporary licences now being granted per month averages 1,644.)

(15) For a variety of reasons, a shortage of wagons is creating serious dislocation to industry and shipping and at the same time is losing valuable earning capacity for the Railways.

(16) Shipping Congestion: Owing to the heavy influx of goods, with consequent abnormal increase in the number of overseas vessels arriving at one time during the past year, the wharves of New Zealand ports have been more congested during the past year than at any time in New Zealand's history, thus creating a quite unforeseen traffic problem.

(17) The general salary and wage increase of 15 per cent cost £1,000,000, while the new General Division Order for a full year plus arrears amounted to £565,000.

(18) Fuel oil (locomotive) increased during the year from £8 19s. 5d. to £21. In 1953 the Department will have to face a full year at the increased cost of fuel oil, which is estimated to cost £1,173,048.

On the other hand, we have been impressed by the loyalty of the railwaymen, who, under difficult conditions which have involved long and continuous overtime, and with very little public encouragement, have kept the railways running.

At the same time the working of long hours, the postponement of annual leave, public criticism—much of it quite unjustified—and being associated with a concern showing a loss brought about over the years very largely by political considerations, has a discouraging effect on morale and enlistment. We hope that if our recommendations are adopted new life will enter the railway service.

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## PART 2

## ORDER OF REFERENCE No. 1

*The adequacy and efficiency of all services operated by the New Zealand Railways Department and of its motive power, rolling stock, road service vehicles, stations, sheds, workshops, yards, and similar establishments.*

**ADMINISTRATION (See Appendix 2)**

We received the greatest consideration from all branches of the Department, and therefore do not like making any comparisons. We have had, however, a closer contact with the Accounting Branch than with any other and would like to place on record our experience.

The Accounting Administration operates to a very high degree of efficiency. The capacity of the branch and the speed with which it is able to compile and deal with the mass of records necessary to the railway system is quite surprising. A striking example of this is the fact that, although the revenue handled is in the region of £2,000,000 per month, the financial accounts for the year ended 31st March 1952 were balanced and completed by 25th April 1952.

The office is conducted with a comparatively small staff, and extensive use is made of the most modern mechanized office equipment. Because of this, financial information is quickly compiled, and were it is not for the assistance which we received from this source the completion of this report would have been a very much longer task.

The Accountancy Division is also continuously on the watch for methods of improvement in the systems attaching to the general clerical work of the railways, and it is interesting to note that in April 1951 a new parcels system was introduced to reduce accounting, and this directly resulted in a staff saving of 90 persons. In the Goods Offices it is now proposed to introduce a new accounting system which it is estimated will result in a staff saving of at least 200 persons.

As a result of our own experience as well as that of the Consulting Accountant appointed to examine certain aspects of the railway accounts, we feel that a very much greater use could be made of the statistical and financial analysis available, and under Order of Reference No. 5 we have recommended the appointment of a fully staffed Costing Section whose job it would be to investigate continuously and pinpoint weaknesses in railway economy.

**PASSENGER AND GOODS SERVICES**

The Coaching Revenue statistics for the years ended 31st March 1951 and 1952 were as follows:—

		1952	1951	Variation
		£	£	£
Total coaching revenue	.. ..	2,784,390	3,195,543	—411,153
		No.	No.	No.
Passenger train-miles	.. ..	3,856,590	5,000,074	—1,143,484

The decrease in the number of passengers carried was in large measure due to the strike. Passenger fares were increased on 2nd March 1952, and any benefit to revenue will be felt in the current financial year.

The goods and live-stock statistics for the years ended 31st March 1951 and 1952 were as follows:—

	1952.	1951.	Variation.
	£	£	£
Revenue .. .. .	16,957,810	14,978,599	+1,979,211
	No.	No.	No.
Revenue tonnage .. .. .	9,828,771	9,615,857	+212,914

Higher tariff rates were introduced on 15th March 1950, 8th October 1950, and 16th December 1951. The revenue increase was further assisted by the fact that there was no Easter in the year ended 31st March 1952, while there were two in the previous year. Leap year also contributed an extra day's revenue, which is approximately £65,000. Against this the Department had to face the loss of revenue occasioned by the strike and floods in Canterbury where traffic on the Midland Line was disrupted for a month. Shortage of wagons also prevented the Department from transporting all the bulk phosphate, sulphur, timber, and fertilizer offering.

### PRESENT PASSENGER SERVICES

The following table shows the progressive decline in rail passenger services. Column A shows the services in 1943 before coal shortage cuts (suburban train services shown as in 1951); column B the services operating before the waterfront strike; column C the services operating today; and column D the number of services not now running owing to crew shortages:—

	Before 1944.	Before 1951.	May, 1952.	Number Not Now Running Owing to Crew Shortages.
	(A)	(B)	(C)	(D)
Auckland-Wellington .. .. .	26	26	26	..
Auckland-Opua .. .. .	12	6	4	8
Auckland-Rotorua .. .. .	12	6	4	8
Auckland-Taneatua .. .. .	12	6	4	8
Auckland - New Plymouth .. .. .	6	4	4	2
Wellington - New Plymouth .. .. .	12	8	4	8
Wellington-Gisborne .. .. .	12	6	4	8
Palmerston North - Napier .. .. .	6	3	2	4
Wellington-Napier .. .. .	8	5	2	6
New Plymouth - Wanganui .. .. .	12	6	2	10
Wellington - Palmerston North .. .. .	28	28	14	14
Auckland - Frankton Junction .. .. .	16	16	8	8
Auckland-Mercer .. .. .	12	12	6	6
Kaikohe Branch .. .. .	24	18	16	8
Auckland Suburban: North line .. .. .	117	117	48	69
Auckland Suburban: South line .. .. .	338	338	257	81
Wellington Suburban: Hutt Valley .. .. .	514	514	407	107
Christchurch-Picton .. .. .	12	6	4	8
Christchurch-Greymouth .. .. .	8	6	4	4
Christchurch-Dunedin .. .. .	18	22	16	6
Dunedin-Invercargill .. .. .	20	22	18	4
Fairlie Branch .. .. .	12	10	6	6
Oamaru-Dunedin .. .. .	24	24	6	18
Balclutha-Dunedin .. .. .	12	6	2	10
Clinton-Invercargill .. .. .	12	12	10	2
Dunedin - Port Chalmers .. .. .	117	117	117	..
Dunedin-Mosgiel .. .. .	139	139	139	..
Invercargill-Bluff .. .. .	84	84	68	16
Dunedin-Cromwell .. .. .	12	6	6	..

We consider that these services are inadequate and the infrequency is having the effect of forcing an increasing number of people to other forms of transport. Although very little can be done in the immediate future, it is the aim of the railways to provide by smaller units, faster and more frequent services, and we agree that through this policy passenger traffic should increase.

## RAILCARS

The following railcar services are at present in operation:—

- (a) 6 Wairarapa type cars are used between Wellington—Upper Hutt—Masterton—Woodville and Palmerston North.
- (b) 6 Standard type railcars are used between Wellington and New Plymouth and between Napier and Gisborne with one week-end return trip between Gisborne and Wellington.
- (c) 9 Vulcan railcars are used between Christchurch-Greymouth-Ross and Westport.

There are 35 new railcars on order. These are approximately equal in carrying capacity to 70 of the present type, and it is the Department's intention to use them as follows:—

- 15 {Auckland—Whangarei—Opua.
- 15 {Auckland—Rotorua—Taneatua—Taumarunui.
- 5 Wellington—Upper Hutt—Masterton—Woodville—Palmerston North.
- 15 {Christchurch—Greymouth—Ross—Westport.
- 15 {Christchurch—Picton.

This will release 6 Wairarapa and 9 Vulcan railcars for use where their lower seating capacity will be sufficient for prospective traffic requirements. The following areas are the most likely ones:—

- 6 New Plymouth—Taumarunui.
- (Wairarapa) {
- 9 {\*Dunedin—Cromwell (Otago Central).
- (Vulcan) { Invercargill—Lumsden.
- { Invercargill—Tuatapere.
- { Invercargill—Bluff.

\* It is also proposed to run the Dunedin—Cromwell railcars between Dunedin—Mosgiel and Port Chalmers during their availability in off peak hours.

We are advised that the question of replacing all provincial expresses with railcars (except at holiday and peak traffic periods) has been examined. A total of 101 railcars (*i.e.*, 45 more than at present in service and on order) would enable this to be done and would also permit the elimination of all local passenger trains (Auckland—Frankton Junction, Wellington—Palmerston North, Wanganui—New Plymouth) and the majority of mixed trains. Whilst we agree that all of these services are very desirable, we are of the opinion that fast railcar services, either daylight or evening, between Auckland—Wellington and Christchurch—Dunedin—Invercargill would be most popular with the travelling public and profitable to the Railways. The inability of the Railways Department to provide a daylight service was responsible for the present privately operated Landliner Road Service between Auckland and Wellington. This, it is estimated by the Department, causes a loss of revenue to the railways of £20,000 annually. Furthermore, there is no night service between Dunedin—Christchurch during the week, and consequently two days travelling are

necessary for the purpose of a one-day visit to either centre. An application for an evening road service to overcome this disadvantage was recently opposed by the railways, and if granted will mean a further loss in revenue. The institution of an evening railcar service between these two centres will obviate the need for any such road service. We consider these fast through railcar services of such importance as to warrant their priority when the first of the new railcars come to hand.

The dislocation created by the strike, the lack of staff and rolling-stock, the competition from motor transport, and the shipping congestion have all combined to make train running difficult. Making allowances for all these factors, however, there has been a very definite lowering of the standard of service to the public. Railways are no longer a monopoly, but have to face the competition of road and air services and the private motor-car. Price is not the only factor in securing business, and any disadvantages such as high charges and lack of flexibility that the railways may suffer compared with road or other transport can in some measure be offset by service and goodwill.

The cancellation or alteration in the times of train departure, and the slow delivery of goods, although caused by outside factors, are irritating and tend to make the public look elsewhere for transport service, with the danger that when the service is improved the customers may not be regained.

Every effort should be made to remove any causes for complaint. Although the bulk of the railways revenue actually comes from goods traffic, in the mind of the general public railways are associated with passenger trains and stations. Dissatisfied passengers can be the indirect means of losing goods traffic business. On the other hand, a high standard of passenger service can have far-reaching effects in other branches of the railways.

We do not subscribe to the view held by many people that rail passenger traffic is dying and that the whole future of the railways lies in goods haulage. On the contrary, with the prospective development of railcars, diesel electric, and also electric traction, bringing faster and more frequent services, passenger traffic should increase. It is all the more important, therefore, that a high standard of service be established.

#### **ADEQUACY AND EFFICIENCY OF ROAD SERVICES OPERATED BY THE DEPARTMENT AND OF ROAD SERVICE VEHICLES**

The Railways Department operates the road services, which are shown on Maps Nos. 3 North Island and 4 South Island. The services are detailed in Appendix No. 5.

The following tables convey a picture of the structure:—

Total capital investment	.....	.....	£2,812,766.
Vehicles in use—			
Passenger	.....	.....	779
Goods	.....	.....	289
		—	1,068.
Number of staff engaged	.....	.....	1,725.
Mileage for year ended 31st March 1952			22,716,244 vehicle-miles.
Passenger-journeys for year ended			
31st March 1952	.....	.....	24,663,915 journeys.
Goods tonnage transported	.....	.....	221,689 tons.

## Operating Results

Year Ended 31st March,	Annual Mileage.	Passengers Carried.	Goods Tonnage.	Profit.	Loss.
				£	£
1927 .. ..	150,060	200,955	..	..	100
1928 .. ..	546,800	860,036	..	..	234
1929 .. ..	1,704,724	2,919,605	..	..	9,327
1930 .. ..	1,819,501	3,304,586	..	..	11,416
1931 .. ..	1,701,633	3,187,554	..	..	5,843
1932 .. ..	1,302,524	2,384,679	..	..	2,951
1933 .. ..	1,335,152	2,740,263	..	521	..
1934 .. ..	1,324,879	2,783,184	..	2,368	..
1935 .. ..	1,562,832	3,011,187	..	5,672	..
1936 .. ..	1,792,872	3,242,469	..	8,598	..
1937 .. ..	3,416,632	4,556,316	5,689	21,698	..
1938 .. ..	4,630,938	5,446,339	12,035	21,974	..
1939 .. ..	5,828,545	5,732,282	101,901	25,538	..
1940 .. ..	6,212,286	6,665,999	82,407	9,260	..
1941 .. ..	7,055,439	7,730,678	51,870	31,846	..
1942 .. ..	7,697,751	9,022,526	42,416	42,730	..
1943 .. ..	6,131,769	9,889,184	33,184	48,054	..
1944 .. ..	6,768,673	11,611,230	25,087	66,533	..
1945 .. ..	8,457,053	13,750,754	25,070	81,132	..
1946 .. ..	11,546,053	16,587,833	34,620	139,857	..
1947 .. ..	17,144,390	20,364,278	128,517	166,899	..
1948 .. ..	19,196,096	21,537,007	183,909	75,281	..
1949 .. ..	20,691,342	23,532,473	197,897	27,336	..
1950 .. ..	22,327,470	25,696,036	200,886	..	69,654
1951 .. ..	21,979,135	24,090,928	208,669	..	52,504
1952 .. ..	22,716,244	24,663,915	221,689	..	28,200

The capital investment is as follows:—

	Original Capital Cost.	Depreciation Provided.	Book Value at 31st March 1951.
(1) Vehicles and Plant—			
(a) Vehicles not yet fully depreciated—	£	£	£
Passenger .. .. .	1,333,889	564,995	768,894
Goods .. .. .	55,947	18,528	37,419
Ancillary .. .. .	44,107	26,664	17,443
	1,433,943	610,187	823,756
(b) Vehicles fully depreciated but still in service—			
Passenger .. .. .	477,067	477,067	..
Goods .. .. .	35,659	35,659	..
Ancillary .. .. .	42,084	42,084	..
	554,810	554,810	..
(2) Goodwill—			
Passenger .. .. .	325,896	311,308	14,588
Goods and ancillary .. .. .	82,507	75,701	6,806
	408,403	387,009	21,394
Sub-total of (1) and (2) .. .. .	2,397,156	1,552,006	845,150
(3) Offices and garage buildings, including bus shelters	355,008		
Land .. .. .	60,602		
	415,610		
Total (1), (2), and (3) .. .. .	2,812,766		

NOTE.—As at 31st March 1952 goodwill item £21,394 had been reduced to £6,170.



The "rolling-stock" of the railway road service comprises the following fleet:—

Omnibuses—				
20 seaters (including driver)	.....	.....	.....	5
25 seaters (including driver)	.....	.....	.....	39
30 seaters (including driver)	.....	.....	.....	83
35 seaters (including driver)	.....	.....	.....	145
over 35 seaters (including driver)	.....	.....	.....	83
				— 355
School buses	.....	.....	.....	8
Service coaches—				
10 seaters (including driver)	.....	.....	.....	5
12 seaters (including driver)	.....	.....	.....	6
15 seaters (including driver)	.....	.....	.....	31
20 seaters (including driver)	.....	.....	.....	44
over 20 seaters (including driver)	.....	.....	.....	232
				— 318
Composite vehicles	.....	.....	.....	17
Passenger trucks	.....	.....	.....	2
Troop carriers	.....	.....	.....	2
Motor-cars—				
Touring cars	.....	.....	.....	} 79
Taxis	.....	.....	.....	
Service vehicles	.....	.....	.....	
Motor-lorries—				
Light (under 2 tons)	.....	.....	.....	11
Heavy (over 2 tons)	.....	.....	.....	229
Vans	.....	.....	.....	13
Articulated trucks	.....	.....	.....	11
				— 264
Trailers	.....	.....	.....	10
Utility vehicles	.....	.....	.....	13
				— 1,068

As the Railways Department has continued to operate the vehicles taken over from the previous owners, the fleet consists of many different makes, but some measure of standardization is being effected as new vehicles are being purchased and the older vehicles are being scrapped.

Of the above vehicles, 66 omnibuses and 11 articulated freight lorries are diesel operated, and arrangements have been made to convert further petrol vehicles to diesel fuel in order to effect further economies in operating costs.

#### Age of Vehicles

A survey made in December 1951 showed the age of the total fleet controlled by the Road Services Branch to be as under:—

Age-groups	Omnibus and School Buses.	Service Coaches, Composite Vehicles, Passenger Trucks, Troop Carriers.	Lorries.	Tour Cars, Taxis, Service Cars.	Average for All Vehicles.
Under 10 years ..	Per Cent. 70·4	Per Cent. 67·7	Per Cent. 66·1	Per Cent. 44·8	Per Cent. 66·33
Over 10 years ..	29·6	32·3	33·9	55·2	33·67

Approximately 10 per cent of the service vehicles are being replaced each year, and no difficulty is being experienced now in maintaining a satisfactory standard.

The comprehensive coverage afforded by Road Services Department can be gauged by reference to the Maps Nos. 3 and 4, together with Appendix 5 mentioned earlier.

It is the opinion of your Commission that the services provided are adequate for present requirements.

It is convenient to refer here to some financial aspects of the Road Services operations.

During the last ten years this Department has earned a surplus of £454,734 for the railway accounts and has by this amount reduced the necessity for subsidy from the Consolidated Fund.

The annual mileage run and goods tonnage carried have both shown a satisfactory rate of growth year by year.

Although expenditure has exceeded revenue during the past three years, the loss has been reduced from £69,654 in 1950 to £28,200 in 1952.

These losses have been incurred mainly by passenger traffic on suburban running, particularly the Wellington—Hutt Valley and Johnsonville suburban routes.

During the year ended 31st March 1952 this service carried over 13 million passengers and received a gross revenue of £428,280. However, as expenditure amounted to £475,621, which includes an interest charge of £5,795, the service showed a loss of £47,341, being the equivalent of 0·85d. per passenger journey.

On the 2nd March 1952 passenger fares were increased on the route services of the New Zealand Railways Road Services, and it is anticipated that the financial result of these services during the year ending 31st March 1953 will be satisfactory. The suburban passenger fares, however, were not increased, and we find that there has been only one increase since the Railways Department took over the services in 1927—*i.e.*, twenty-five years ago. It seems to us quite wrong that the Railways Department should bear the loss incurred in providing the road services to the Hutt Valley. We are of the opinion that the portion of the loss which is attributable to the railways providing the equivalent of a civic omnibus service in the Hutt Valley should be borne by the local people, rather than by the general taxpayers. In other cities where there are publicly-owned road passenger transport undertakings the local people must pay economic fares or the local ratepayers must make good any loss.

We recommend—

(1) That the Railways Department forthwith fix and charge economic fares for what are known as the Hutt Valley and Suburban road services.

(2) That the local authorities whose territories are served by the New Zealand Railways road services be approached to form a Transport Board to take over at valuation, and operate the road services, from the opening of the electric railway, to the Hutt Valley.

Or alternatively—

That the Railways Department operate the road services on behalf of the respective local authorities, who will each year pay to the Railways Department any loss which may be incurred.

If none of these alternatives be adopted, we recommend *that on the opening of the electric railway to the Hutt Valley this road service be abandoned.* We do not consider that the provision of suburban omnibus services is a true function of the Railways Department, and, judging by experience elsewhere, the abandonment of the services is not likely to cause the citizens any real harm, because some private operator will undoubtedly be prepared to undertake the responsibility.

Furthermore, in view of the high cost of the Hutt electrification scheme and the density of traffic between Petone and Wellington, we recommend *that after the line is electrified, no bus service be permitted on this section.*

We have referred in some detail to the Hutt Valley Road Services. There are also other services where losses are being incurred and where it is doubtful if their continuance is really the function of the Railways Department.

We recommend—

**That the Road Services Department undertakes a careful resurvey of the position with a view to disposing of many of the smaller services which could be profitably operated by owner-drivers.**

From our observations, we are of the opinion that the Road Services Department is in the main efficiently managed and conducted. It is, however, capable of improvement, particularly in small details which mean much to the travelling public.

## **RAIL/AIR SERVICE**

This is a comparatively new service. For the year ended 31st March 1952 the tonnage carried was 22,662 tons, compared with 14,460 tons in 1951. The revenue was £302,859 and the profit was £14,742.

New Zealand Railways accepts air freight for transport from any railway-station in the North Island to any railway station in the South Island, and *vice versa*. Transport is as follows:—

*North Island:* Rail between station concerned and Paekakariki; road Paekakariki—Paraparaumu.

*Air:* Paraparaumu—Woodbourne.

*South Island:* Rail between station concerned and Blenheim; road between Blenheim and Woodbourne.

The great bulk of the traffic carried is so routed; in addition, special direct flights are made at times,—*e.g.*, stud sheep Masterton—Dunedin; fruit, Alexandra—Paraparaumu. These are almost invariably inter-Island.

### *Receiving and Delivery Depots*

Every railway-station in New Zealand serves as a rail/air depot. In addition, there are special depots at Auckland, Wellington, and Christchurch.

### *Aircraft*

The rail/air service was inaugurated in February 1947 with aircraft chartered from the Royal New Zealand Air Force. Later the National Airways Corporation took over these aircraft, and the Department chartered them from the Corporation. As from June 1951 the service has been maintained with aircraft and crews chartered by the Railways Department from a private company, Straits Air Freight Express, Ltd., who are in no way concerned with the operation other than the supply and maintenance of aircraft. The terms of the contract preclude the company from carrying any freight whatsoever other than for the Railways Department.

### *Type of Traffic Carried*

All classes of merchandise and live-stock are carried. The greater proportion of the merchandise, however, is that which tends to be light and bulky rather than heavy and compact. Accordingly, the lighter types of merchandise are attracted to air transport despite a much higher rate per ton.

Trips are run as traffic warrants. Six return trips daily comprise the normal service on the Cook Strait run.

The Department considers the rail/air service to be not only a profitable subsidiary service, but a service which is of great convenience and value to the community as it makes inter-Island air transport available to every locality served by a railway-station. Facility to combine air transport with rail transport in such a way that the comparatively costly air component is reduced to a minimum gives a fast yet comparatively cheap service, and this makes the advantages of air transport available to numerous users whose traffic is comprised of commodities which will not bear the cost of direct air transport from point of origin to destination.

In another part of this report we have drawn attention to the uneconomical overlapping of the New Zealand transport services. We can foresee problems arising from the expansion of this rail/air service if open competition should develop between two State-owned transport organizations.

### **REFRESHMENT-ROOMS**

This Department showed a loss of £50,053 for the year ended 31st March 1952. Included in the figures is an item of £25,524 for Head Office charges covering wages, interest, and miscellaneous.

We draw attention to the fact that the following refreshment-rooms, which provide hot meals, account for £30,471 of the total loss, made up as follows:—

	£
Frankton	8,081
Taihape	1,642
Marton	9,357
Napier	1,155
Christchurch	1,123
Otira	3,681
Oamaru	5,432
Total	<u>£30,471</u>

Wellington shows a loss of £5,103. As in other rooms, little or no benefit was received from the price increase granted on 2nd March 1952. These rooms are in rather a different category as the largest part of the turnover comes from city users. Steps are being taken to improve the position.

The total number of hot meals served in all rooms showed a decrease of 13,057, and was no doubt affected by the curtailment of rail services.

It is obvious, however, that (a) comparatively few of the travelling public buy a hot meal except in Christchurch, where the ferry passengers are provided with breakfast, and (b) a very large staff, including a chef, is required to provide these hot meals.

The following figures show the number of hot meals served at these rooms, the number of trains per week which stop long enough to enable passengers to

partake of a meal, the number of dining-room staff, counter staff, and total staff employed:—

	Number of Meals Served.	Number of Trains Per Week.	Average Number Per Meal.	Dining-room Staff.	Counter Staff.	Total.
Frankton .. .. .	34,781	19	37	17	16	33
Taihape (a) .. .. .	13,966	(12)	..	5	5	5
		Buses only				
Marton .. .. .	36,708	10	71	17	9	26
Napier (a) .. .. .	2,133	6	7	5	5	5
Christchurch (b) .. .. .	26,551	6	85	10	5	15
Otira (c) .. .. .	9,996	4	48	8	5	13
Oamaru .. .. .	46,156	12	74	17	7	24

(a) Taihape and Napier use the same staff for the dining-room and counter refreshments.

(b) In Christchurch the dining-room staff is 5 full time and 5 part time, and counter staff is 4 full time and 1 part time.

(c) In Otira the dining-room staff is 7 full time and 1 part time, and counter staff is 4 full time and 1 part time.

In the case of Palmerston North, where no hot meals are served but where the receipts are £24,793, the staff employed is 15.

We are of the opinion that to increase the price of a meal to an economic level would involve a further heavy decline in the number of meals served.

We therefore recommend—

**That the serving of hot meals be discontinued at Frankton, Marton, Napier, Otira, and Oamaru, and that a cold buffet with, say, soup and potatoes be supplied in its place.**

If most of the food were supplied by an outside caterer a very big reduction in kitchen staff could be made.

At the present time a whole-time staff is employed at all refreshment-rooms, even although there may be only two or three trains per week. This is obviously very uneconomic, and we suggest that in these cases every effort should be made to secure part-time staff.

After examining each individual case and considering the needs of the travelling public, we recommend—

**(a) That the refreshment-rooms at Woodville and Kaitoke be closed.**

**\*(b) That the Taumarunui rooms be not opened for the "Limited," which arrives at 3.55 a.m.**

**\*(c) That the Ohakune rooms be not open for the arrival of the express at 1.56 a.m. and 2.53 a.m.**

(NOTE.—\*The number of passengers who alight off these expresses is very small indeed and in no way warrants paying penal rates to a staff.)

Steps are now being taken to close certain rooms for one day per week, and the staff in other rooms will be reduced.

The steps taken to remodel the refreshment-rooms at such points as Frankton and Palmerston North are to be commended, and we suggest that continued experiments in layout be made to solve the problem of catering for large numbers as quickly as possible in order to shorten the time of the journey.

Submissions were received suggesting that dining cars be reinstated or buffet cars introduced. As regards the former, after hearing the evidence we are satisfied that the difficulties and loss experienced in the past would be very much greater today, and therefore we have no recommendation to make.

We gave serious thought, however, to the installation of buffet cars on the principal train services. We agree that these would be an added convenience to the travelling public, but there are difficulties. The installation of a buffet car would reduce the number of passengers per train by one car load, and as the passenger traffic today is being carried at a very heavy loss this would have a serious effect on railway economy. A still bigger objection lies in the construction of the New Zealand carriages which are not of the corridor type. A buffet car on the "Limited," for example, placed between the first and second class carriages and serving a light supper and morning tea, would involve a continual stream of people passing backwards and forwards through the carriages.

We suggest that the matter be kept in mind when smaller units are being introduced.

### **BOOKSTALLS**

There are fifteen bookstalls operated by the Department. The turnover for 1952 was £246,429, and gross profit £18,870. Wages absorbed £26,092, largely due to the penal rates incurred as bookstalls of necessity cannot observe ordinary shop-keeping hours.

The loss for the year was £2,393, but included in the accounts is a charge for rent of £17,517 and £4,868 for headquarters staff. The rent is based on a percentage of revenue, and although this is only a transfer to Head Office Accounts it makes the trading position appear to be worse than it actually is.

### **PUBLICITY AND ADVERTISING BRANCH**

After paying £13,622 to the Railways Revenue Account for rent of advertising sites and space and rent of buildings this branch shows a profit of £10,621.

The quality of the work turned out is very good, and the Department is to be commended for the high standard of production of its railway booklets, pamphlets, and other publications.

On the other hand, we feel that its public relations side could with advantage be strengthened and encouraged. In the course of our investigations we formed the opinion that the public was ill informed on a large number of interesting railway matters and that oft-times the criticism of the railways was due to ignorance for which the Department was to some extent itself to blame.

We consider that the publicity should have, amongst other objects, two aims—to keep the public well informed on all railway activities, present and future, and to induce young people to make the railways a career.

Railway news, if properly presented, always makes good "copy," and the railways generally and the various branches in particular abound with interesting information about which the public knows very little. Little is known, for example, of the reasons for, or the difficulties surrounding, the proposed electrification of the main trunk. Practically nothing is known of the variety and quality of the work turned out by the workshops or of the high standard of apprentice training available there.

The railways are a trading concern and, like other trading concerns, should advertise itself and the career it can offer. About 50 per cent of recruits to the railways are relatives of railwaymen, and it is quite probable that they join the service because they already know something about it.

The Publicity and Advertising Branch is conducted with a very small executive staff which has so many other activities to cover that it is not possible

for it to give all the time necessary to develop the public relations side of its publicity. To achieve this we recommend:—

**The appointment of a special Public Relations Officer.**

It would be the duty of this officer, though attached to the Publicity Branch, to work in close association with the General Manager.

**MOTIVE POWER**

**LOCOMOTIVES**

The locomotive stock as at the 31st March 1952, the number on order, and anticipated delivery date is as follows:—

	Present Stock.	Number on Order.	Anticipated Date of Delivery.
Coal-fired steam locomotives .....	558	..	..
Oil-fired .....	77	16	1952
Diesel-electric main-line locomotives .....	..	56	1952-57
Diesel-mechanical shunting locomotives .....	4	57	1952-54
Petrol and diesel rail shunting tractors .....	28	..	..
Electric locomotives .....	22	6	..
Railcars .....	21	35	..
	710	170	

We must express concern at the position we found regarding future supplies of locomotives. During our sittings there was produced the report of the previous General Manager, Mr. F. W. Aickin, in which he advocates the immediate commencement of electrification of the North Island Main Trunk, which involves the purchasing of a number of electric locomotives. At an early stage in our investigations the present General Manager, Mr. H. C. Lusty, indicated that he did not endorse his predecessor's report, and that he was considering an alternative. At the conclusion of our investigations Mr. Lusty placed before us a further submission, dated 3rd June 1952, in which he says, *inter alia*,—

“ There is, in my opinion, no necessity to proceed with the work in the immediate future and, in view of the fact that sufficient locomotives will be available to meet all traffic needs for ten years to come, there is ample time to have electrification and alternative schemes carefully and thoroughly considered before a final decision is made. I would like to see such an investigation carried out by our responsible senior officers without undue haste and without the influence from outside which has been evident in respect to the electrification proposal.”

Reporting on the question of the future locomotive power position on 13th January 1950, the then Chief Mechanical Engineer, Mr. P. R. Angus, indicated that according to his estimates 323 new locomotives would be required over the ten years to 1961. On 18th September 1951 the present Chief Mechanical Engineer, Mr. R. F. Black, reported on the matter and he said, *inter alia*,—

“ The foregoing survey indicates that the position is safe for the next five years, *but this is entirely dependent on the success of the thirty-one diesel electric locomotives on order*, and by this I mean also that these engines will be sufficiently reliable to do an annual mileage of 60,000 per year in both Islands.

“ Any failure to realize this will mean a corresponding shortage of locomotive power to move the traffic, and, correspondingly, aggravate the shortage of locomotive running staff, as we are also depending on one-man operation of these units on goods trains to help relieve our grave manpower shortage.”

The apparent conflict of opinion is disturbing, and leaves us unable to express any opinion as to whether or not the locomotives in stock, and on order, will be sufficient for the next ten years. It seems to us that the question is largely bound up with the proposal to electrify the North Island Main Trunk, and that until this question is finally settled, one way or the other, authoritative opinion cannot be expressed.

#### REPAIRS TO LOCOMOTIVES

Due to the serious arrears of repairs over the last five years, the overall condition on a high proportion of the locomotive stock is very much below 1939 standards.

An indication of the position is found in the Engine Failure Return. An average figure pre-war was 30,000 miles per failure, while to-day it is approximately 12,000 in the North Island and approximately 19,000 in the South Island.

In the North Island the deterioration is due almost entirely to the excessive number of locomotives overdue for overhaul and the very excessive mileage which such engines have to run between overhauls.

In the South Island the position is not so bad, but it has been affected by the fact that in the last twenty years only 34 new locomotives have been added to stock, compared with 105 in the North Island.

#### CARS AND WAGONS

##### Cars

The following is the comparison between the stock of passengers cars, railcars, multiple units, brake vans and postal vans at 31st March 1939 and 31st March 1952:—

	31st March 1939.	31st March 1952.
North Island—		
Carriages	873	843
Railcars	13	12
Multiple units	12	86
Brake vans	266	271
Postal vans	7	4
South Island—		
Carriages	616	608
Railcars	2	9
Brake vans	207	196
Postal vans	4	4

In the North Island from 1939 to 1941 a normal programme of new-car construction was undertaken at Otahuhu, and during this period some 200 cars and vans were constructed. Owing to inability to obtain materials and the shortage of staff it has not been possible to recommence any major car construction programme.

In the South Island during the same period some 160 cars and vans were constructed but it has not been possible to start a further programme.

#### WAGONS

The wagon position comparison is as follows:—

	North Island.	South Island.
31st March 1939	14,563	13,838
31st March 1952	18,191	17,140
Net increase since 1939	3,628	3,302
Net increase, per cent	24.9	23.9



The stock at 31st March 1952 was made up as follows:—

Type of Wagons.	Total.
Live-stock	4,453
Highside	20,883
Lowside	1,702
Covered	2,166
Flat top	960
Insulated	1,197
Hopper coal	1,177
Miscellaneous	2,793
	35,331

In addition to the wagons listed above, there is a total of 159 tank wagons owned by private companies and other Government Departments and used for the transport of petrol and oil in bulk.

#### REPAIRS TO WAGONS

Wagons under or awaiting repair as at 31st March 1952:—

	Total Equivalent, Four-wheeled, North Island.	Total Equivalent, Four-wheeled, South Island.
(a) Live-stock	529	205
(b) Other Wagons	1,806	1,321

Consequent on the shortage of wagons and other rolling-stock there has been an increasing tendency to make repairs to wagons which have reached, or almost reached, the end of their useful life as a means of efficient transport. As at 31st March 1952 the railway stock of wagons included a total of no less than 12,593, which are forty or more years old.

Wagons are written off at the rate of 2½ per cent per annum of the original cost. No study is undertaken to ascertain the man-hour content of repairs to wagons which have been fully depreciated. Wagons are pooled for repairs, and job costing to individual wagons is not carried out.

Upon investigation it may be found, under normal conditions, to be more economical to use man-power on new wagon assembly lines rather than on repairs. Old wagons may also be a weak link in a train, and should it happen to be the cause of a derailment the hidden cost due to such derailment could quite possibly be in excess of the cost of a new wagon.

Repairs are very costly in man-power, and in respect of some classes of wagons can be as high as 250 man-hours per wagon. It will therefore be seen that the question of whether it is economic to carry out major repairs to older wagons become very important.

In another part of this report we have recommended the appointment of special Cost Research Officers from the railways accounting division, and the above example is just indicative of one of many avenues of investigation in which these officers could be employed with considerable benefit to the Department.

#### WAGONS ON ORDER

A total of 4,479 wagons were on order at 31st March 1952. Of these, 4,060 will come from overseas, while 419 are being built in New Zealand. It is expected that all orders will be completed by the end of 1953.

## SHORTAGE OF WAGONS

Considerable publicity has been given to the shortage of wagons, but from the facts given below it will be seen that all the blame should not rest on the railways.

A very good system of wagon control is used. The records of wagon stocks for both Islands are being balanced daily, and a daily report of all shipping traffic and loadings from large industries is obtained from each district.

In the meantime the operations of the railways have been greatly hampered by the inability of the railways to meet all the peak demands, and this has also had a considerable effect on the year's trading.

Various factors have been responsible:—

(1) The shortage of labour in the workshops has affected the repair and maintenance of wagons (see above).

(2) The coal shortage reduced train services, and in consequence wagons were delayed in transit, thus reducing the number of wagons available for further loading.

(3) The five-day week restricts the activities of carriers. Formerly carriers could effect deliveries from railway sheds on Saturday mornings. Now the majority of warehouses and merchants observe Saturday as a full holiday, and this in turn results in many railway wagons remaining under load over the week-ends.

(4) The quite abnormal congestion of shipping resulting from the strike and the easing of import restrictions has thrown a heavy strain on wagon supply. To speed up the turn-around of ships, shipping companies have diverted vessels to less-congested ports or have eliminated ports of discharge by putting out at one port cargo for other areas and railing it to its final destination.

(5) The over-ordering of trucks by shipping companies is serious and immobilizes many wagons. For example, the average percentage of trucks over-ordered to the ship-side at the port of Wellington is 46 per cent, while at New Plymouth and Auckland it is 20 per cent.

(6) The inadequacy of much of the yard and shed accommodation causes consequent delays in shunting and discharge of goods.

(7) Some importers have been using the wagons for storage instead of their own warehouses.

As mentioned earlier, 4,548 wagons are on order and should be in service by the end of 1953, and as the present shipping congestion is not likely to continue the position will improve. The full benefit of these wagons, however, will not be felt unless steps are taken to improve shed and yard accommodation.

Some of the above factors will adjust themselves, but we feel that strong measures should be taken to penalize those who use trucks for warehousing. Recently there were some 140 wagons lying in Wellington for nearly six weeks waiting for the importers concerned to collect their goods.

We consider that the Department has by press advertising and other methods given ample publicity to the necessity for prompt unloading of goods wagons. Even with the most efficient utilization of wagons the Department has to maintain some 300 wagons on hand for every 100 trucks under load. It is certainly unreasonable to expect the Railways to provide wagons for storage as an alternative to warehousing, and we therefore recommend—

**The suspension of the press publicity (which has already cost over £2,000) and the correction of the problem by increasing the demurrage from 25s. a day to 60s. a day for each four-wheeled wagon.**

## WORKSHOPS

We visited the main workshops in the four centres. The Hillside and Hutt workshops are occupied with locomotive construction and repairs, while the Addington and Otahuhu shops are responsible for cars and wagons. There are other smaller workshops at East Town, Napier, Nelson and Invercargill, but these were not visited.

The workshops are all well equipped with modern machine tools and plant, but, as mentioned in another part of this report, the shortage of man-power not only prevents the full use of this plant but throws production out of balance.

From our inquiries we are of the opinion that the existing workshops and their capacity, given a larger staff, are adequate to cope with railways requirements for some years ahead. Some additional equipment of a special nature may be necessary for the overhaul of new types of locomotives.

The man-hours per overhaul are certainly greater than they were in 1939, but this is at least in part due to the more extensive overhauls on account of longer intervals between "shopping" periods. Without intensive investigation into the costing side it is not possible to gauge the extent to which the increased man-hours are justifiable.

## TARPAULINS

During the hearing of the submissions evidence was produced indicating that an additional factor creating a shortage of wagons was the shortage of tarpaulins.

An examination of the accounts show that the number of tarpaulins unaccounted for on the 31st March 1952 was 3,696. (The 1951 figure was 4,171.) As the average cost of a tarpaulin is £14 for light-type canvas and £22 for old-type heavy canvas, this would appear to represent a loss of at least £50,000.

On inquiry we were informed that, owing to the difficulty in taking stock, these figures may not be accurate. As the sum involved is considerable, a careful recheck should be made, and if it is found that a large number are in fact missing we consider that much stricter control must be exercised by the Department and a determined effort made to recover possession of those missing.

## SHEDS AND YARDS

We were not able to examine all the sheds and yards, but did see the proposed work at Auckland, Newmarket, Frankton, Marton, New Plymouth, Middleton, Dunedin, Burnside, and Timaru. There is ample evidence of congestion causing delays and inefficiency, and we are satisfied that these works, and from internal evidence the other works named in the estimates, are necessary.

We inspected the Palmerston North station, goods sheds, and marshalling yards, and also the formation work done towards the deviation of this line from the centre of the city to the outskirts. We were impressed by the utter inconvenience of the present facilities, the difficulties which it creates for all sections of the staff, sometimes for considerable periods. We were informed that as long as twenty-five years ago the relief of congestion at Palmerston North was considered urgent.

Whilst the completion of the deviation is a major work which should not be undertaken at a time of peak costs and labour shortages, some relief of the

existing position is an urgent priority. This could be given by means of a shunt line and marshalling and unloading yards at the northern end of the deviation, and this work would fit in with and be part of the ultimate deviation.

Although this work is not at present in the estimates, we recommend that it be added to the priority list.

## **RAILWAY PORTS**

We visited the railway ports at Lyttelton, Port Chalmers, Bluff, New Plymouth, Wanganui, Timaru, and Oamaru, and submissions were made to us regarding the working of these ports. We are satisfied that, whatever conditions may have existed in the past to justify the railways in working shipping ports, there is now no justification, with the exception of Greymouth and Westport, which are virtually coal-loading ports. At railway ports today the railways employ the wharf labour, haul goods from the wharfs, sort the shipments, and finally deliver the goods to local carriers or the consignees. Railway wagons badly needed for their proper service are too often used as storage accommodation by merchants importing goods through railway ports. We are of the opinion that the railways should not be involved in employing the wharf labour or in receiving and sorting the goods. These are the duties of the shipping companies and the Harbour Boards, and eventually it should be possible for goods to be taken to and from the wharfs both by rail and road, as is done in other ports—for example, Wellington and Auckland. We recommend, therefore—

**That, with the exception of Greymouth and Westport, the affected Harbour Boards be given notice that the Railways will not indefinitely continue working the ports, and that negotiations be entered into with each Harbour Board with the object of giving effect to this recommendation at the earliest possible date.**

We realize that necessarily this must be a long-term policy, because existing physical difficulties in the meantime preclude or limit the full development of the wharf facilities we envisage.

Submissions have been made to us that additional sidings, shunting yards, and shed accommodation should be made available at railway ports, but it is our opinion that while the railways should take action reasonably to meet immediate needs, no major works should be undertaken unless with the co-operation of, and at the expense of, the particular Harbour Board.

## **CASTLECLIFF RAILWAY**

At Wanganui we were informed of tentative approaches for the acquisition of the Castlecliff Railway, which is at present and has for many years been operated by the Castlecliff Railway Company between Castlecliff and Wanganui town wharf. We can see no adequate reasons for the Department involving itself in further commitments and liabilities by the purchase of this line.

We are, however, concerned that the Department undertakes all handling and sorting of ships' cargoes at the Wanganui town wharf at a rate which is quite uneconomic, and we recommend—

**That the charge for this service should be increased immediately to an amount sufficient to cover the actual costs plus a margin for contingencies.**

## LAKE WAKATIPU STEAMERS

The revenue for the year ended 31st March showed a decrease of £1,230, while the expenditure increased by £972. The loss for the year was £6,181, compared with £3,979 in 1951. The mileage run showed a decrease of 5,252 miles owing to the fact that only one vessel was in service and reduced running was necessary during the period of the strike.

The "Ben Lomond," which was one of the original steamers, has now been withdrawn. As the cost of overhaul is likely to be heavy, a proposal has been made that a new diesel-driven vessel be obtained which would be used during the greater part of the year, thus enabling the more expensive "Earnslaw" to be laid up except during the summer season. If this proposal is carried out it is estimated that the present operating loss will be reduced by about £885 per annum.

The present service has been showing consistent losses over the years. There is a proposal to construct a road from Queenstown to Glenorchy, and if this is done the steamer losses will increase considerably. The future of Queenstown appears to lie in its development as a tourist centre, and the passenger traffic carried is mainly from that source.

If it is Government policy to provide a steamer service for the residents at the head of the lake rather than construct a road round the lake to serve this area, then we consider that every effort should be made to continue the existing service on the most efficient basis possible. If, however, it is Government policy to construct a road then it would appear very inadvisable to purchase another steamer.

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## PART 2

## ORDER OF REFERENCE No. 2

*The adequacy in numbers, experience, efficiency, and mobility of the existing staff, and steps, if any, necessary to conserve and augment the staff or improve its location by means of housing, hostels, and the like.*

We are convinced that one of the main obstacles preventing the Railways Department from providing an adequate service and greatly improving its financial position is the shortage of staff.

The reasons for the Dominion-wide shortage of manpower are well-known, and it is obvious that as long as large public works of a national nature are embarked on, making heavy demands on the existing pool of skilled tradesmen, and employers continue to offer wages well in excess of award rates, the railways must be badly handicapped in their efforts to secure or even maintain an adequate staff.

The shortage of staff has a very definite effect on the financial side of the railways also, and the sum paid out in "avoidable" overtime last year amounted to approximately £800,000.

The railway system is an intricate organization employing over 25,000 persons, of whom a large percentage are highly skilled in different phases of railway work, all essential if the the system is to work efficiently.

At the present time the shortages in the various branches are as follows:—

Salaried Division	.....	.....	.....	.....	499
General Division—					
Traffic	.....	.....	.....	.....	1,104
Locomotive running	.....	.....	.....	.....	605
Locomotive depots	.....	.....	.....	.....	100
Car and wagon depots	.....	.....	.....	.....	45
Way and works	.....	.....	.....	.....	979
Signals and communications	.....	.....	.....	.....	219
Stores	.....	.....	.....	.....	24
Sawmill	.....	.....	.....	.....	13
Refreshments	.....	.....	.....	.....	94
Road services	.....	.....	.....	.....	82
Workshops	.....	.....	.....	.....	1,176
Total—Salaried Division	.....	.....	.....	.....	499
General Division	.....	.....	.....	.....	4,421
Grand Total					4,920

We are not in a position to confirm these figures. We know that at the present time, as the result of a reduced train running schedule, the shortage is not causing undue embarrassment in some sections, but we know also that it is because of shortage particularly of locomotive men that a full schedule is not being run, whilst, in addition, many improvements to the service are unable to be made. In any case, it has to be borne in mind that over a long period of years the railways have shown a steady increase in traffic of from 2½ per cent to 3 per cent annually, and there is a big backlog of work to be overtaken before a completely efficient service can be provided.

Recruitment of staff for the railways is affected by several factors, some of which are—

The shortage of houses frequently involves railwaymen living some distance from their work, and thereby makes night-shift work less attractive than it need be.

The housing position has an effect on the condition of compulsory transfer. The incidence of social security, which is compulsory, diminishes the attraction of the Government superannuation scheme, which is voluntary.

The inability of the Department in recent years to grant regular annual leave, which is directly caused by the present staff shortage. This is evidenced by the fact that as at 31st March 1952 the annual leave in arrears was—

Salaried Division .....	67,737 days
General Division .....	186,029 days

Total 253,766 days

In addition to insufficient recruitment of permanent staff to be trained as railwaymen, the shortage has been aggravated by the normal retirement of trained staff on the completion of forty years' service. The following table shows the effect of these retirements on various branches of the service during the next five years up to the end of 1957:—

Year.	Salaried Division.				General Division.				Total.	
	Clerical.		Foremen, &c.		Locomotive Running.		Other Branches.		A.	B.
	A.	B.	A.	B.	A.	B.	A.	B.		
	1952*	70	10	31	82	27	..	7	256	135
1953	67	1	32	33	35	1	7	122	141	157
1954	64	2	31	19	42	3	10	118	147	142
1955	96	5	32	32	35	8	15	150	178	195
1956	126	5	20	27	40	5	11	126	197	163
1957	75	4	22	27	26	20	7	169	130	220
Total	498	27	168	220	205	37	57	941	928	1,225

A On completing forty years' service.

B On attaining sixty years of age.

\* The 1952 figures under "B" include members who are already over sixty years of age and are eligible to retire.

In 1951 the retirements numbered 245, while the resignations amounted to 5,986. Of this number the reasons given by 3,182 for leaving were to go to "other employment for higher remuneration or with improved conditions or prospects."

The lack of sufficient staff in one branch can have an immediate and detrimental effect on another. In the Civil Engineering Branch, for example the engineering staff in 1939 numbered 59, and is today still only 59, of whom 44 are fully qualified. This has to be compared with a desired strength of 70, which was thought necessary as long ago as 1939.

Unless sufficient engineers are forthcoming it is difficult to see much progress being made with important improvements beneficial to the railways, and this will have far reaching effects on other branches.

In the Locomotive Branch severe staff shortages have had a most noticeable effect involving a reduction of trains and the working of long hours with excessive night shifts, thus making the service less attractive and influencing more resignations.

Since 1939 there has been a 34.7 per cent increase in gross ton-miles, but the total staff has been increased by only 277, and of this number there is a much larger proportion of casual, unskilled, and female staff than formerly. The shortage of skilled operating staff as well as tradesmen has caused time-tables to be reduced. Even with the restricted time-table, long hours are being worked by the traffic and locomotive operating staff, as will be seen from the following figures, which show the percentage who worked the hours specified for the week ending 1st March 1952:—

	Up to 48 Hours. Per Cent.	Over 48 to 54. Per Cent.	Over 54 to 60. Per Cent.	Over 60. Per Cent.
Guards	31	30	24	15
Shunters	38	35	18	9
Engine-drivers Firemen and cleaners	33	36	22	9

The guards, shunters, engine-drivers, firemen and cleaners could not, of course, function without the necessary administration and train running branches of the railways organization, but nevertheless these are the men who actually "run the trains" from the average viewpoint. It will be noted from the above table that an average of only 34 per cent of the men were able to enjoy a working-week of forty-eight hours or less, whilst on the average 11 per cent of the men worked a week of over sixty hours. It is also to be remembered that a high percentage of the hours worked are worked at night. The particular week given is just a typical example and serves to indicate the general loyalty of railwaymen to the job, as we have mentioned earlier in our report.

Shortage of staff in the workshops is also a serious matter, particularly in the North Island. Prior to the war the car and van stock in the South Island was being maintained to a very high standard, and the North Island standard was good. At the present time the South Island is at the same level as the North Island was pre-war, but in the North Island the maintenance has deteriorated to a very low level so that the average "shopping" period is just on three years. As Main Trunk cars must be "shopped" at fifteen to eighteen months, many cars in secondary services are running about five years between "shopping."

In the Hutt Workshops and the North Island running sheds heavy overtime has been worked for years trying to keep abreast of the locomotive overhaul position, but nevertheless the condition of many locomotives is very much below



pre-war standards. Locomotives due for overhaul at 90,000 miles are frequently not overhauled until they have run 140,000 to 160,000 miles. In the South Island the position is relatively satisfactory.

The apprentice training in the workshops is excellent, but unfortunately many of these highly trained young men have left for other employment. As an example, at Hutt Workshops figures show that 64 per cent of apprentices in all trades and 70·5 per cent of apprentice fitters have left the service within two years after completion of apprenticeship. In the electrical fitter group, a group started with the object of providing a skilled staff capable of maintaining and overhauling the electric units and equipment, 66·6 per cent of the apprentices left within the same period.

In the locomotive boilermaking section, a highly skilled trade, a most serious shortage of employees has also developed, and steps to improve the position are an urgent necessity. The number of boilermakers at the Hutt Workshops is now only 36, and about half of these are fifty years of age or more. There are only two apprentice boilermakers at Hutt and only six at Hillside, and unless more staff, including apprentices, are obtained a serious hold-up in boilermaking, maintenance, and repair work is inevitable.

It is estimated by the Department that 1,176 more men are required for the workshops—particularly in the North Island, where a much bigger mileage is run and the shortage is greater.

The railways are in a different category from any other Government Department. It is a trading concern, without the monopoly of the Post Office and is in competition with other forms of transport. It has to protect a very large sum of the country's capital, yet its hands are tied when it comes to competing for staff. Although its sphere of influence has been the subject of a wide divergence of opinion, the fact remains that it plays, and always will play, a very important part in the country's economy. It cannot do that with a steadily decreasing staff. Not only does such a decline in staff involve a reduction in the service the railways can give, but it also has a discouraging effect on recruiting.

We do not suggest that the Railways Department be given a free hand to compete for labour, but we think that the service should, and can, be made more attractive than it is at present.

In an endeavour, therefore, to recruit additional staff and, what is even more important, prevent further resignations, we recommend—

**(a) That immediate steps be taken to initiate a scheme to provide sufficient houses to meet the railways requirement. We suggest that these might be found by importing prefabricated houses or by granting the railways an increased allocation of State houses, or by building them with railway staff, or by combination of all three methods.**

**(b) That a special intensive recruiting campaign be conducted overseas to bring to New Zealand a complete shipload of men who are trained or willing to be trained for locomotive operating or for the workshops; that to assist in this campaign the possibility be explored of obtaining young men from Britain on, say, a three-year contract basis affording them the opportunity to return at the end of that period if they so desire.**

**(c) That to encourage railwaymen to remain with the railways, a long-service increment be awarded at the completion of each five or ten years of service.**

(d) That a scheme be adopted whereby cadets showing suitable promise after two or three years in the service be given a University training in whatever course would be of most advantage to the railways, at the expense of the Department.

*you prick*  
 (e) That a system be adopted whereby each year some of the young and promising members be sent overseas to work in an overseas railway. Not only would this have the effect of implementing the training of possible future heads of Departments, but the knowledge that such a scheme was in existence and applying to all departments would be a further inducement to encourage young men to join the service. It should not be difficult to arrange this on an exchange basis, so that the actual cost is negligible.

(f) That steps be taken to encourage railwaymen to improve their standard of technical education in what is such an important national organization by providing some incentive for candidates who pass the necessary examinations.

(g) That, as many railwaymen live in railway houses which they have to vacate when they retire, consideration be given to devising a scheme whereby a railwayman on retirement has the option of drawing his contribution and the Government's, plus compound interest, in a lump sum or drawing his superannuation in the ordinary way.

(h) That, as there are many departments in the workshops in which an incentive bonus scheme would be successful in producing advantageous results steps be taken to institute a suitable scheme.

(i) That, as the amenities provided in many of the country railway houses are very poor, steps be taken to improve these amenities. (There are 1,898 railway houses which do not have a septic tank or sewerage service and 134 houses which are not equipped with hot-water service. Although shortage of labour may prevent major works being completed, these improvements could be carried out with local labour.)

(j) That hostel and boarding settlements accommodation be improved, particular attention being paid to the accommodation of the younger men.

(k) That, to assist in meeting the shortage of skilled labour in the workshops, an adult apprenticeship scheme be reintroduced with suitable safeguards for the existing skilled staff.

(l) That a determined effort be made to ensure that annual leave in arrears is drastically reduced.

(m) That, in view of the attractive salaries being offered elsewhere for Professional Civil Engineering staff and the urgent necessity for maintaining a full engineering staff in the Railways Department, the scale of salaries being paid today be revised.

In another part of this report we have referred to the work done by the locomotive staff. It would appear that in the future, there will be an increasing use of diesel electric traction or electrification. At the same time, there will still be the necessity for training engine-drivers, and we can see a danger that men will not be prepared to become an engine-driver if there is uncertainty about their future promotion.

We recommend therefore—

**That the whole basis of promotion for the locomotive staff be reviewed.**

In an organization employing, and dependent on, a staff of 25,000 people a considerable expenditure would be justified if it would ensure a regular supply of skilled staff coming forward.

A special school was conducted for many years, but was discontinued prior to 1939. This school ran courses lasting approximately three months, a hostel being provided for those whose homes were out of town. We consider that if the scope of the school was enlarged and the duration of the course extended, a wider and more attractive appeal could be provided.

We recommend, therefore—

**(a) That the present recruiting campaign through primary and secondary schools be intensified.**

**(b) That a special school be re-established on conditions suitable to present-day requirements.**

We think that if this is arranged on the basis of, say, a nine or twelve months' course this initial training by understanding tutors will provide lads with a good general insight into many phases of railways work and so help them to select the branch of the service for which they are best fitted or in which they have the greatest interest.

We think, too, that this will assist to mitigate the losses of staff at an early period after employment.

It is our opinion that consideration can, with advantage to the railways, be given to the following factors:—

(a) Whether the present slow rate of promotion in many branches of the service has an adverse effect on the recruitment of staff.

(b) Whether all the staff transfers which are constantly occurring are necessary.

(c) Whether the basis of "authorized establishments"—*i.e.*, the number of staff in many stations—is sound in the light of present conditions.

We consider that these are matters which should be examined by the management and an effort made to bring the bases of railways employment more into line with the conditions applying in outside industry.

We received a number of complaints regarding some of the existing conditions of service. It was not possible to investigate all these, and in any case individually they were too small to merit special recommendation. If they are justified, however, they would be put right with very little difficulty.

We mention this because in any large organization a good staff relationship is of paramount importance. Matters which may appear small to management may loom large in the minds of the individuals concerned, and, if unadjusted too long, destroy confidence. We suggest, therefore, that this aspect of management be given special attention.

In order to emphasize the urgency for immediate action to solve the pressing staff shortage problems we have given some prominence to specific sections of the railways and the state of staff shortages therein. It would be misleading, however, if this was taken as indicating that there are not many serious shortages in man-power in other branches. The cases we have quoted are merely indicative of the general situation.

## PART 2

**ORDER OF REFERENCE No. 3**

*The incidence of competition by other transport operations, the effect of subsidies on services, and the desirability of delineating a sphere of operations for railway services and other transport operations.*

The railways have always been faced with the competition of coastal shipping, but in recent years there has been acute competition from road services and more recently from air transport.

It was in 1926 that the competition of road transport first became sufficiently serious to require legislative action with the object of giving a measure of protection to publicly-owned transport undertakings. Since that time attempts have been made by further legislation so to regulate road transport as to prevent its operations unduly adversely affecting the publicly-owned services. Goods and passenger services have been licensed, and in an endeavour to ensure the fullest protection the railways purchased a number of the licensed services, some of which have been abandoned and some of which are still operating. In theory the provisions of the Transport Licensing legislation should give a very substantial measure of protection to the railways, but in practice this has not always proved to be the case. Private operators have discovered loopholes, the use of which has resulted in substantial road operations which it appears clear were never contemplated when the legislation was enacted, and, in the case of goods transport, an extraordinarily large number of temporary licences is issued authorizing the carriage of goods over routes.

As regards passenger transport, at present there is legislative provision (Transport Licensing Regulations 1950, Amendment No. 3) for the running of contract road passenger services for traffic which properly comes within this category. This legislation is in line with legislation enacted in Great Britain to cover this class of traffic, and so long as services are operated under the conditions laid down there can be no complaint.

We are informed, however, that there are a number of contract licences in existence which contain no proper contracting conditions, and these are used often in conjunction with subordinate booking agencies to cover services which are wastefully competitive with the regular passenger services by rail and road. It seems to us that all such licences should be reviewed, and that contract trips should be run only as authorized by the legislation.

The existing legislation restricts the operation of private transporters of goods to within the limit of a distance of 30 miles alongside a railway, although the Transport Licensing Authorities may and do in their judgment issue licences authorizing services within and beyond that distance. For all practical purposes the restrictive provision appears to have limited effect. There is a further provision that the Transport Licensing Authorities have no power to

The following table giving particulars of temporary licences issued is illuminating, and in our opinion discloses a very unsatisfactory state of affairs:—

### TEMPORARY LICENCES

31st March,	No. 1 Administrative District (Transport Licensing Districts Included).				No. 2 Administrative District (Transport Licensing Districts Included).			No. 3 Administrative District (Transport Licensing Districts Included).		No. 4 Administrative District (Transport Licensing Districts Included).		Total.
	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	
	<i>Goods</i>											
	868	4,536	1,444	1,714	1,326	1,041	2,882	262	2,878	1,812	967	19,730
1952 .. .. .	8,562				5,249			3,140		2,779		16,106 12,872
1951 .. .. .	9,445				1,969			2,224		2,468		
1950 .. .. .	..				..			..		..		

No. 1 Administrative District includes Nos. 1, 2, 3, and 4 Transport Licensing Districts.

No. 2 Administrative District includes Nos. 5, 6, and 7 Transport Licensing Districts.

No. 3 Administrative District includes Nos. 8 and 9 Transport Licensing Districts.

No. 4 Administrative District includes Nos. 10 and 11 Transport Licensing Districts.

- 1. North Auckland.
- 2. Auckland, Franklin County, Thames.
- 3. Waikato, Piako, Matamata, Otorohanga, Waitomo.
- 4. Rotorua, Tauranga, Whakatane, Opotiki, Taupo.
- 5. Hawke's Bay and East Coast to Dannevirke.
- 6. New Plymouth to Taumarunui and Wanganui.
- 7. Wellington to Taihape, Marton, Woodville, and Wairarapa.
- 8. West Coast, Buller, and Nelson to Kaikoura.
- 9. Canterbury—Cheviot to Waimate.
- 10. Waitaki River to Clutha and Lakes County.
- 11. Southland and Wallace Counties.

grant a licence for a service, either passenger or goods, which has substantially the same terminal points and routes as any service for which the Honourable the Minister of Railways is the holder of a licence, but the Minister may waive his rights.

We received some submissions that the 30-mile limit should be increased to 50 miles, others that it should be extended to 100 miles, and still others that it remain at 30 miles. It was obvious to us that the varying submissions were mainly based on self-interest rather than the wider national interest, and there is obviously a conflict of opinion. From a national viewpoint we can find no valid grounds for extending the 30-mile limit, which can be considered as reasonable for the local carriage of goods.

It was further submitted to us that the Minister's rights should be abrogated, but we find nothing in the submissions which would justify such a step. We must, however, make the comment that we consider it the clear duty of the railways to give the public reasonable service and not to rest on any protection which is afforded. If it can be established that a service is necessary, it is our opinion that it is the duty of the railways to supply the service or not to oppose the application of a private operator.

We desire here to draw attention to what is to us the surprising recommendation of the Commissioner of Transport: "That the Railways Department be relieved of responsibility for running non-paying passenger trains, and that any necessary services be provided by private enterprise road services."

We can see no justification for this negative attitude, which assumes that the railways passenger service will always run at a loss and ignores the possibility of their providing more frequent and more profitable services by the use of railcars, &c. It further ignores the large volume of indirect expenses at present borne by the passenger services, which would be a very severe penalty on the freight rates if the passenger services were discontinued.

For some time past the railways have been handicapped by the shortage of coal and locomotive operating staff, with the result that it has been necessary seriously to curtail service. The coal position has improved, but the shortage of staff remains. However, when this is overcome the normal train services should be resumed.

When a comparison is made between the railway undertaking and the road services it must be remembered that the former provides and maintains its own highway with all the necessary safety and controlling devices. In the case of road services the highway with any provisions designed to ensure safety is in the first instance provided by the general public, who contribute substantially to the maintenance and upkeep. It is true that the operators of heavy vehicles pay certain fees and taxes, but these seem insufficient to compensate for the wear-and-tear of the highway and the use of the facilities. The private operator is at liberty to withdraw his vehicles at any time, and he is left with no responsibility for the capital cost of the highway which he has used. Therefore, it appears clear that the private road operator is subsidized both as to capital and maintenance.

The Secretary of the New Zealand Counties' Association in his submission stated—

"Any move to transfer heavy haulage to roads should be resisted as the cost of maintaining roads for heavy haulage is imposing a terrific burden on the counties' finances."

In giving evidence the Secretary stated that it is not the counties' policy that the goods should be kept off the roads for all time, and that the submission is related to the existing conditions. He stated that the roads today are not in a state to carry the traffic which they are being asked to bear. He complained of persistent over-loading of motor-trucks, especially on bridges. It appears that when the classification of the roads was changed some two years ago the counties said then that they did not think the roads would stand up to the loads which were going to be imposed on them. Now, after two years' experience, the counties are convinced that the roads are not standing up to the traffic, and that they are breaking up. The Secretary informed us that in classifying the roads the counties are virtually in the hands of the Transport Department, which may insist on a classification higher than the County Council's engineer may consider is warranted. Apparently while any disagreement between the County Councils and Transport Department continues, the latter may not classify a road, in which case any weight of traffic may traverse it.

The present legislation purports to place on road operators the responsibility of common carriers. There appears, however, to be no effective way in which this responsibility can be enforced, and road operators are in fact left to choose their loads. The railways undertaking, on the other hand, is obliged to accept without discrimination freight which is offered. It is true that the present shortages of staff and equipment are embarrassing the railways, with the result that in some cases alternative means of transport must be provided, but this is only a passing phase.

Some witnesses who have appeared before us have asserted that both rail and road services should be provided, regardless of whether the provision of both is economically justified. It seems to us that this contention cannot be sustained and that a decision must be made as to which service is to operate.

We are of the opinion that it is clearly established that long-distance transport is a special function of the railways, which should be fully protected in giving that service. There is also little doubt that on occasions the transport of goods by road is essential.

Therefore, if the railways are to be effectively protected, we recommend—

**(a) That the position of current licences authorizing the carriage of goods in competition or substantially in competition with rail be reviewed, and that no further such licences be issued.**

**(b) That the issuing of any temporary licences be the function of the Railways Department.**

**(c) That contract licences for the carriage of passengers be issued only for specific trips of the special nature as clearly stated in existing legislation.**

**(d) That there be enacted any legislation necessary to give effect to the foregoing recommendations.**

So far as the air services are concerned, the present competition is serious only in the carriage of passengers. The evidence submitted to us shows that the commercial airways service is in a very favourable position in that it has no responsibility to provide its landing facilities or navigational aids. This was specially emphasized by the evidence of the Deputy Chairman of the National Airways Corporation when he told us that the cost of the new Rongotai Aerodrome would not be borne by his organization. We understand that this airport is designed primarily for civil aviation, and its establishment may well result in further reducing the number of long distance passengers to Wellington carried by rail.

From the evidence submitted it is obvious that the present state of transport in the Dominion is chaotic and the cost of distribution, which is borne eventually by the public, is too high.

In road transport the present licensing regulations are being evaded in many cases; thousands of temporary licences are being issued, and there is a lack of uniformity in the granting of licences. Ineffective check is placed on the speed or weights of lorries with the result that soon the country will have to face a very heavy bill for road maintenance.

In air transport we find that the Railways Department is applying for a licence to operate further air freight services, presumably in competition with the National Airways Corporation, which is virtually another Government Department.

In sea transport, we find that, in order to compete with coastal shipping, the railways charge special rates of freight which may or may not be economic.

Unless action is taken, the position will get steadily worse, and we recommend, therefore—

**(a) That there shall be established an over-riding organization charged with the responsibility of advising Government in regulating the respective forms of transport in the matter of their development, competition, charges, and general conduct.**

**(b) That this authority be composed of independent members and not of representatives of rail, road, sea, and air services.**

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## PART 2

**ORDER OF REFERENCE No. 4**

*The desirability, or otherwise, of the abandonment of working (either wholly or partly, or temporarily or permanently) of any portion or portions of the railway system or of any stations thereon having regard to the present and prospective resources of the railways in staff and facilities, the financial results of operating such lines or stations, and the extent to which they are used, and the alternative transport arrangements (if any) which should be made available in the event of such abandonment.*

**BRANCH LINES**

The branch lines were constructed in order to develop the districts which they serve. As we state elsewhere in this report, the Railways Department gained no financial advantage from the great betterment which was created. For many years in the past the residents of the districts almost completely relied upon the rail services for the transport of their produce and goods, and of themselves. With the advent of good roads and the development of motor trucks, road transport services soon became available, and the people used them, with the result that now practically all the branch lines are working at a loss. The financial loss is bad enough, but it is to be remembered that the operation of the branch lines calls for labour, rolling-stock, and materials, badly needed for the main line services.

In considering this matter, which is one of the most difficult with which we have had to deal, we have to take into account the submission of the General Manager of Railways, that he believes the time has arrived for some branches to be closed, and that the test which we should apply is, "What service would from the national point of view be the cheapest?" A representative of the Federated Farmers of New Zealand submitted that branch lines should not be closed because of losses, so long as losses are being made on the passenger traffic, especially the suburban passenger traffic. Then we had the straight-out statement of people affected that they want both road and rail services regardless of the economic result. It seems to us that much more is needed than the sentiments contained in these submissions. In approaching the problem we have not sought to find reasons for closing a particular branch line, but rather reasons for keeping it open.

We have not been able to overlook the fact that branch lines were constructed many years ago when the carriage of farm produce to the rail was invariably by means of horse-drawn vehicles. This necessitated frequent "flag" stations on the routes, but, because of modern motor transport from the farm, many of these could be eliminated now without detriment. A reduction in the number of small stations would obviate many stops, resulting in speedier services and savings in both operating and maintenance costs.

Under existing conditions the abandonment of services and lines is expensive. The transfer of staffs is a factor for consideration, whilst salvage costs of the existing assets will eat heavily into the realizations therefrom. The

use of labour for salvaging is also necessary, and the Department is already short of labour. Notwithstanding this, however, there is no doubt that the Department's facilities are "spread too thinly," and some changes in the extent of operations are essential.

We are of the opinion that as soon as diesel locomotives come to hand in sufficient numbers the greatest possible use should be made of them on branch lines to reduce operating costs, and that careful consideration should be given to increasing the frequency of some of the services.

We visited many of the districts served by branch lines and ourselves saw the local conditions. In other cases the conditions are well known to us. We believe that the question of branch lines cannot fairly be determined by any general principle, and that each branch must be considered on its own, and this we have done. We have taken into account the available road transport services, the character of the roads, the possibilities of any further development, the feeder value of the traffic, and any special factor affecting a particular branch line.

In those cases where we have recommended that the branch line shall be closed we do not consider the Railways Department has any obligation to provide a road service, or to supplement any existing road service. The people of the district affected have chosen the road service, and, having made their choice, they cannot reasonably expect the railway service to continue as a mere convenience to transport commodities for the carriage of which low rates of freight are charged.

It is with some doubt and reluctance that we recommend the continuance of certain branch lines, because we realize that unless their financial return can be substantially improved it is only a matter of time before further consideration must be given to their continuance. In these cases we recommend that the Railways Department give effect to our recommendations, and to the people who are affected we repeat the observation which has been made to them by others in the past, that if they desire to retain their line, then they must support it whole-heartedly.

The branch lines feed into the main lines a considerable revenue in many cases, and in arriving at the operating loss or profit on branch lines the Department adopts the following method, which appears sound:—

#### REVENUE

(a) The revenue from traffic between any two stations on the same branch is credited wholly to the branch.

(b) Revenue from traffic between stations on the branch and stations on the main line is apportioned between the branch and main line according to the mileage the traffic is conveyed on each line.

(c) Revenue from such sources as rents of dwellings and leases located on the branch are credited wholly to the particular branch.

#### EXPENDITURE

(d) Separate accounts and records are kept to segregate branch-line expenditure from main-line expenditure.

(e) The wages of staff employed wholly on the branch are debited against the branch. The wages of staff employed partly on the branch line and partly on the main line are apportioned according to the time worked on each line.

(f) *Maintenance of Way and Works*: Depreciation is included in respect of buildings and bridges on the branch line. Renewals of track—contributions are based on life of track and the cost of replacement of mileage of branch line. General maintenance—actual wages and material on branch.

(g) *Locomotive Transportation*: If engine runs wholly on branch line, actual wages, fuel, and stores are charged. If engine used for running on main line as well, the costs for branch are based on a rate per engine-mile for the engine-miles run on branch. Engine repairs are charged on a mileage basis, separate rates for each class of engine.

(h) *Traffic Transportation*: The whole of the expenditure at stations on branch line is debited to branch line account. Wages of guards or other employees located at junction station are charged to branch line on the basis of man-hours attributable to branch line.

(i) *Maintenance and Depreciation of Rolling Stock* are apportioned to the branch in accordance with the mileage run on branch line.

(j) Each branch is debited with a proportion of the expenses of management according to the revenue earned.

It was found that whilst road transport of goods is seriously affecting the railways revenue there is no real competition against the railways by road transport for the carriage of low-rated traffic. There is, however, a most noticeable tendency for road traffic to endeavour to attract the cream of the business—that is, high-rated traffic—which is in most cases easier and cleaner to handle, leaving the low-rated traffic such as lime, fertilizer, &c., to be transported by the railways.

It should be pointed out that in all cases the results given for branch-line operations do not include any addition for interest on capital. If interest be included, the loss in each case is substantially larger.

The information which we have obtained and our recommendations are set out hereafter.

#### Waiuku Branch (Paerata-Waiuku, distance 12 m. 55 ch.).

The operating revenue and expenditure for this branch are given below:—

Year.	Coaching Revenue.	Goods Revenue.	Total Branch Revenue.	Branch Expenditure.	Operating Loss.
	£	£	£	£	£
1938 .. ..	751	6,557	7,308	12,970	5,662
1939 .. ..	648	6,219	6,867	12,893	6,026
1940 .. ..	659	5,560	6,219	12,243	6,024
1951 .. ..	190	6,175	6,365	13,670	7,305

There are seven stations on this branch which provides five goods trains each way per week.

The percentage of operating loss to total branch revenue was 114.7 per cent in 1951; in 1940 it was 96.8 per cent; in 1938 it was 77.4 per cent.

Main-line revenue of branch-line traffic, £21,805.

The capital cost of this branch line, excluding rolling-stock, as at 31st March 1951 was £210,062.

The Department operates a frequent N.Z.R. road passenger service from Auckland to Waiuku. It also operates a goods ancillary road service Auckland-Waiuku via Pukekohe, Monday-Friday inclusive.

Prior to 19th February 1951, with one ancillary lorry running the average load was 4 tons 6 cwt. per trip. Since 19th February 1951, with up to three lorries (and one less train) available, the average load is 5 tons 7 cwt. per trip.

The bulk of the general goods from Auckland to Waiuku and district is already carried by private road transport operators.

There is evidence that some twenty years ago representatives of this area stated they were prepared to accept increased freight charges and endeavour to influence the traffic to the Department rather than risk the closing of the line. The present revenue position indicates that any efforts in this direction have not been successful.

In view of the large number of licensed road operators in this area, the excellence of the roads throughout the district, and the fact that this short branch line cannot in any sense be considered as developmental, we recommend that it be closed.

#### **Greytown Branch** (Woodside–Greytown, distance 3 miles).

The operating revenue and expenditure for this branch are given below:—

Year.	Coaching Revenue.	Goods Revenue.	Total Branch Revenue.	Branch Expenditure.	Operating Loss.
	£	£	£	£	£
1938 .. ..	102	257	359	2,997	2,638
1939 .. ..	101	264	365	3,214	2,849
1940 .. ..	110	281	391	3,267	2,876
1951 .. ..	50	428	478	6,411	5,933

This short branch provides a service of fifteen mixed trains each way per week for a total annual branch revenue of £478.

The percentage of operating loss to total branch revenue was 1244.2 per cent in 1951; in 1940 it was 735.5 per cent; in 1938 it was 734.8 per cent.

Main-line revenue of branch-line traffic, £8,990.

Excluding rolling stock, the capital cost of the branch line as at 31st March 1951 was £9,970.

There are efficient and adequate local carrying services in the area.

We recommend that this line be closed.

#### **Foxton Branch** (Longburn–Foxton, distance 19 m. 19 ch.).

The operating revenue and expenditure for this branch are given below:—

Year.	Coaching Revenue.	Goods Revenue.	Total Revenue.	Branch Expenditure.	Operating Loss.	Operating Loss Per Mile.
	£	£	£	£	£	£
1951 .. ..	101	4,324	4,425	9,363	4,938	247

There are eight stations on this branch and a service by goods train only on three days per week.

The percentage of operating loss was 111.5 per cent in 1951.

Main-line revenue of branch-line traffic, £25,987.

Excluding rolling-stock, the capital cost of the branch line as at 31st March 1951 was £64,890.

Foxton is served by the following through N.Z.R. road passenger services: Wellington–Taihape, Taumarunui, Rotorua, and Wanganui.

The Department runs a goods ancillary lorry between Palmerston North and Foxton five days a week.

The Department provides a goods road service between Foxton and Wellington Monday to Thursday inclusive.

*Traffic*

The goods handled on this line for one year ended 23rd June 1951 were analysed at the stations, and the main commodities found to be as under:—

		Outward.	Inward.
Cattle and calves .. .. .	No.	1,582	684
Sheep and pigs .. .. .	No.	17,136	9,127
Timber .. .. .	Sup. ft.	221,790	1,702,110
Woolpack .. .. .	Tons	1,560	..
Coal .. .. .	..	..	2,068
Jute, tow, hemp, and matting .. .. .	..	630	..
Flax .. .. .	..	..	434
Cotton-wool .. .. .	..	155	..
Root crops .. .. .	..	1,080	180
Hay .. .. .	..	687	..
Miscellaneous .. .. .	..	815	2,197
Posts .. .. .	..	..	470
Shooks .. .. .	..	..	244
Lime and manure .. .. .	..	..	3,695

*Present Road Transport*

H. G. Irons, operating under an area licence transferred from Messrs. Osborne's Transport, Ltd., runs regular daily route services between Palmerston North and Foxton, and Palmerston North and Levin. Most of the local traffic in these areas is handled by this licensee. There are, however, numerous holders of area licences who could institute a regular route service Palmerston North - Foxton - Levin, as the distance is less than 30 miles.

The Department operates an ancillary lorry daily between Foxton and Palmerston North, the lorry being stabled at Foxton. The Palmerston North - Wellington ancillary service also serves Foxton Station.

The Department also operates a road service between Foxton and Wellington on a route licence. Down traffic consists of vegetables, eggs, and general, whilst up traffic consists of general merchandise. Four lorries and drivers are located at Foxton for this service. Generally two lorries per day make the return trip.

Revenue and expenditure of the ancillary service are included in the foregoing operating figures.

*Mileages*

Longburn-Foxton—rail .. .. .	19 miles 19 chains.
Longburn-Foxton—road .. .. .	19 miles.
Longburn-Levin—rail .. .. .	24 miles 58 chains.
Levin-Foxton—road .. .. .	12 miles.

The area served by this branch is very well roaded, and your Commission recommends that this line be closed as soon as possible.

**Eyreton Branch** (Kaiapoi-Horrelville, distance 18 m. 51 ch.).

The operating revenue and expenditure for this branch are given below:—

Year.	Coaching Revenue.	Goods Revenue.	Total Branch Revenue.	Branch Expenditure.	Operating Loss.	Operating Loss Per Mile.
1951 .. .. .	£ 5	£ 2,231	£ 2,236	£ 6,696	£ 4,460	£ 235

N.B.—Oxford and Eyreton branches were previously treated as one branch line. No comparison with previous years.

There are eight stations on this branch, and a service of only two goods trains each way per week is maintained. This is more than sufficient to cope with the traffic offering.

The percentage of operating loss to total branch revenue was 199·4 per cent in 1951.

Main-line revenue of branch-line traffic, £5,248.

Excluding rolling-stock, the capital cost of the branch line as at 31st March 1951 was £38,636.

The branch serves the area between the Waimakariri River and the Oxford Branch, and runs roughly parallel with the Oxford Branch to Horrelville, the distance between the two branches varying from 6 miles to 2½ miles. The farming area north of the Waimakariri River is, in the main, not more than 6 miles from the Oxford Branch or the main north line.

At Horrelville the State Forest Service load regular consignments of firewood and logs from the nearby Eyrewell State Forest, about 8 wagons per week being loaded. The nearest station on the Oxford Branch which could serve this area is Bennetts, which is approximately 3 miles from Horrelville.

During the past four years the Department has run an ancillary lorry covering the Eyreton Branch area. The lorry runs from Christchurch to Rangiora, thence along the Oxford Branch to Oxford West, back to Bennetts, and along the Eyreton Branch to Kaiapoi. It then returns to Christchurch.

The lorry, of 5 to 6 tons capacity, runs on five days per week and has a full load on the outward journey and a part load on the return journey.

The traffic by the ancillary lorry has fallen away recently owing to the operations of Langford Motors, Ltd., who hold a route licence from Oxford to Christchurch. Previously Oxford Transport, Ltd., operated in the Oxford area and also over the route Oxford—Christchurch, but in October 1951 the company transferred the route licence to Langford Motors, Ltd. The fact that the latter company carts from farm to store, and *vice versa*, whereas railways ancillary lorries can only operate between railway goods sheds and stations, makes the company's service more attractive than the Department's.

Considering the comparatively small tonnage handled on the Eyreton Branch, the abandonment of this service would occasion no great hardship to any farmers in the area as they are served by other railway stations and transport services.

There might be some degree of hardship caused to Messrs. Richard Evans, Ltd., the flourmillers at Wetheral, if the Eyreton Branch were lifted, as it would be necessary for this firm to cart by road to Kaiapoi all flour produced in the mill, but this is only a distance of four miles.

This mill (which employs only five men) obtains practically the whole of its wheat from the local area by road, with an occasional consignment by rail from other stations on the Eyreton Branch. Wheat imported from Australia is also received at the mill at Wetheral, but not in large quantities. The mill's allotment of wheat from the last shipment of Australian wheat to arrive at Lyttelton was eight LA wagons, and Stationmaster, Kaiapoi, states this is typical of other similar consignments.

In previous years a certain amount of wheat was received at the Wetheral mill from stations in the Rangiora-Waiiau-Parnassus area, but it is understood that the Wheat Committee has instructed that in future all wheat must be consigned to the nearest flourmill. There are also flourmills at Waikari and Southbrook which serve the North Canterbury District. The mill at Waikari is owned by the same firm as that at Wetheral. The flourmill at Southbrook is on the main line and is only 3 miles by road from Wetheral.

Practically the whole of the flour from the Wetheral mill is consigned to Lyttelton for shipment to the North Island, but a small quantity is railed north to Blenheim and Nelson.

The very slow turn-round of wagons on a branch where trains run only twice a week is a serious aspect, and on the Eyreton Branch wagons which are put off by Tuesday's train are not available until the following Thursday. Similarly, wagons put off by Thursday's train are not available until the following Tuesday.

We recommend that this branch line should be closed.

#### Waimate Branch (Studholme - Waihao Downs, distance 12 m. 55 ch.).

The operating revenue and expenditure for this branch are given below:—

Year.	Coaching Revenue.	Goods Revenue.	Total Branch Revenue.	Branch Expenditure.	Operating Loss.
	£	£	£	£	£
1938*	961	1,840	2,801	8,042	5,241
1939*	959	1,526	2,485	8,461	5,976
1940*	964	1,599	2,563	8,210	5,647
1951	35	3,161	3,196	15,465	12,269

\* Includes Road Motor Revenue.

There are four stations on this branch, which provides a service of six goods trains each way per week Studholme-Waimate, and two goods trains per week Waimate-Waihao Downs.

The percentage of operating loss to total branch revenue was 383.8 per cent in 1951; in 1940 it was 220.3 per cent; in 1938 it was 187.1 per cent.

Main-line revenue of branch-line traffic, £37,760.

Excluding rolling-stock, the capital cost of the branch line as at 31st March 1951 was £51,168.

The Department runs daily passenger road services Waimate-Studholme and road ancillary goods services Monday to Friday from Timaru to Oamaru via Waimate.

There are four road operators holding twenty-nine vehicle authorities at Waimate. They can convey general goods between Waimate and Timaru without restriction. Timaru operators can do this also.

Practically all supplies for Waimate businessmen are received by road.

The position of the Branch Waimate - Waihao Downs is poorly patronized, it being the practice of road operators to carry right through to load at Waimate.

We recommend that this branch line be closed.

#### Outram Branch (Mosgiel-Outram, distance 9 m.).

The operating revenue and expenditure for this branch are given below:—

Year.	Coaching Revenue.	Goods Revenue.	Total Branch Revenue.	Branch Expenditure.	Operating Loss.
	£	£	£	£	£
1938	259	909	1,168	3,151	1,983
1939	251	989	1,240	3,181	1,941
1940	285	903	1,188	4,056	2,868
1951	115	953	1,068	6,124	5,056

There are eight stations on this branch which provides a service of four goods trains each way per week. The Department provides a road passenger service seven days per week to Dunedin.

The percentage of operating loss to total branch revenue was 473.4 per cent in 1951; in 1940 it was 241.4 per cent; in 1938 it was 169.7 per cent.

Main-line revenue of branch-line traffic, £6,247.

Excluding rolling-stock, the capital cost of the branch line as at 31st March 1951 was £43,684.

The district is well developed agriculturally and is served by excellent roads.

There are fifteen road operators domiciled in the area served by this branch, and between them they hold twenty-seven vehicle authorities. They may run to or from Dunedin as required for general goods.

We can see no good reason for continuance of this rail service at such high cost, and we recommend that the line be closed.

### Waikaia Branch (Riversdale-Waikaia, distance 13 m. 53 ch.). (Previously called "Switzers" Branch.)

The operating revenue and expenditure for this branch are given below:—

Year.	Coaching Revenue.	Goods Revenue.	Total Branch Revenue.	Branch Expenditure.	Operating Loss.	Operating Loss Per Mile.
	£	£	£	£	£	£
1938 .. ..	82	1,448	1,530	2,688	1,158	83
1939 .. ..	29	1,208	1,237	3,600	2,363	169
1940 .. ..	31	1,356	1,387	4,326	2,939	210
1951 .. ..	25	2,678	2,703	6,936	4,233	302

There are six stations on this branch, which is served by two goods trains each way per week.

The percentage of operating loss was 156.6 per cent in 1951; in 1940 it was 211.8 per cent; in 1938 it was 75.6 per cent.

The capital cost of the branch line, excluding rolling-stock, as at 31st March 1951 was £73,656.

Main-line revenue of branch-line traffic, £15,008.

The majority of live-stock transport from this district is by road, whilst other farm products to be conveyed by rail could be easily loaded at Riversdale. Lime is mainly distributed to the district by road.

The continuation of train running on this line is unwarranted, and we recommend that it be closed.

### Wyndham Branch (Edendale-Wyndham, distance 3 m. 58 ch.).

The operating revenue and expenditure for this branch are given below:—

Year.	Coaching Revenue.	Goods Revenue.	Total Branch Revenue.	Branch Expenditure.	Operating Loss.	Operating Loss Per Mile.
	£	£	£	£	£	£
938 .. ..	52	809	861	1,711	850	213
939 .. ..	57	904	961	1,974	1,013	253
940 .. ..	26	955	981	1,642	661	165
951 .. ..	18	1,392	1,410	4,584	3,174	794

N.B.—1951 expenditure includes £1,400 non-recurring expenditure on dwellings.

This branch line provides a service of three goods trains each way per week. The terminal is less than 4 miles from the main Invercargill-Dunedin line.

The percentage of loss in 1951 was 225.1 per cent; in 1940 it was 67.3 per cent; in 1938 it was 98.7 per cent.

The capital cost of the line as at 31st March 1951 was £23,256.

Main-line revenue of branch-line traffic, £20,132.

The staff (excluding engine crews) is 1 stationmaster, 1 office assistant, casual surfacemen.

We recommend that the branch be closed as a branch line unless arrangements be made to work traffic as required by means of a diesel shunter located Edendale.



**Hedgehope Branch** (Winton—Hedgehope, distance 12 m. 56 ch.).

Operating revenue and expenditure for this branch are given below:—

Year.	Coaching Revenue.	Goods Revenue.	Total Branch Revenue.	Branch Expenditure.	Operating Loss.	Operating Loss. Per Mile.
	£	£	£	£	£	£
1938 .. ..	21	1,943	1,964	3,568	1,604	123
1939 .. ..	28	2,049	2,077	3,417	1,340	103
1940 .. ..	31	2,252	2,283	2,655	372	29
1951 .. ..	6	3,160	3,166	5,370	2,204	170

This branch has seven stations, and a service of five goods trains each way per week is provided.

The percentage of operating loss was 69·6 per cent in 1951; in 1940 it was 16·2 per cent; in 1938 it was 81·6 per cent.

Excluding rolling-stock, the capital cost of the branch line as at 31st March 1951 was £23,151.

Main line revenue of branch line traffic, £28,368.

Main-line traffic on this line is from the lime-works at Kings and Browns (6 miles from Winton), and this represents much of the main-line revenue.

The district is well served by roads and road transport operators, and no hardship would be created by making Browns the terminal and closing the rest of the branch line.

We recommend that this be done.

Respecting the following branch lines we recommend—

(1) That they be continued for a further period.

(2) That a special survey of these lines be made by the railways officers with a view to the elimination of some of the flag stations, and economy in staff.

Notes: Central Otago Branch has thirty-four stations en route and a total staff of 108, excluding engine crews. Kurow Branch has thirteen stations en route and a total staff of 18, excluding engine crews.

(3) That the representatives of the various district organizations—i.e., farmers' organizations, local Chambers of Commerce, County Councils, and other local authorities, be advised of the desirability in their own interests of giving and encouraging more substantial support to the railways if they desire the closing of their local lines to be avoided.

**Dargaville—Donnelly's Crossing** (distance 24 m. 2 ch.).

The operating revenue and expenditure for this branch are given below:—

Year.	Coaching Revenue.	Goods Revenue.	Total Branch Revenue.	Branch Expenditure.	Operating Loss.
	£	£	£	£	£
1938 .. ..	2,123	2,617	4,740	8,381	3,641
1939 .. ..	2,061	1,933	3,994	12,766	8,772
1940 .. ..	2,106	1,021	3,127	9,915	6,788
1949 .. ..	1,151	2,303	3,454	19,354	15,900
1951 .. ..	877	2,611	3,488	17,310	13,822

There are ten stations on this branch, which provides a service of three mixed trains each way per week. The schedule time for the run is two hours.

The percentage of operating loss to total branch revenue was 396.2 per cent in 1951; in 1949 it was 460.3 per cent; in 1938 it was 76.8 per cent.

Main-line revenue of branch-line traffic, £10,065.

The capital cost, excluding rolling-stock, as at 31st March 1951 was £180,884.

The Dargaville to Donnelly's Crossing section of line, which was completed in 1923, was operated as an isolated section until linked with the North Island system in 1941.

The operating loss for the ten years preceding 1938 averaged £2,575 per annum.

Since 1941 separate accounts for the branch line have not been kept, but early in 1948 a survey was made of rail traffic over this line, and owing to the poor patronage the Department recommended that the rail service should be discontinued.

However, as a result of representations from local residents and their pledge to support the railway, the then Minister of Railways decided that the line should remain open.

In order that the position could again be reviewed, separate accounts were kept for the years ended December 1949 and June 1951, the net operating losses for those years being £15,900 and £13,822 respectively.

### Passenger Traffic

The Railways Department already operates passenger road services in this area, and asserts that if the line is closed it will be possible with the increased utilization of the present staff and number of vehicles to provide a service by road between Dargaville and Donnelly's Crossing, which will give a much better service than at present given by the slow mixed trains.

### Goods Traffic

A special analysis of the traffic on the branch shows the following tonnage and wagons used for the year ended 31st March 1951:—

	Inward.		Outward.		Total.	
	Tons.	Number of Wagons.	Tons.	Number of Wagons.	Tons.	Number of Wagons.
Wool .. .. .	..	..	56	14	56	14
Cheese .. .. .	..	..	182	28	182	28
Lime .. .. .	1,451	139	24	2	1,475	141
Fertilizer .. .. .	2,611	331	14	2	2,625	333
Timber .. .. .	43	8	771	119	814	127
Bulk traffic .. .. .	249	54	170	30	419	84
Miscellaneous .. .. .	1,098	811	300	194	1,398	1,005
	Number		Number.		Number	
Live-stock .. .. .	791	38	7,274	293	8,065	331

A substantial volume of timber, live-stock, and other goods is already conveyed by road. As the length of the line is only 24 miles the additional cost by road of traffic at present rail-borne would not be great, and the closing of the line should not affect the economy of the district in its present state.

### Timber

This traffic by rail averages only 7,000 superficial feet per week, which is less than the quantity of approximately 10,000 superficial feet per week which is now conveyed by road to a Dargaville timber yard from Donnelly's Crossing and from Weka Weka Valley (30 miles from Donnelly's Crossing).

### *Live-stock*

The live-stock carried by rail during the year ended 31st March 1951 was conveyed in 38 wagons inwards and 293 outwards.

A feature of the carriage by rail in this area is the light average loading of twenty-four head per railway wagon, which is approximately one-third of the capacity of the wagons.

### *Fertilizer and Lime*

The closing of the line would result in increased freight charges. As an illustration the additional cost for traffic for 5 miles beyond the terminus of the branch would be 18s. 8d. per ton for fertilizers and 9s. 4d. per ton for lime. The increases would be smaller for locations nearer Dargaville.

### *Summary*

The following are the main factors concerning the Dargaville - Donnelly's Crossing section of line:—

(a) The present volume of traffic is inadequate for economical operation.

(b) The loss on working is approximately £14,000 annually, without any allowance for interest.

(c) Road transport is already handling cream, and a substantial proportion of the timber and live-stock.

We have devoted much consideration to the problem this particular branch line poses, and we visited the district.

The district served by this branch line is some 150 miles north-west of Auckland; the area may be said to be still in the developmental stage and there are substantial areas of land capable of greater productive capacity with the utilization of modern methods. Additionally, the district is not well served by roads, nor are the existing roads satisfactory for the increased traffic which would follow the abandonment of this line. The main road is periodically subject to serious flooding and at times impassable for days. At such times the settlers of this outback area would be marooned were there no railway service on which to rely.

Though there is little expectation that the line can produce sufficient revenue to cover the operating expenses in the foreseeable future, there is also little doubt that the position can be quite substantially improved by the solid support of the settlers in the area and the co-operation of the Department.

From our inquiries we have learned of no immediate plans for substantially improved main roads in the area, and in this absence we cannot recommend the closing of this line at the present juncture.

In a submission made to us the Hobson County Council supported the retention of the line. The Council stated that the State highway (Dargaville-Ohaewai) is unable to bear the strain of the heavy traffic which would be imposed on it if the line were closed.

The Chairman of the County Council, speaking on behalf of his Council, recommended that the road traffic should be diverted to the rail.

We recommend, therefore, that the service be continued if possible until the main highway is improved, but that the position be again reviewed by the Department as at 31st March 1954 in the light of the figures which will be available over this period.

**Kaikōhe Branch** (Otiria—Okaihau, distance 24 m. 42 ch.).

The operating revenue and expenditure for this branch is given below :—

Year.	Coaching Revenue.	Goods Revenue.	Total Branch Revenue.	Branch Expenditure.	Operating Loss.	Operating Loss Per Mile.
	£	£	£	£	£	£
1938 .. ..	1,678	5,112	6,790	14,664	7,874	315
1939 .. ..	1,572	5,481	7,053	14,750	7,697	308
1940 .. ..	1,739	5,570	7,309	16,404	9,095	364
1951 .. ..	2,097	16,798	18,895	42,141	23,246	930

**Train Services**

Eight mixed trains each way per week; two goods trains each way per week.

**Capital Cost**

Excluding rolling-stock, the capital cost of the branch line as at 31st March 1951 was £356,166.

Main-line revenue of branch-line traffic, £114,926.

**Moutohora Branch** (Gisborne—Moutohora, distance 48 m. 47 ch.).

The operating revenue and expenditure of this branch is given below :—

Year.	Coaching Revenue.	Goods Revenue.	Total Branch Revenue.	Branch Expenditure.	Operating Loss.
	£	£	£	£	£
1938 .. ..	2,929	20,570	23,499	26,800	3,301
1939 .. ..	2,874	28,076	30,950	33,573	2,623
1940 .. ..	2,680	25,357	28,037	32,527	4,490
1941 .. ..	2,438	20,649	23,087	29,270	6,183
1942 .. ..	2,240	23,758	25,998	35,380	9,382
1951 .. ..	766	6,602	7,368	46,451	39,083

There are thirteen stations on this branch. The service provided is five goods trains each way per week. The Department operates a road passenger service with one return trip daily between Mato—Moutohora—Gisborne. Additionally, the Department runs a goods ancillary road service as required. This averages two return trips per week, and is mainly for cream traffic.

The percentage of operating loss was 530·4 per cent in 1951; in 1942 it was 36 per cent; in 1938 it was 14 per cent.

Main-line revenue of branch-line traffic, £15,421.

The capital cost of the branch line, excluding rolling-stock, as at 31st March 1951 was £511,419.

The Moutohora Branch was subject to slips and washouts during 1950–51. Approximately half the length of the branch was closed to traffic for eight months of the 1951 year for which accounts were kept. This has resulted in the operating loss for 1951 rising to £39,083.

We were assured by executive officers of the Department that the economics of this line were carefully investigated prior to its reinstatement.

**Metal Traffic**

In the past metal has been railed ex Moutohora in the following quantities :—

Year.	Tons.	Year.	Tons.
1936 .. ..	24,523	1940 .. ..	42,070
1937 .. ..	20,358	1941 .. ..	25,971
1938 .. ..	26,179	1942 .. ..	37,089
1939 .. ..	50,791		

At present metal is being railed at the rate of approximately 20,000 tons per annum. The metal is used mainly by the Works Department, by the local bodies in the Gisborne area, and by concrete-products manufacturers in Gisborne.

The metal produced at Moutohora is good quality "greywacke" and comprises the only good-quality metal available in the Gisborne area. Alternative sources are Palmerston North and Dannevirke. The price of metal ex Palmerston North or Dannevirke by rail would be approximately the same as Moutohora metal conveyed by road.

The present output of bentonite at Waipaoa is about 10 tons per week, although the capacity of the present plant is 60 tons per week.

The following table gives a comparison of rail and road schedule rates for road metal to Gisborne and intermediate stations:—

	Miles by Rail.	Rate Per Ton.	
		Rail.	Road.
Moutohora to Gisborne .. ..	49	s. d. 14 0	s. d. 73 4
„ Makaraka .. ..	46	14 0	68 5
„ Waipaoa .. ..	36	12 0	54 8
„ Te Karaka .. ..	32	11 3	46 6
„ Puha .. ..	29	10 6	44 0
„ Waikohu .. ..	26	10 0	36 10
„ Rakauroa .. ..	11	5 8	17 9

We have now been informed that as from 15th May 1952 the rail rate for metal from Moutohora to Gisborne has been increased to 17s. 6d.

In addition to the above traffic approximately 4,000 tons of fertilizer per annum are carried to areas along this line. This is mainly railed from New Plymouth and Wanganui, these being the situations of the fertilizer-works which at present supply this province. Approximately 8,000 bales of wool per annum are loaded along this line for transport to Gisborne, Napier, and Wellington. Approximately 5,000 tons of logs for milling are also carried.

The main highway, which parallels the line as far as Matawai, is structurally unable to carry the heavy traffic which would be diverted to it by closing the line, and the road suffered severe damage during the period the line was closed by slips and washouts in 1951.

The road bridges have restricted load/limits as low as six tons gross, and this effectively limits the transport of heavy loads by road.

We therefore consider that in the national interest it will be necessary to continue the services by this line for a further period of two years, but careful review of the revenue and expenditure should be made during this time. We believe, however, that the new rate for transport of metal from Moutohora to Gisborne is not yet economic, and we recommend that it be increased.

We are advised by the officers of the Department that the line can cope with at least 50 per cent additional traffic without any increase in operating costs.

In view of this the answer to whether the line be eventually retained appears to depend on the settlers themselves and the other interested parties who would be affected.

**Opunake Branch** (Te Roti—Opunake, distance 22 m. 50 ch.).

The operating revenue and expenditure for this branch is given below:—

Year.	Coaching Revenue.	Goods Revenue.	Total Branch Revenue.	Branch Expenditure.	Operating Loss.	Operating Loss Per Mile.	Operating Loss. Per Cent.
	£	£	£	£	£	£	£
1938 ..	221	6,684	6,905	11,512	4,607	200	66·7
1939 ..	308	6,524	6,832	11,150	4,318	188	63·2
1940 ..	249	6,984	7,233	12,380	5,147	224	71·1
1951 ..	181	14,409	14,590	25,924	11,334	493	76·6

**Train Services**

Five mixed trains each way per week.

**Capital Cost**

Excluding rolling-stock, the capital cost of the branch line as at 31st March 1951 was £449,976.

Main-line revenue of branch-line traffic, £62,973.

**Oxford Branch** (Rangiora—Oxford West, distance 21 m. 75 ch.).

The operating revenue and expenditure for this branch is given below:—

Year.	Coaching Revenue.	Goods Revenue.	Total Branch Revenue.	Branch Expenditure.	Operating Loss.	Operating Loss Per Mile.
	£	£	£	£	£	£
1951 ..	178	5,324	5,502	9,921	4,419	201

N.B.—Oxford and Eyreton branches were previously treated as one branch, hence no comparison with previous years.

There are nine stations on this branch. The service provided is two goods trains each way per week.

The percentage of operating loss to total branch revenue was 80·3 per cent in 1951.

Main-line revenue of branch-line traffic, £9,117.

Excluding rolling-stock, the capital cost as at 31st March 1951 was £49,634.

This branch has met the full impact of the Oxford Transport Co., which has held a route licence (road) between Oxford and Christchurch since 1946.

We recommend—

- (1) The continuation of this service.
- (2) That as soon as suitable diesel mechanical traction is available it should be used for this service.
- (3) That when (2) can be implemented the frequency of the service be increased to cater for the anticipated increased traffic following on the closing of the Eyreton Branch, and in an endeavour to improve the revenue.

**Whitecliffs Branch** (Darfield—Whitecliffs, distance 11 m. 32 ch.).

The operating revenue and expenditure for this branch are given below:—

Year.	Coaching Revenue.	Goods Revenue.	Total Branch Revenue.	Branch Expenditure.	Operating Loss.	Operating Loss Per Mile.	Operating Loss. Per Cent.
	£	£	£	£	£	£	£
1938 ..	61	2,442	2,503	3,990	1,487	124	59·4
1939 ..	63	2,326	2,389	6,436	4,047	337	169·4
1940 ..	40	2,711	2,751	3,590	839	70	30·4
1951 ..	13	4,064	4,077	7,371	3,294	275	80·7

**Train Services**

Three goods trains each way per week.

*Capital Cost*

Excluding rolling-stock, the capital cost of the branch line as at 31st March 1951 was £23,731.

Main-line revenue of branch-line traffic, £19,797.

**Springburn Branch** (Tinwald–Springburn, distance 27 m. 27 ch.).

The operating revenue and expenditure for this branch are given below :—

Year.	Coaching	Goods	Total	Branch	Operating	Operating	Operating
	Revenue.	Revenue.	Branch	Expenditure.	Loss.	Loss Per	
	£	£	£	£	£	£	Per Cent.
1938 ..	103	3,691	3,794	6,678	2,884	103	76.0
1939 ..	76	3,968	4,044	5,759	1,715	61	42.4
1940 ..	60	4,488	4,548	5,752	1,204	43	26.4
1951 ..	15	6,087	6,102	11,598	5,496	196	90.0

*Train Services*

Two goods trains each way per week.

*Capital Cost*

Excluding rolling-stock, the capital cost of the branch line as at 31st March 1951 was £63,981.

Main-line revenue of branch-line traffic, £19,439.

**Little River Branch** (Lincoln – Little River, distance 22 m. 34 ch.).

The operating revenue and expenditure for this branch are given below :—

Year.	Coaching	Goods	Total	Branch	Operating	Operating	Operating
	Revenue.	Revenue.	Branch	Expenditure.	Loss.	Loss Per	
	£	£	£	£	£	£	Per Cent.
1938 ..	2,170	6,118	8,288	13,163	4,875	212	58.8
1939 ..	2,151	6,491	8,642	14,927	6,285	273	72.5
1940 ..	2,015	6,254	8,269	17,203	8,934	388	108.0
1951* ..	1,155	8,380	9,535	20,340	10,805	470	113.3

\* Figures are for nine months ended 31st March 1951.

*Train Services*

Nine goods trains each way per week.

*Capital Cost*

Excluding rolling-stock, the capital cost of the branch line as at 31st March 1951 was £108,534.

Main-line revenue of branch-line traffic, £7,063.

**Southbridge Branch** (Hornby–Southbridge, distance 25 m. 39 ch.).

The operating revenue and expenditure for this branch are given below :—

Year.	Coaching	Goods	Total	Branch	Operating	Operating	Operating
	Revenue.	Revenue.	Branch	Expenditure.	Loss.	Loss Per	
	£	£	£	£	£	£	Per Cent.
1938 ..	3,126	15,381	18,507	17,334	1,173*	45*	..
1939 ..	2,930	14,390	17,320	18,121	801	31	4.6
1940 ..	2,818	16,794	19,612	22,499	2,887	111	14.7
1951† ..	2,007	19,578	21,585	25,487	3,902	150	18.0

\* Profit.

† Figures are for nine months ended 31st March 1951.

*Train Service*

Five goods trains each way per week.

*Capital Cost*

Excluding rolling-stock, the capital cost of the branch line as at 31st March 1951 was £93,962.

Main-line revenue of branch-line traffic, £19,591.

**Methven Branch** (Rakaia-Methven, distance 22 m. 13 ch.).

The operating revenue and expenditure for this branch are given below :—

Year.	Coaching Revenue.	Goods Revenue.	Total		Operating Loss.	Operating Loss Per Mile.	Operating Loss. Per Cent.
			Branch Revenue.	Branch Expenditure.			
	£	£	£	£	£	£	
1938 ..	793	9,534	10,327	12,842	2,515	109	24·3
1939 ..	683	7,339	8,022	12,315	4,293	187	53·5
1940 ..	683	9,200	9,883	12,095	2,212	96	22·3
1951† ..	129	14,875	15,004	13,535	1,469	64*	..

\* Profit.

† Figures are for nine months ended 31st March 1951.

*Train Services*

One return trip Rakaia to Methven by a mixed train each day, Monday to Friday inclusive.

*Capital Cost*

Excluding rolling-stock, the capital cost of the branch line as at 31st March 1951 was £77,876.

Main-line revenue of branch-line traffic, £47,250.

**Fairlie Branch** (Washdyke-Fairlie, distance 35 m. 5 ch.).

The operating revenue and expenditure for this branch are given below :—

Year.	Coaching Revenue.	Goods Revenue.	Total		Operating Loss.	Operating Loss Per Mile.	Operating Loss. Per Cent.
			Branch Revenue.	Branch Expenditure.			
	£	£	£	£	£	£	
1938 ..	2,047	13,140	15,187	15,084	103*	3*	..
1939 ..	1,909	12,639	14,548	16,102	1,554	43	10·6
1940 ..	2,166	14,627	16,793	15,613	1,180*	33*	..
1951 ..	2,350	23,218	25,568	31,819	6,251	174	24·4

\* Profit.

*Train Services*

Three mixed trains each way per week.

Two goods trains each way per week.

*Capital Cost*

Excluding rolling-stock, the capital cost of the branch line as at 31st March 1951 was £146,812.

Main-line revenue of branch-line traffic, £57,001.

**Kurow Branch** (Pukeuri-Kurow, distance 36 m. 21 ch.).

The operating revenue and expenditure for this branch are given below :—

Year.	Coaching Revenue.	Goods Revenue.	Total		Operating Loss.	Operating Loss Per Mile.	Operating Loss. Per Cent.
			Branch Revenue.	Branch Expenditure.			
	£	£	£	£	£	£	
1938 ..	1,243	6,862	8,105	14,132	6,027	163	74·3
1939 ..	1,083	6,879	7,962	15,158	7,196	194	90·3
1940 ..	1,103	9,230	10,333	13,413	3,080	83	29·8
1951 ..	262	15,635	15,897	24,667	8,770	237	55·1



*Train Services*

Four goods trains each way per week.

*Capital Cost*

Excluding rolling-stock, the capital cost of the branch line as at 31st March 1951 was £98,020.

Main-line revenue of branch-line traffic, £28,975.

**Ngapara Branch** (Waiareka—Ngapara, distance 14 m. 77 ch.).

The operating revenue and expenditure for this branch are given below :—

Year.	Coaching Revenue.	Goods Revenue.	Total		Operating Loss.	Operating Loss Per Mile.	Operating Loss. Per Cent.
			Branch Revenue.	Branch Expenditure.			
	£	£	£	£	£	£	
1938*	2,614	3,118	5,732	6,434	702	47	12·2
1939*	2,377	2,825	5,202	7,959	2,757	184	53·0
1940*	2,181	3,209	5,390	7,203	1,813	121	33·6
1951	6	6,430	6,436	8,942	2,506	167	38·9

\* Includes road motor revenue and expenditure.

*Train Services*

Two goods trains each way per week.

*Capital Cost*

Excluding rolling-stock, the capital cost of the branch line as at 31st March 1951 was £83,592.

Main-line revenue of branch-line traffic, £109,570.

There are lime-works at Weston on this line. The output railed is approximately 500 tons daily.

**Dunback Branch** (Palmerston—Dunback, distance 8 m. 46 ch.).

The operating revenue and expenditure for this branch are given below :—

Year.	Coaching Revenue.	Goods Revenue.	Total		Operating Loss.	Operating Loss Per Mile.	Operating Loss. Per Cent.
			Branch Revenue.	Branch Expenditure.			
	£	£	£	£	£	£	
1938	27	2,309	2,336	2,628	292	32	12·5
1939	30	2,466	2,496	3,363	867	96	34·17
1940	18	2,895	2,913	3,215	302	34	10·3
1951	7	3,527	3,534	5,074	1,540	171	43·5

*Train Services*

Five goods trains each way per week.

*Capital Cost*

Excluding rolling-stock, the capital cost of the branch line as at 31st March 1951 was £33,074.

Main-line revenue of branch-line traffic, £20,784.

We have been advised that traffic on this line will increase considerably very shortly and that the increase will be solely in the carriage of limestone and carbonate. This appears to justify the charging of an economic rate, and we recommend accordingly.

**Otago Central** (Wingatui-Cromwell, distance 146 m. 61 ch.).

The operating revenue and expenditure for this branch are given below:—

Year.	Coaching Revenue.	Goods Revenue.	Total Branch Revenue.	Branch Expenditure.	Operating Loss.	Operating Loss Per Mile.	Operating Loss. Per Cent.
	£	£	£	£	£	£	
1938 ..	19,137	94,044	113,181	138,571	25,390	173	22.4
1939 ..	17,579	91,523	109,102	140,232	31,130	212	28.4
1940 ..	18,400	88,963	107,363	142,150	34,787	237	32.4
1951* ..	11,827	138,356	150,183	167,715	17,532	119	11.6

\*Figures are for nine months ended 31st March 1951.

**Train Services**

Three mixed trains, Dunedin-Cromwell, per week.

Five mixed trains, Dunedin-Ranfurly, per week.

Five goods trains each way per week.

**Capital Cost**

Excluding rolling-stock, the capital cost of the branch line as at 31st March 1951 was £1,495,986.

Main-line revenue of branch-line traffic, £60,153.

**Roxburgh Branch** (Milton-Roxburgh, distance 60 m. 40 ch.).

The operating revenue and expenditure for this branch are given below:—

Year.	Coaching Revenue.	Goods Revenue.	Total Branch Revenue.	Branch Expenditure.	Operating Loss.	Operating Loss Per Mile.	Operating Loss. Per Cent.
	£	£	£	£	£	£	
1938 ..	841	13,844	14,685	30,818	16,133	264	109.8
1939 ..	521	13,197	13,718	28,849	15,131	248	110.3
1940 ..	605	13,236	13,841	28,950	15,109	248	109.1
1951* ..	432	33,057	33,489	47,735	14,246	234	42.5

\* Figures are for nine months ended 31st March 1951.

**Train Services**

Five goods trains each way per week.

Five goods trains to and from Lawrence per week.

**Capital Cost**

Excluding rolling-stock, the capital cost of the branch line as at 31st March 1951 was £728,467.

Main-line revenue of branch-line traffic, £52,860.

**Catlins River Branch** (Balclutha-Tahakopa, distance 42 m. 57 ch.).

The operating revenue and expenditure for this branch are given below:—

Year.	Coaching Revenue.	Goods Revenue.	Total Branch Revenue.	Branch Expenditure.	Operating Loss.	Operating Loss Per Mile.	Operating Loss. Per Cent.
	£	£	£	£	£	£	
1938 ..	2,322	13,235	15,557	18,113	2,556	59	16.4
1939 ..	2,123	12,413	14,536	18,395	3,859	90	26.6
1940 ..	2,019	13,432	15,451	21,325	5,874	137	38.0
1951 ..	1,594	16,720	18,314	37,146	18,832	438	102.8

*Train Services*

One passenger train each way per week.  
Five mixed trains each way per week.

*Capital Cost*

Excluding rolling-stock, the capital cost of the branch line as at 31st March 1951 was £465,203.

Main-line revenue of branch-line traffic, £56,910.

**Tapanui Branch** (Waipahi—Edievale, distance 26 m. 11 ch.).

The operating revenue and expenditure for this branch are given below:—

Year.	Coaching Revenue.	Goods Revenue.	Total Branch Revenue.	Branch Expenditure.	Operating Loss.	Operating Loss Per Mile.	Operating Loss.
	£	£	£	£	£	£	Per Cent.
1938*	1,247	5,523	6,770	10,659	3,889	144	57·4
1939*	1,238	5,208	6,446	12,262	5,816	215	90·2
1940*	1,154	5,545	6,699	12,202	5,503	204	82·1
1951†	25	11,654	11,679	17,730	6,051	224	51·8

\* Includes road motor revenue and expenditure.

† Figures are for nine months ended 31st March 1951.

*Train Service*

Five goods trains each way per week.

*Capital Cost*

Excluding rolling-stock, the capital cost of the branch line as at 31st March 1951 was £124,955.

Main-line revenue of branch-line traffic, £53,638.

**Waikaka Branch** (McNab—Waikaka, distance 12 m. 47 ch.).

The operating revenue and expenditure for this branch are given below:—

Year.	Coaching Revenue.	Goods Revenue.	Total Branch Revenue.	Branch Expenditure.	Operating Loss.	Operating Loss Per Mile.	Operating Loss.
	£	£	£	£	£	£	Per Cent.
1938	21	1,599	1,620	4,015	2,395	184	147·8
1939	22	1,866	1,888	3,865	1,977	152	104·7
1940	22	2,043	2,065	3,503	1,438	111	69·6
1951	6	4,448	4,454	7,154	2,700	208	60·6

*Train Services*

Three goods trains each way per week.

*Capital Cost*

Excluding rolling-stock, the capital cost of the branch line as at 31st March 1951 was £67,683.

Main-line revenue of branch-line traffic, £26,124.

**Seaward Bush** (Invercargill—Tokanui, distance 33 m. 64 ch.).

The operating revenue and expenditure for this branch are given below:—

Year.	Coaching Revenue.	Goods Revenue.	Total Branch Revenue.	Branch Expenditure.	Operating Loss.	Operating Loss Per Mile.	Operating Loss.
	£	£	£	£	£	£	Per Cent.
1938 ..	850	7,379	8,229	13,755	5,526	163	67·1
1939 ..	1,073	8,407	9,480	15,516	6,036	178	63·6
1940 ..	1,252	8,809	10,061	13,556	3,495	103	34·7
1951 ..	776	23,874	24,650	29,202	4,552	134	18·4

*Train Services*

One mixed train each way per week.  
Four goods trains each way per week.

*Capital Cost*

Excluding rolling-stock, the capital cost of the branch line as at 31st March 1951 was £187,136.

Main-line revenue of branch-line traffic, £27,460.

**Orawia Branch** (Tuatapere—Orawia, distance 8 m. 23 ch.).

The operating revenue and expenditure for this branch are given below:—

Year.	Coaching Revenue.	Goods Revenue.	Total Branch Revenue.	Branch Expenditure.	Operating Loss.	Operating Loss Per Mile.	Operating Loss.
	£	£	£	£	£	£	Per Cent.
1938 ..	13	717	730	2,061	1,331	148	182·3
1939 ..	15	999	1,014	1,805	791	88	78·1
1940 ..	16	934	950	1,343	393	44	41·3
1951 ..	2	1,430	1,432	2,519	1,087	121	75·9

*Train Services*

Two goods trains each way per week.

*Capital Cost*

Excluding rolling-stock, the capital cost of the branch line as at 31st March 1951 was £112,616.

Main-line revenue of branch-line traffic, £14,587.

**Mossburn Branch** (Lumsden—Mossburn, distance 11 m. 57 ch.).

The operating revenue and expenditure for this branch are given below:—

Year.	Coaching Revenue.	Goods Revenue.	Total Branch Revenue.	Branch Expenditure.	Operating Loss.	Operating Loss Per Mile.	Operating Loss.
	£	£	£	£	£	£	Per Cent.
1938 ..	34	1,287	1,321	1,615	294	25	22·2
1939 ..	27	1,040	1,067	2,216	1,149	96	107·7
1940 ..	28	1,096	1,124	2,152	1,028	86	91·4
1951 ..	4	3,765	3,769	5,008	1,239	103	32·8

Stations on Branch—

	Miles from Lumsden.
Castle Rock .. .. .	4
Murray Creek .. .. .	8
Mossburn .. .. .	12

*Train Services*

Three goods trains each way per week.

*Passenger Road Services: Departmental*

This branch is provided with a Monday–Saturday service with Lumsden through the Lumsden–Matuku and Lumsden – Eglinton Valley services.

*Capital Cost*

Excluding rolling-stock, the capital cost of the branch line as at 31st March 1951 was £27,508.

Main-line revenue of branch-line traffic, £20,830.

**Nelson Section** (Nelson–Glenhope, distance 60 m. 8 ch.).

The operating revenue and expenditure for this section are given below:—

Year.	Coaching Revenue.	Goods Revenue.	Total Branch Revenue.	Branch Expenditure.	Operating Loss.	Operating Loss. Per Mile.
	£	£.	£	£	£	£
1938 ..	2,612	9,343	11,955	23,127	11,172	183
1939 ..	2,556	8,587	11,143	22,273	11,130	182
1940 ..	2,502	7,513	10,015	23,517	13,502	221
1951 ..	591	20,886	21,477	46,457	24,980	410

This line has twenty-three stations on the route and, excluding engine crews located on the section, the staff totals 39. The service consists of three mixed trains, plus one goods train, each way per week.

The percentage of operating loss was 116.3 in 1951; in 1940 it was 134.8; in 1938 it was 93.4.

Excluding rolling-stock, the capital cost of the Nelson Section as at 31st March 1951 was:—

	£
Nelson–Glenhope .....	368,950
Glenhope–Kawatiri .....	122,142
(Track lifted and credits for materials allowed)	
	£491,092

The Department provides a passenger road service six days a week each way Nelson–Wakefield, with extension to Belgrove on five days a week, and a service Nelson–Murchison runs three days a week each way.

Freight tonnage handled by the railway per annum approximates 25,000 tons, with an average haul for 1951 of 31 miles.

The main commodities carried for 1951 were:—

	Tons.	Average Haul. Miles.
Lime for farmlands .....	2,000	20
Coal (brown) .....	2,200	51
Timber .....	2,600	55
Cement .....	3,400	49
Manures .....	3,500	17
Goods at local rates .....	3,500	9
Other lime, clay, &c. ....	2,100	26
Live-stock .....	1,500	45
Meat, fat, tallow .....	1,000	7
Fruit and vegetables .....	700	8

The service equals eight trains one way per week or 416 trains per year. On the basis of the total branch revenue for 1951 of £21,477, this represents an average of £51 of revenue for each train run, or approximately 17s. for each mile of the route.

We visited Nelson, heard submissions from representative groups who were mainly concerned with the extension of the line to Inangahua. This proposal has been extensively canvassed over a long period of years; there is a wealth of information both in printed pamphlets and in departmental records on the subject.

The length of line required to "bridge the gap" from Glenhope to Inangahua is approximately 50 miles. Much of this new construction would be through most difficult country for railway engineering. Only a small portion of the area has much prospective agricultural value, and the prospective coal production is by no means unlimited according to the reports we have perused from the Agricultural and Geological Survey Departments.

In weighing up any such proposed link-up regard also has to be given to the condition of the existing Nelson-Glenhope line, which is in poor condition and of very light rail construction. Taking a realistic view of the position, a new and improved line would require to be laid right from Nelson in order to provide a satisfactory service; an estimate of the cost of "bridging the gap" is in the region of £7 to £8 million pounds, and this estimate is probably conservative.

The operating cost per mile is estimated to be at least £5,300, and a revenue of approximately £265,000 per annum would be required to meet the operating costs without any margin for contingencies. These calculations do not make any provision for interest on the capital outlay, for which a still higher revenue would be required.

No indications of any revenue estimates were obtainable by us from examination of the witnesses who appeared, but from our own observations and the other information available it appears that the possibility of the railway earning more than a fraction of the necessary revenue is very remote.

Moreover, the area is served by one of the most efficient road transport organizations in the Dominion, and this is evidenced by the comparatively low freight rates of the company concerned.

We could find no evidence that any difficulty is experienced by the primary producers or the commercial community in either outward or inward transport. Some 66,000 tons of freight are already transported by road annually, and it would probably be difficult to influence any great portion of this traffic back to rail without a complete embargo on road traffic.

It is significant that frozen meat for shipment overseas is transported by road from the freezing-works at Stoke to the ship's side, a distance of approximately 8 miles.

We appreciate that Nelson, by reason of its geographical position, is to an extent isolated without a railway, and that roads to the highest standard should be provided. Until such time as a first-class road constructed to modern standards is provided to connect with Inangahua, we recommend that no action be taken to close the existing railway service; we cannot recommend any new construction work towards bridging the gap, either in the whole or in part.

PART 2  
ORDER OF REFERENCE No. 5

*The adequacy and suitability of the scale of goods rates, passenger fares, and all other charges for railway services having regard to the proper sphere of railway operations, the costs of operation, the competitive situation, and the capacity of the railways to handle existing and prospective traffic.*

The following statement gives a comparison of the financial position of the railways for the years 1952, 1951, and 1939:—

	1952.	1951.	1939.
	£	£	£
Total capital .. .. .	88,070,000	84,992,093	58,676,608
Gross earnings .. .. .	23,993,186	22,085,491	9,345,337
Gross expenditure .. .. .	25,195,674	22,079,701	8,644,324
Net earnings .. .. .	..	5,790	701,063
Net loss .. .. .	1,202,488	..	..
Net revenue—			
Operating .. .. .	1,418,058*	225,072*	341,427
Subsidiary services .. .. .	333,652*	297,302*	9,694*
Non-operating revenue .. .. .	549,222	528,164	369,330
Interest charges .. .. .	2,996,517	2,882,476	2,418,116
Excess of interest charges over net revenue .. .. .	4,199,005	2,876,686	1,717,053
Total route mileage .. .. .	No. 3,539	No. 3,531	No. 3,332
Capital cost per mile .. .. .	£24,886	£24,070	£17,679
Ratio expenditure to earnings, per cent. .. .. .	105·01	99·97	92·50
Percentage of net earnings to average capital .. .. .	..	0·007	1·23

\* Denotes loss.

NOTE.—The interest charge stated above for the year ended 31st March 1952 is subject to confirmation by Treasury.

It will be noted that the ratio of expenditure to earnings for 1952 was 105·01 per cent. The aim of railway companies overseas is to keep expenditure within a ratio of 75 to 80 per cent of earnings, leaving the balance available for taxes, interest, and profit.

	1952.	1951.
	d.	d.
The operating earnings per revenue train-mile were .. .. .	389·89	317·71
But the operating expenses per revenue train-mile were .. .. .	417·40	317·53
The total coaching revenue per passenger train-mile was .. .. .	173·28	153·38

It will be noted that the coaching revenue is providing less than half of its proportion of operating earnings per train-mile.

The operations of all services for the year ended 31st March 1952 resulted in a deficit of £1,202,488. The gross revenue increased by 8·64 per cent to £23,993,186, and gross expenditure by 14·11 per cent to £25,195,674. This latter figure does not include £2,996,517 interest charge to the railways on their capital.

The following table details the net revenue position :—

	1952.	1951.
	£	£
Railway operation—		
North Island .. .. .	541,513 loss	252,620 profit
South Island .. .. .	848,497 loss	452,712 loss
Nelson .. .. .	28,048 loss	24,980 loss
Total operating .. .. .	1,418,058 loss	225,072 loss
Miscellaneous non-operating revenue .. .. .	549,222 profit	528,164 profit
Subsidiary services—		
Lake Wakatipu .. .. .	6,181 loss	3,979 loss
Refreshment Branch .. .. .	50,054 loss	21,616 loss
Bookstalls .. .. .	2,393 loss	2,863 profit
Advertising Branch .. .. .	10,621 profit	9,919 profit
Dwellings .. .. .	256,763 loss	237,532 loss
Non-operating buildings .. .. .	8,318 profit	5,547 profit
Road services .. .. .	28,200 loss	52,504 loss
Total subsidiaries .. .. .	333,652 loss	297,302 loss
Total .. .. .	1,202,488 loss	5,790 profit

The net loss £1,202,488 and interest charges £2,996,517 are met by subsidy from the Economic Stabilization vote each year.

During the years 1939 to 1945 moderate increases in expenditure were more than offset by a substantially increased volume of traffic. Since 1945 expenditure has increased out of relation to revenue, and this is largely due to improved wages and higher fuel costs, which have not been fully passed on but have been mainly absorbed in the present railways rates schedule.

Gross expenditure was made up as follows :—

	1952.	1951.
	£	£
Wages .. .. .	14,826,560	13,063,898
Coal and oil (locomotive) .. .. .	2,647,560	2,223,014
Stores and material .. .. .	3,467,821	3,251,512
Depreciation and renewals .. .. .	2,256,933	1,751,653
Miscellaneous .. .. .	1,996,800	1,789,624
Total .. .. .	25,195,674	22,079,701

The coaching revenue for the year ended 31st March 1952 was derived as under (1951 figures are included for comparative purposes) :—

	1952.	1951.	Variation.	
	£	£	£	£
Passenger revenue .. .. .	2,264,922	2,662,987	-398,065	14·95
Parcels .. .. .	286,581	296,144	-9,563	3·23
Luggage .. .. .	80,988	87,191	-6,203	7·11
Mails .. .. .	151,899	149,221	+2,678	1·80
Total railways coaching revenue (excludes road services) .. .. .	2,784,390	3,195,543	+411,153	12·87

The goods and live-stock revenue for the year ended 31st March 1952 comprised 84·38 per cent of operating revenue, compared with 80·96 per cent for the previous year.



The following statements show the tonnages and revenue of goods traffic under the four main headings:—

	Tonnage.			Revenue.		
	1952.	Variation From 1951.		1952.	Variation From 1951.	
	Tons.	Tons.	%	£	£	%
Live-stock .. ..	638,895	5,932	0·92	1,440,624	+214,976	17·54
Timber .. ..	743,947	-64,057	7·93	1,411,490	-3,782	0·27
Coal .. ..	1,952,411	+83,618	4·47	2,126,152	+248,769	13·25
Other goods .. ..	6,493,518	+199,285	3·17	12,051,160	+1,529,239	14·53
Total .. ..	9,828,771	+212,914	2·21	17,029,426	+1,989,202	13·23
Less refunds, &c. ..	..	..	..	71,616	+9,991	16·21
Total .. ..	..	..	..	16,957,810	+1,979,211	13·21

The total tonnage carried, 9,828,771 tons, was an increase of 212,914 tons over 1951 year, being 2·21 per cent increase. Earlier in the year traffic was still adversely affected by the continuance of the waterfront strike and allied disputes, and during the period April to July 1951 there was a fall of 578,546 tons. Subsequently traffic increased by 791,460 tons to give a net increase for the year of 212,914 tons.

Freight revenue increased by £1,989,202, or 13·21 per cent to a new record of £16,957,810. Approximately £1,000,000 of this increase was due to higher tariff rates, the balance being earned through the greater tonnage handled coupled with a longer average haul.

The accounting structure of the New Zealand Railways does not provide for expenditure costing of its passenger and goods traffic separately. By appropriating expenditure of a general nature on the basis of passenger train or gross ton-miles it is possible to arrive at a reasonable assessment of the separate costs of coaching and goods traffic. The Chief Accountant has prepared a statement showing the estimated revenue and expenditure for the year ending 31st March, 1953, as follows:—

	Coaching. Traffic.	Goods Traffic.	Total Operating.	Subsidiary Services.	Total.
	£	£	£	£	£
Expenditure .. ..	6,169,000	16,937,000	23,106,000	3,776,000	26,882,000
Interest .. ..	967,000	1,965,000	2,932,000	268,000	3,200,000
	<u>7,136,000</u>	<u>18,902,000</u>	<u>26,038,000</u>	<u>4,044,000</u>	<u>30,082,000</u>
Revenue .. ..	3,610,000	19,225,000	22,835,000	4,049,000	26,884,000
	<u>3,610,000</u>	<u>19,225,000</u>	<u>22,835,000</u>	<u>4,049,000</u>	<u>26,884,000</u>
Profit .. ..	..	323,000	..	5,000	..
Loss .. ..	3,526,000	..	3,203,000	..	3,198,000
	<u>3,526,000</u>	<u>..</u>	<u>3,203,000</u>	<u>..</u>	<u>3,198,000</u>

This statement, which includes interest charges, is based upon current tariffs and operating costs and shows that the coaching traffic will be carried at an estimated loss of £3,526,000, while the goods traffic will return an estimated surplus of £323,000.

Even if it were possible to eliminate passenger traffic from the railways entirely the goods traffic would require to bear the whole of the indirect expense and would then show a very substantial loss.

The estimated expenditure set out above included £2,685,000 for imported oil and coal. We are advised that if New Zealand coal supplies were sufficient

to avoid the use of imported fuel the expenditure estimate would be £1,815,000 lower. Our view is that it will always be necessary to maintain a number of oil-fuel locomotives as an insurance for the future.

We found that increases in rates have lagged behind increased costs of operation.

*Since 1938 the operating costs have increased by 144 per cent, whereas during the same period:—*

*Passenger rates have been increased only twice, and the total increase is equal to 45 per cent only.*

*Parcels and luggage rates have been increased three times, and the total increase is equal to 78 per cent.*

*Goods rates have been increased four times, the rate increases varying according to classes of goods. The total effective increase varies between 63 per cent and 111 per cent.*

The present scale of charges for all railway services is insufficient to meet the costs of operation and interest as at present constituted.

It would be undesirable, however, to increase all railways rates schedules immediately and indiscriminately. A proper analysis of the position affecting individual tariffs must first be made. Some rates are obviously too low, others appear to be adequate, whilst others again appear economic over some distances but then taper too steeply. Such an analysis can only be carried out by research into costs under the various rate headings.

We therefore recommend:—

**That a fully staffed Costing Section be set up immediately under the control of the Chief Accountant.**

We are satisfied that the Department already has suitable officers, or officers who can be suitably trained for this important work. The assistance and guidance of an outside consultant would be very valuable at least in the early stages for the development of this section. We are satisfied also that this Costing Section of, say, six persons continuously engaged in investigating the many avenues of railway costs would result in tremendous benefits to the railways economy.

One of the main reasons for the losses being made by the railways is due to the delay in recovering increased costs. At the present time the Arbitration Court is hearing an application for a cost-of-living increase. We are not concerned with the merits or otherwise of the case, but we would point out that if, for example, an increase of 10s. per week was awarded, the cost to the Railways Department would be £66,666 for every month that elapsed before that amount was recovered by one method or another.

We stress the desirability for prompt decisions on policy being given to the Railways Department on matters of this nature as such additional charges cannot be absorbed by the railways economy without some corresponding increase in freights and fares.

Whilst the Railways Department should be run on businesslike methods, and we have referred to this aspect elsewhere, the business of railways differs widely from ordinary commercial undertakings. In industry and in the commercial world generally the ratio of sales to capital employed is frequently  $3\frac{1}{2}$  to 1—i.e., capital is “turned over”  $3\frac{1}{2}$  times annually. In the New Zealand Railways the ratio of revenue to capital is 1 to 3.3—i.e., capital is “turned over” once in every  $3\frac{1}{2}$  years approximately.

With only one exception as far as we have been able to ascertain, the railways have never received any benefit from the land-betterment values which they have undoubtedly created in the opening up and development of areas since

their inception very many years ago. The establishment of railways throughout the country has in past years been of great value to the community at large and was in the national interest. The only benefit derived by the railways has been the revenues from the services given.

Notwithstanding this, the railways have been charged, and to-day are still liable, for all the capital they have expended in making and maintaining their own railroads—the permanent-way and, in fact, are charged with the interest thereon. The interest charge, though not earned in recent years, absorbs too much of the railway revenue. It is the equivalent of 10·6 per cent of the revenue required to meet the full expenditure, including interest. We know of no commercial undertaking which could function successfully if it had to allocate 10·6 per cent of its gross revenue as an interest charge on capital.

Furthermore, this interest charge has never been provided for as such in the railways rates schedules, and if it is to be regarded as a cost it must be taken into account and the rates schedules revised accordingly. We do not consider such a proposal is practical as thereby the rates schedules would become unbalanced competitively. Our view is that interest should be considered as a profit and not as a cost; that Government should determine what additional sum over and above operating expenses it expects the railways to earn and indicate this goal to the management in order that they may plan accordingly.

After giving due regard to the railways' past history of national development we venture the opinion that if the railways were expected to earn all operating expenses plus 1 per cent dividend on the present total capital, this would be reasonable and should be capable of achievement.

At present the railcar fare, which is the standard second-class, is not economical, and we recommend:—

**That as and when new railcars are put into operation an economic fare (which lies somewhere between second- and first-class fare) be charged.**

Subject to our observations elsewhere in this report in the matter of rolling-stock, we are satisfied that with the developments in hand and equipment on order the railways have capacity to handle the existing and the foreseeable prospective traffic other than the Auckland suburban passenger traffic.

### Freight Rail/Air Service

The rail/air service is operated at a satisfactory profit and, in addition, railway revenue is earned for the South Island Main Trunk railway. The Department's operating results are set out hereunder:—

Year Ended	Traffic Carried, Long Tons.	Revenue.	Expenditure.	Profit.
		£	£	£
31st March 1948	5,850	63,326	51,292	12,034
31st March 1949	7,850	97,805	73,879	23,926
31st March 1950	9,900	126,643	100,581	26,062
31st March 1951	14,460	186,007	149,290	36,717
31st March 1952*	22,662	302,859	288,117	14,742

\* Profit below normal owing to—(a) rise in ground handling costs, principally wages of loading and unloading gangs and lorry drivers; (b) temporary charter of expensive "Commando" aircraft ex Hong Kong to maintain service when National Airways Corporation aircraft were withdrawn during the waterfront strike.

In addition to this direct profit, substantial additional revenue was earned for the South Island Main Trunk-Railway. For example, during the year ended 31st March 1951 South Island railage Blenheim-Christchurch amounted to

approximately £50,000. Since the rail/air traffic was accommodated on existing trains and no additional facilities were needed, this sum was largely net revenue to rail.

During stoppages on the waterfront air services were the only means of moving urgent and essential commodities inter-Island. When the waterfront dispute occurred last year the rail/air service, which normally carried up to 1,400 tons per four-weekly period, handled up to 3,500 tons per period.

We referred earlier to the one case, as far as we are aware, where the railways did benefit from the land-betterment values which it created. This is the case of what is known as the Petone-Waterloo Railway extension, and as a matter of interest and for future guidance a brief *résumé* is given hereunder.

In the late 1920's an area of approximately 600 acres of land was purchased for the purposes of settlement and development in the Hutt Valley, including the proposed construction of a railway through the area. The purchase, disposal, and allocation of all land affected under this scheme was conducted by the Lands and Survey Department.

The railway was subsequently constructed, also new workshops at Woburn, the latter occupying an area of approximately 66 acres.

A considerable area of land was sold, and after the payment for land acquired, incidental expenses, subdivision, roading, sewerage, &c., the trading account disclosed a substantial profit, of which a considerable amount was credited towards the original cost of construction of the railway line.

The financial position brought about under this arrangement shows the following position:—

	£	s.	d.
The original capital cost was .. .. .	292,192	10	2
The profits on realization were .. .. .	185,018	8	11
Leaving net capital cost as at 31st March 1952 .. .. .	107,174	1	3

We have not made specific recommendations regarding freight charges, because the actual costs of transport in relation to variously classified rates are not known. These must be the subject of costing studies within the Railways Department, and, as the results of these become available, the freight structure must be reviewed to provide economic rates.

For similar reasons it is not possible to state definitely that all "short hauls" are unprofitable. From the investigations made, the indications are that many types of goods transported over short distances—*i.e.*, up to 30 miles—are showing results quite profitable to the railways and that in many cases goods carried long distances are being transported at a loss. The tonnage carried under the category of "short hauls" in the North Island is approximately 650,000 tons; in the South Island the "short haul" tonnage approximates 2,000,000 tons.

The positive facts regarding costs can only be ascertained through continuous investigations by the permanent costing section which we have recommended to be set up immediately.

Competitively, the railways suffer many disadvantages because as "public carriers" they are required to transport all classes of commodities. They are required also to maintain time-tables and run passenger services for such passengers who may require to travel, and whether a full train load is available or not; by comparison, private transport operators, though they may be termed "common carriers," are not so completely tied and generally operate on the plan of a profitable capacity basis.

We deem it necessary to say also that in many instances Government policy over the years and pressure from individual groups have affected freight tariffs in a manner which has been detrimental to the railways economy.

## PART 3

## OTHER MATTERS AFFECTING RAILWAYS.

## MANAGEMENT

The railways and ancillary services, with assets valued at £88,070,000, an income for the last financial year of nearly £24,000,000, and a staff of approximately 25,000 persons, constitutes the largest commercial undertaking in New Zealand. Notwithstanding its vitally important position in the national economy the railways have only restricted monopoly of transport and must face the growing competition of other forms of transport. Indeed, during the past twenty-five years the competition of road transport in particular has been and remains severe, and now there is the developing competition of the air services. However much protection may be granted to the railways, it is not probable that they will ever enjoy a complete monopoly, and great skill and judgment will be necessary wisely to manage and to meet the inevitable competition.

In any undertaking it is necessary to determine policy and essential to take steps to avoid periodical disruption of that policy; continuity of policy is important if it is to succeed. We find that in the railways the management and responsibilities are shared between the Hon. the Minister of Railways and the General Manager, and that the Minister must from time to time seek Cabinet's confirmation of his proposals. This procedure takes time, and naturally results in delays occurring in deciding important matters, some of which call for urgent attention. As a result of this system both the Minister and the General Manager are called upon to devote much of their time to matters of relative unimportance. Changes in Government and consequently in the Minister of Railways are inevitable, and must be accepted.

As regards management, we find that since 1st June 1928, a period of twenty-four years, seven gentlemen have occupied the position of General Manager, the term of office of six of them averaging less than four years. The present General Manager took office on the 1st August 1951. The unwisdom of these relatively rapid changes has just been well demonstrated in the matter of the proposal to electrify the North Island Main Trunk. The last General Manager recommended Government to adopt his proposal and to make an immediate start with it, and Government accepted the scheme in principle. The present General Manager holds a different view; he believes that electrification can wait and he desires to develop an alternative proposal for consideration.

In technical matters we do not consider ourselves competent to judge between the opinions of two General Managers, but no business of this magnitude has any hope of being successful if changes in major policy can occur every few years with a change of managership. Before the present Manager can develop his ideas another General Manager may assume office who may support one or other opinion or have even another of his own.

Furthermore, we do not believe that in these days of constantly changing economic conditions it is possible for one man to run successfully a trading concern with a turnover of £24,000,000 annually.

We find also that in many cases senior officers retire from their positions within a short time of attaining them. At the present time, of twenty-three officers now employed and who may be described as "top men," only four will be in the Service in five years' time. This state of affairs is not conducive to the success of any undertaking. No business with branches throughout the Dominion would keep changing its branch managers before they had time to know the district and their customers and develop goodwill.

The reason for this constant change lies in the operation of the forty years' retiring principle. We understand the reluctance of railwaymen to agree to any alteration of this principle, and we appreciate their point of view. To meet this view, therefore, but at the same time to obtain more efficient and continuous management, we recommend—

**That only certain key positions be classed as special appointments, and that no officer shall be appointed to such a position unless his appointment can be made for a period of not less than seven years, and that only in special circumstances shall he remain in that office after his forty years' service has been completed.**

In the best interests of the railway we believe that (a) steps must be taken to relieve the Minister of the continual demands on his time and energy in dealing with day-by-day matters and (b) the actual management should be shared by more than one man. In the past Boards or Commissions that have been set up to run the railways have met with limited success. We think one of the main reasons for this has been that railways require such specialization that men trained in the railways are necessary on such managing bodies. We believe, however, that a lifetime spent in a Government Department does not produce the commercial outlook or the customers' point of view, and that therefore an infusion of such an outlook would be invaluable. We consider that such management would also be greatly assisted by someone with financial ability.

We do not see how the railways can be completely divorced from political control, no matter how desirable that may be. The Government is responsible to the people for the money it has expended and will expend in the future. Although the final control must be in the hands of Government, it is desirable that those composing the management be given as free a hand as possible and that, after policy has been decided upon by Government, full responsibility for carrying out that policy be left with them.

It is possible and practical that much more efficient management would be obtained if, instead of the whole responsibility lying in one man's hands, the management was vested in an executive of five, three of whom would be railway officers, and one of the five members as Chairman.

We consider, however, that the most effective method would be by means of a Corporation on lines somewhat similar to that of such bodies as the National Airways Corporation, State Advances Corporation, and the Bank of New Zealand, and accordingly we recommend:—

**1. That there shall be established a Corporation, to be called the New Zealand Railways Corporation, and that the Corporation shall take over, manage, and develop the railways system and its ancillary services.**

2. That the Corporation shall consist of five (5) Directors to be appointed by the Governor-General, of whom one shall be appointed by him to be the Chairman.

(a) That three of the above-mentioned Directors shall be appointed from the members of the railway service on a full-time basis, and that two shall be appointed from persons outside the service.

(b) That in all cases the persons shall be appointed because of their knowledge and ability, and that no one shall be appointed in any representative capacity.

(c) That no person shall be appointed or remain as a Director if he is actively associated with or financially interested in the operation of any form of transport other than that of the Corporation.

(d) That the Directors be appointed for a period of not less than seven years, and that they be capable of reappointment.

3. That the Corporation—

(a) Shall appoint a General Manager, who shall be the Chief Executive Officer of the Corporation, and it shall be empowered to appoint such other officers as it thinks necessary.

(b) Shall be empowered to appoint such employees as it thinks fit, and on taking over the railways undertaking with its ancillary services the terms and conditions of employment shall be those then in force.

4. That the capital of the Corporation shall be £88,070,000, which is the ascertained capital employed in the railways undertaking as at the 31st March 1952, and that this sum be adjusted from time to time as works are abandoned, lines are closed, and/or assets are written off, and that

(a) The above-named sum of £88,070,000 shall be regarded as an investment by Government, and the Corporation shall be under no obligation to pay any interest on such sum. In the case of additional capital moneys provided subsequent to 31st March 1952 the Corporation shall pay to the Consolidated Fund interest at the rate ruling for Government loans at the time and times the additional capital moneys are made available to the Corporation; and

(b) The capital shall be regarded as permanently invested, and it shall be the responsibility of the Corporation before making any payment of interest to make adequate financial provision for obsolescence and replacement and maintenance of the assets of the undertaking; and

(c) Any profits remaining after the payment of any interest and making the provisions provided for under (b) shall be paid by the Corporation to the Consolidated Fund, unless the Corporation is of opinion that the money is required for development of the undertaking, the improvement of services, the reduction of charges and/or provision against possible future losses.

5. That the Corporation, with the approval of the Governor-General in Council, shall be empowered to acquire any shares or other interest in any other organization which is carrying on or interested in the establishment, maintenance, and operation of any transport undertaking, whether goods or passenger, in New Zealand.

6. That the Corporation shall be empowered to do all things which, in its judgment, are necessary for the efficient management, operation, and development of the railways system and its ancillary services, within the limits of the revenue of the undertaking and any capital moneys provided and in accordance with Government policy.

7. That the Corporation shall—

(a) Have regard to any representations which may be made by the Minister of Railways in respect of any functions or business of the Corporation, and shall give effect to any decisions of Government in relation thereto conveyed to the Directors in writing by the Minister of Railways.

(b) Carry out the directions of the Minister of Railways to establish and operate or to continue to maintain any service and/or to charge any special rate of freight for the carriage of goods and/or to charge any special fare or fares for the carriage of passengers.

(c) Notify the Minister of Railways in writing if the Directors are of the opinion that the carrying out of any directions of Government and/or the Minister of Railways will result in financial loss, and in such cases Government shall pay to the Corporation the amount of any such loss incurred in each financial year.

8. That the Corporation be required from time to time to survey the anticipated needs of the undertaking, and—

(a) Determine the capital works which are considered necessary in order to give to the public the service which can reasonably be demanded.

(b) In considering these matters not only use the services of its own officers, but be empowered also to call for reports from officers of appropriate Government Departments and, where in the judgment of the Corporation it is necessary, then to engage the services of outside persons who are competent to advise.

(c) Prepare and present its report to the Minister of Railways, who shall take steps to ensure that the report shall, without delay, receive the attention of Government, and that the Corporation be given early advice of the decision of Government regarding the works which are approved and the rate at which the necessary capital moneys will be made available to the Corporation.

(d) Having received the decision of Government, shall take such steps as to ensure that the works shall be carried out in an orderly and progressive manner.

9. That the Corporation shall within a reasonable time after the conclusion of each financial year cause to be prepared and sent to the Audit Office a yearly balance-sheet and a profit and loss account, together with such other statements of accounts as may be necessary fully to show the financial position of the Corporation. When audited, the accounts of the Corporation shall be submitted by the Corporation to the Minister of Railways, together with a report of the operations of the Corporation for the year in question.

10. That the Corporation shall be empowered to make any by-laws which are necessary for the safe, efficient, and proper operation of the undertaking.

We recommend a Corporation consisting of five Directors because the present condition of the railways is such that for some very considerable time the Corporation will be faced with a great task in doing all that is necessary to bring the undertaking to its proper position. In our opinion, it is of vital importance that all the Directors shall be able to devote ample time to the business of the Corporation and that the Directors appointed from amongst the officers of the railways shall not hold dual positions,



We recommend that two of the Directors shall be appointed from persons outside the railways because, as previously stated, we are of the opinion that the Corporation should have a proper and full appreciation of the views of the commercial and industrial community and of the users of the undertaking in general. We believe also that the personnel has been weakened by the system of retirement which has retained, and is still retaining, many senior officers in their positions for only relatively short periods. We have also to point out that there does not appear to be any system of training officers to take up the highest position of General Manager. These remarks are not intended in any way to question the ability of present or past officers.

Once experience has been gained in the operations of the Corporation and the undertaking is again firmly established on a successful basis, further consideration could be given to the question of Directors. It might well then be found that the number could be reduced and that they could all be appointed from amongst the officers of the railways. Although we believe it is important that at the outset two outside Directors shall be appointed, we most strongly urge that in any later rearrangement which retains outside Directors the majority of the Directors shall always be appointed from amongst railway officers.

We are impressed by the fact that for the successful control of the railways undertaking it is essential to engage men who have devoted their lives to the highly specialized work of railways.

We recommend that the capital as at the 31st March 1952—namely, £88,070,000—be considered as an investment by Government, which in fact it is, and that no fixed rate of interest shall be payable on it. Any financial return to Government should be by way of payment to the Consolidated Fund of any profit remaining after adequate sums of money have been set aside to provide for obsolescence, and replacement and maintenance of the assets of the undertaking, and the payment of interest on any new capital hereafter provided to the Corporation.

It cannot be denied that the railways made possible the full development of New Zealand as a great agricultural and pastoral country. It is also true that the railways have received for their services only the freights and fares which they have earned. They have received no financial gain from the betterment which they have created, and had they received the advantage of this betterment a great part of the present capital could have been written off long ago.

Elsewhere in this report we refer to the Petone-Waterloo Railway Extension, this being the only case of which we can find any record where, in developing a district, the Railways Department got a direct financial benefit from betterment. This case confirms our opinion that had a similar policy been adopted in the general development of the railways system the betterment gained would have largely offset the cost of the railway works.

When the railways were constructed they were the only practical means of land transport of goods in bulk. With the advent of good roads and the development of motor transport the position changed, and the people did not hesitate to use whichever means of transport they found more convenient or cheaper. The people of each locality themselves found the money, both for the construction of the good roads and their maintenance, but the same people were not called upon to make any direct contribution to the cost of the railway track.

It seems to us that the railways having provided transport facilities which were vital to the full development of the country and having received no direct financial gain for the enormous betterment which was created, the capital sum for which the Department is now responsible should be regarded as an investment which will pay a dividend only if profits are earned.

We realize that at a given time in the past the value of the railways for developmental purposes virtually ceased, but it is impossible to determine the date. It seems to us better to take the capital figure as it stood at the 31st March 1952 and to recommend that the railways undertaking shall be made responsible for the payment only of interest on new capital made available after that date.

## **Fuel**

### *Coal*

As regards coal, the Under-secretary for Mines was asked whether in his opinion adequate supplies of coal can be made available for railway purposes—that is, taking into consideration the probable changeover of the oil-burning locomotives to coal-burning locomotives. His advice is that, assuming the Railways Department require one-third hard coal and two-thirds soft coal, sufficient supplies can be made available within a reasonable period, say, three years, and that thereafter an annual increase in demand of 5 per cent can be met.

### *Oil*

So far as oil is concerned it appears that in normal circumstances adequate supplies can be made available, but we would draw attention to the extraordinary advance in the cost of this commodity. We find that at the outset the Railways Department obtained fuel oil from stocks held by Navy and at a cost of £6 10s. per ton. This was only a temporary arrangement, and since September 1947 fuel oil has been supplied by contractors under a contract which expires on 31st December 1953. When supplies commenced from the contractors an immediate rise in price took place, and from that day onwards the price has increased from £8 5s. per ton to £21 per ton today. No doubt abnormal conditions account for today's high price, but it appears clear that while supplies are available the price of this commodity can be considered as unstable.

### *Electricity*

The General Manager of the State Hydro-electric Department informed us that the General Manager of Railways had supplied his Department with a statement of the estimated power requirements for railway electrification in the North Island covering Auckland and Wellington suburban railways and the Main Trunk line for a period of years ending 31st March 1961. The estimated requirement for that year was given as 252,500,000 units. The General Manager of the State Hydro-electric Department compared this estimate with the anticipated total power requirements of the North Island for the same year of 4,500 million units. It will thus be seen that the estimated power requirements of the Railways Department would represent only between 5 per cent and 6 per cent of the total for the North Island for the year named—that is 31st March 1961.

The General Manager of the State Hydro-electric Department sees no reason why the estimated power requirements for railway purposes, if required, should not be met provided that sufficient notice is given so that the necessary plant can be procured and installed.

From the information with which we have been supplied it appears that adequate supplies of coal, oil, and electricity are available to the railways.

### **Murapara: New Railway Line**

No details of the new line now being constructed for the Murapara project have been placed before us, but we understand from the Department that no arrangements have been made as to freight charges nor has any guarantee been given that when a road is completed traffic will not be diverted from rail to road, as has already happened in so many cases in New Zealand.

To avoid this railway becoming another liability on the State, and as private interests are involved in the project, we strongly recommend that immediate steps be taken to conclude a mutually satisfactory and protective economic arrangement between the Railway Department and the interested parties.

### **Electrification of Main Trunk**

During the hearing of the submissions the Main Trunk Electrification Report, prepared under the signature of the late General Manager, was produced, and it has been read by us. We have also had an opportunity of hearing alternative evidence.

Although the Government has approved the principle of the electrification of the Main Trunk we consider it necessary to report that there is a wide divergence of opinion on the subject as between the authors of the report and the present management.

Whilst there appears to be merit in the proposal to electrify the Main Trunk line there appears also to be similar merit in the diesel electric and diesel form of propulsion advocated by the present management.

There also appears to be some doubt as to the soundness of some of the arguments advanced in favour of electrification. For example, one of the important arguments put forward was that nearly £6,000,000 would require to be spent on new locomotives between the present time and 1961, whereas we are advised by the present management that "A recent survey of the position shows that after taking into account all factors, the locomotives on hand and on order are more than sufficient for estimated requirements for another ten years, and this applies to both Islands, not the North only."

As we are not technically qualified to judge, we cannot express a worthwhile opinion, but as there appears to be an element of doubt, and as so many other matters are dependant on a final decision being made, we recommend that before any attempt is made to implement the suggested electrification scheme expert opinion be consulted.

### **Back Loading and the Effect of Subsidies**

Our attention has been drawn to the fact that vehicles transporting commodities by road such as fertilizers and timber, which in normal circumstances would be carried by rail, must in the main traverse the route empty in one direction. This condition, particularly as regards timber, is of temporary nature only and will cease as soon as the railways have more wagons and labour available. Save in exceptional cases, it is undesirable to permit back loading of the road vehicles as it must be remembered that such back loading is the normal forward loading of the railways. To disturb railway loading further would unbalance the

traffic of the railways and thus cause still more harm. The objective should be to improve the railways service so that the carriage by road can end at the earliest possible date.

With reference to fertilizer, the position differs in some respects and a main problem appears to be in the lack of adequate storage facilities on farms and the requests from all quarters for delivery to the farms within a very localized period. We are assured by the Railways Department that if arrangements are made for the spread of deliveries over a longer period they can handle all the fertilizer traffic without difficulty. This would obviate the necessity for the substantial subsidies which are at present being paid.

Regarding timber, the somewhat absurd position arises of timber transport by road from Rotorua and Putaruru areas to Auckland although supplies of empty trucks are travelling in the same direction, at least from Frankton to Auckland. As this road transport is at present subsidized for the whole distance, we suggest that the amount of subsidy could be substantially reduced by limiting its application to the Rotorua-Frankton section of the haul.

### **Awatere County Fire Hazard**

During a visit to Blenheim we received submissions relative to the fire hazard created by sparks and embers from passing trains in the Awatere County. The area has a low annual rainfall, and during the dry season there is a very definite fire risk and potential damage is considerable. Two lives have been lost in recent years through grass fires.

We were impressed by the measures initiated by the settlers and the co-operation of the Railway Department towards greater freedom from this menace. The utmost possible co-ordination of the efforts of all interests is essential to reduce the risk, which is constant during summer months, to the barest minimum.

We consider that until oil-burning or diesel locomotives are available in sufficient number to provide for the trains passing through this area, "burning off" by the Department adjacent to the rail route should be undertaken as early in the season as possible and after advice has been given to the settlers whose properties adjoin the areas affected.

### **Auckland Suburban Transport**

We have perused the report on Auckland transport submitted on the 14th March 1950 by Sir William Halcow, M.I.C.E., and Mr. J. P. Thomas, M.I.E.E., both of London, and we recommend an early decision on their recommendations. Sir William Halcow and Mr. J. P. Thomas deal extensively with the suburban railways of Auckland, and it appears that until the recommendations of these gentlemen, who are eminent in their respective spheres, are substantially adopted the railways cannot successfully operate a suburban railway passenger service in Auckland.

### **Paeroa-Pokeno Proposed Railway**

We have examined the evidence in connection with the construction of the Paeroa-Pokeno Railway.

The latest estimated cost is over £2,000,000. An amount of £249,000 has already been spent. The line, if constructed, is estimated by the Department to run at a loss of £46,120, excluding interest, even assuming that certain traffic will be diverted to rail. The main argument in favour of its construction appears to be the fact that the time for the through journey to Auckland would save over two hours and permit the through journey to Gisborne being undertaken in

approximately twelve hours, including five and a half hours by road. It is also suggested that with the diversion of some of the traffic it might be practicable to postpone the proposed yard rearrangement at Frankton Junction.

There is no evidence to suggest that the district itself will show a big increase either in productivity or in population in the immediate future, judging by the estimate submitted to us of a 29 per cent increase in productivity during the next thirty years. The district is well roaded, with a good transport system. It would still be necessary to run a train from Paeroa to Frankton. The proposed rearrangement of the yards at Frankton Junction will still have to be completed eventually, and therefore there would be no actual saving.

We are of the opinion that this line should not be proceeded with until there is definite evidence that operating costs will be met by earning capacity.

We received a number of submissions on matters which did not come within the scope of our inquiries. Although these matters may not be specifically referred to or dealt with in this report, we have in every case passed them on to the Railways Executive for their consideration and attention.

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PART 4  
GENERAL AND RECOMMENDATIONS

We give below a summary of our principal recommendations:—

Order of Reference No.	Page.	
1	18	That the Railways Department forthwith fix and charge economic fares on the Hutt Valley road services.
	18	That the Hutt Valley road services be taken over at valuation by the local authorities concerned when the Hutt Valley railway is electrified; <i>or, alternatively,</i> That the Railways Department operate the road services on behalf of the local authorities, who will meet operating losses.
	18	That in the event of the road services not being disposed of, or operated on behalf of the local authorities, such services be discontinued when the electric rail services commence.
	19	That after the Hutt Valley line is electrified no competitive bus service be permitted to operate between Petone and Wellington.
	19	That a review be made of road services operation by the Railways Department with a view to disposal to owner-driver operators.
	21	That the serving of hot meals in railway refreshment-rooms at Frankton Junction, Marton, Napier, Otira, and Oamaru be discontinued and a cold buffet be substituted.
	21	That the railway refreshment-rooms at Woodville and Kaitoke be closed.
	21	That the railway refreshment-rooms at Taumarunui be not opened for the Auckland-Wellington "Limited Express" which arrives at 3.55 a.m.
	21	That the railway refreshment-rooms at Ohakune Junction be not opened for the "Limited" Express trains which arrive at 1.56 a.m. and 2.53 a.m.
	23	That a Public Relations Officer be appointed.
	26	That press publicity relating to the emptying of wagons be discontinued and that demurrage charges be increased from 25s. per day to 60s. per day for each four-wheeled wagon.
	28	That, with the exception of Greymouth and Westport, the Railways Department discontinue operating ports and that approaches be made accordingly to the Harbour Boards concerned.
	28	That the handling and sorting charges on ships' goods at Wanganui Town Wharf be increased by an amount sufficient to cover the actual costs, plus a margin for contingencies.
2	33-34	That in order to recruit additional staff and retain existing staff, action as outlined in the detailed proposals be put into effect.
	35	That the whole basis of promotion for the locomotive staff be reviewed.
	35	That the present recruiting campaign through schools be intensified and a special school be re-established.

Order of  
Reference  
No.

## Page.

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| 3 | 39    | That the position of current licences authorizing the carriage of goods in competition or substantially in competition with rail services be reviewed, and that no further such licences be issued.   |
|   | 39    | That the Railways Department be the issuing authority for all temporary licences and that the necessary legislation be enacted to give effect to this recommendation.   |
|   | 39    | That contract licences for the carriage of passengers be issued only for the specific trips of the special nature as clearly stated in the existing legislation.  |
|   | 40    | That there shall be established an over-riding organization charged with the responsibility of advising the Government in regulating the respective forms of transport in the matter of their development, completion, charges, and general conduct; and that this authority be composed of independent members and not of representatives of rail, road, sea, or air services. |
| 4 | 49    | Recommendations regarding the closing or continued operation of branch lines.   |
| 5 | 66    | That a fully staffed Costing Section be set up under the control of the Chief Accountant.   |
|   | 67    | That as and when new railcars are put into operation an economic fare (which lies somewhere between the second- and first-class fare) be charged.   |
|   | 70    | That only certain key positions be classed as special appointments, and that no officer shall be appointed to such a position unless his appointment can be made for a period of not less than seven years, and that only in special circumstances shall he remain in that office after his forty years' service has been completed.  |
|   | 70-71 | That there shall be established a Corporation, to be called the New Zealand Railways Corporation, and that the Corporation shall take over, manage, and develop the railways system, and its ancillary services.  |

We have attached to this report the undermentioned appendices:—

1. Report on the Accountancy System and Costing Methods by L. C. Nisbet, F.P.A.N.Z.
  2. Schedules (2) of the Administration.
  3. Clock Graph Comparison of Revenue and Expenditure, 1939-1952.
  4. Passenger Car Stock Graph.
  5. Schedule of the Road Services.
  - 6 and 7. Passenger Traffic and Journeys.
  - 8 and 9. Goods wagons and Tonnage.
  - 10 and 11. Gross Ton-miles.
  - 12 and 13. Net Ton-miles and Average Haul.
  - 14 and 15. Average Train Load and Aggregate Wagon Capacity.
  16. Operating Figures, all New Zealand Main and Branch Lines.
  - 17/45. Operating Figures, Branch Lines.
- Maps, No. 1: North Island Railway System.  
 Maps, No. 2: South Island Railway System.  
 Maps, No. 3: North Island Road Services.  
 Maps, No. 4: South Island Road Services.

} *Graphs.*

We reiterate our belief that there is a future for the railways and that they can be run without loss.

A knowledge of the actual costs, the shaping of policy thereby, and a departure from the present practice of securing business regardless of loss; the refunding to the railways of losses deliberately incurred by Government; the realization by management and staff alike that they are members of the largest transport concern in the Dominion, requiring a high standard of service to the public, and, in return, receiving sympathetic consideration from the public; a greater continuity of service from those in key positions; these factors are all essential for the future success of the railways, but, above all, there must be leadership and inspiration.

In concluding this unanimous report we wish to express our sincere thanks to the Hon. the Minister of Railways for his active co-operation in placing at our disposal every document we requested; to all the officers of the Railways Department at Head Office and in the districts for their kindness and assistance; to our Secretaries and the stenographers for their help at all times so willingly given; and to the officers of other Government Departments from whom it was necessary for us to seek information.

Without this co-operation the completion of our report within the time allotted would have been a very much more onerous task.

We return herewith the Commission with which Your Excellency was pleased to entrust us.

Given under our hands and seals this twentieth day of June 1952.

JOHN A. C. ALLUM, Chairman.  
WALTER O. GIBB } Commissioners.  
C. V. SMITH }

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**APPENDIX I**  
**REPORT ON THE ACCOUNTING SYSTEM AND**  
**COSTING METHODS**

By L. C. NISBET, F.P.A.N.Z.

**AN APPRECIATION**

I have enjoyed working with the Chief Accountant and his staff, who have been kind and most co-operative. In particular, I would like to say how grateful I am to Mr. E. H. Alington for his courtesy, patience, and valuable assistance. Arising from my work with him, I have met other senior officers of the Railways, and to these gentlemen also I express my thanks for their courtesies and keen desire to help.

L. C. NISBET.

Wellington, 4th June 1952.

The Chairman and Members,  
 The Royal Commission on the New Zealand Railways,  
 Wellington.

GENTLEMEN,—

ACCOUNTING SYSTEM AND COSTING RECORDS

As was requested by the Commission early in April 1952, I have examined the accounting system and costing records at the Head Office of the Railways Department, and now have pleasure in submitting my report, together with some comments which may be of assistance to the Commission.

Because of the time factor, my inquiries have necessarily been limited to a review of the books and records (together with relevant statistics) held at Head Office. I have had many discussions with the Chief Accountant and have also had discussions with those in charge of the various trading activities—*e.g.*, transport, road services, refreshment-rooms, and bookstalls.

The Railways Department is a vast undertaking, and a detailed examination of the full accounting plan and the day-to-day use made of the information furnished by it would not only take some months, but would entail visits to at least some of the major branches, depots, and workshops.

I have divided my report into the following headings:—

- A. Financial Accounting and Statistics.
- B. Costing and Tariff Rates.
- C. Estimates, financial year 1952–53.
- D. Brief Comments on Various Matters.

**A. FINANCIAL ACCOUNTING AND STATISTICS**

1. The Chief Accountant controls the accounts, audit, and statistical work of the Department and deals with all matters affecting railway finance. This includes the accounting work performed in the Way and Works, Workshops, Locomotive, and Stores Branches, as well as the subsidiary services—*viz.*, road services, refreshment-rooms, bookstalls, advertising, dwellings, and Lake Wakatipu steamers.

2. The accounting system is very good indeed. It is based on a series of returns and summaries, which are forwarded to Head Office regularly. These schedules provide a detailed analysis of revenue and expenditure so that the information contained therein can be sub-analysed to a marked extent.

3. The accounts are closed at the end of each four-weekly period, and Profit and Loss Accounts for operating and subsidiary services are presented four-weekly and annually.

4. In addition to the Capital Account and General Balance-sheet which are produced annually for the Department, the Chief Accountant furnishes individual balance-sheets annually for the subsidiary services.

5. A wide variety of statistical data designed to indicate trends in operating efficiency is prepared in the Chief Accountant's office. A review of operations is also prepared four-weekly for the General Manager and supplied for the information of the heads of branches and district officers. A similar review, though much more comprehensive in scope, is made for each year's operations.

6. Due to good organization, the accounts and returns for each four-weekly period are completed before the next accounting period commences. The work flows smoothly, and the annual trading accounts for the financial year ended 31st March 1952 were completed on the 24th April last. This is a good performance, judged by any standards.

7. The staff is both able and loyal, and I am amazed that such a comparatively small Head Office staff should be able to produce such an output of work so regularly.

8. The cross-check on goods way-billing by means of Power Samas accounting machines is another evidence of the efficiency in this section.

9. Due to shortage of staff, some of the accounting work has had to be eliminated in the meantime, specific examples of work curtailed and/or suspended being—

- (a) The compilation of the mileage run by cars, vans, and wagons.
- (b) The compilation of locomotive mileage under some headings.

10. As far as I have been able to ascertain, the statistics taken out for the New Zealand Railways cover the same basic information as is prepared for English and American railways.

11. The outlook of the accounting division is progressive, as is evidenced by the reorganization as from 1st April 1951 of parcels accounting, resulting in a saving of about 90 in the number of employees engaged in parcels accounting and clerical work.

12. Recently a scheme was evolved to revise the goods accounting system, and Cabinet approval has now been given to the change. When the new system comes into force about August 1952 it is estimated that there will be staff savings of at least 200 persons.

13. I am satisfied from my inquiries that the Chief Accountant's Branch is producing, or has the basic information to produce at reasonably short notice, almost any financial and statistical figures that management may call for.

## **B. COSTING AND TARIFF RATES**

1. The accounting system does not provide for expenditure costing of its passenger and goods traffic separately. Costs of operating are measured at either so much per 1,000 gross ton-miles (passengers being assessed at 16 per ton), or at so much per net ton-mile. The total expenditure is divided by the ton-miles, and the resultant figures, which are averages, are presumed to be the costs per ton-mile. The present-day cost per net ton-mile is not known.

2. Separate costs are not kept for passenger and for goods operations except to the extent that wagon, carriage, and railcar maintenance costs and depreciation are available. These costs, together with several other minor items which are a definite charge either to passenger or to goods traffic, comprise only about 20 per cent of operating costs.

3. Therefore, in order to obtain estimates of passenger and goods costs, bases have to be established for allocating about 80 per cent of the total operating costs. The Department considers that the statistics available are adequate to provide a reasonably satisfactory basis of allocation.

4. The complete break-down of passenger and goods costs requires a detailed study of statistics and the expenditure accounts. For instance, the cost of carrying a certain commodity depends mainly on the average net wagon load, the extent of empty wagon haulage, the labour involved in loading and unloading, and accounting.

5. In order to obtain reliable estimates, research—which takes time—into each of these aspects and into a number of others is necessary. Though there are difficulties in traffic costing, none is insuperable, and the finding of reliable costs is only a question of making proper investigations.

6. Just recently the Department has taken out some commodity costs based on the 1953 estimates of expenditure. It is considered that sufficient work has been put into the present investigations to provide reasonably reliable estimates, except in so far as small consignments are concerned. The time factor has not permitted the carrying out of such cost investigations as are necessary to assess accurate handling and office costs on small lots traffic and general merchandise, and these estimates are qualified accordingly.

7. These costs, which show the varying profits and losses per commodity per length of haul, are based on the average costs which apply throughout the system. The actual cost of carrying a certain commodity between two given points may differ considerably from the average. For instance, the cost of locomotive fuel varies in different localities, while the nature of the terrain also causes differences in costs. Another factor is varying densities of traffic. High densities mean low fixed costs, while low density means high fixed charges. The full incidence of branch lines on costs is another unknown factor at present.

8. The Department has also taken out a study showing the estimated earnings for North Island short haul traffic. The estimated excess of revenue over the variable costs of earning it from this source is assessed at £212,914, so that diversion from rail of all traffic in the North Island for distances under 30 miles would decrease railway net revenue by about £212,914 per annum.

No similar studies have yet been taken out for the South Island.

9. Similar studies for passenger traffic would take about six months. Passenger transportation calls for an expensive type of service, depending as it does on an exacting time-table, speed, and comfort of passengers. No details are available of the results of operating suburban passenger trains.

10. Estimates for 1953 show an estimated loss on coaching of £3,526,000 (including £967,000 provision for interest), and the need to analyse and localize the sources of this loss is urgent.

11. No industrial organization of this nature and size can afford to run without the aid of a fully-staffed costing section. The Chief Accountant and his staff have the knowledge and ability to undertake this work, but cannot do so unless sufficient staff is available to enable the essential work to flow smoothly.

12. I therefore recommend that a properly constituted costing section be set up under the control of the Chief Accountant. With the concurrence of the General Manager, this team of specialists should be free to investigate, and report back to the Chief Accountant, any activity affecting the finances of the railways and the subsidiary services.

13. These officers should have no other duties and should be free to devote themselves full-time to research. Their sole concern should be costs and maximum operating efficiency.

14. The Chief Accountant would submit these reports and recommendations to the General Manager, who in turn, after consulting the sections concerned, would issue any necessary directions.

### Workshops

15. The method of costing in use in the workshops is job costing. Wages at average rates, materials at cost, and overhead are charged to each job. The overhead rate is adjusted at intervals to correct for any over or under recoveries of this item, so that for all practical purposes, the total cost of the workshops is charged annually to—

- (a) Railway operations.
- (b) Capital.
- (c) Stores.

Full details of costs, both in man-hours and money, together with comparisons for similar work in previous years, are available to the management.

### Road Services

16. The revenue derived from this source is analysed by districts, and further analysed to show omnibus traffic separately from route traffic.

17. The costs of operating are charged to the district fleets and thus more accurate data of operating costs for omnibus and route traffic can be obtained than is the case with the railways. Each four-weeks District Managers receive from Head Office details of their operating expenses. District Managers obtain their daily capacities from passenger way-bills. Such information is not assembled at Head Office.

18. Head Office used to take out individual costs of repairs for each vehicle, but, due to shortage of staff, have had to curtail this work. However, such basic information is contained at the various depots and can be assembled if required for any particular purpose. A history record is kept in respect of each tire, and the tire records are carried on the buses to which the tires are fitted, and accompany the tire when it is removed.

19. Here again adequate statistics are available, and I am satisfied that the Profit and Loss Accounts prepared for each district show a clear picture of the operating results. Passenger fares were increased on route services (not suburban) as from 2nd March 1952, and it is anticipated that for 1952-53 the results from road services operations will prove satisfactory.

20. For 1951-52 the Wellington suburban service carried 13,303,114 passengers, gross revenue being £428,280. However, expenditure (including an interest charge of £5,795) amounted to £475,621, and this service was run at a loss of £47,341, being the equivalent of 0.85d. per passenger-journey. The Department cannot see any improvement on earnings from this service in the meantime.

### Refreshment-rooms

21. The accounting system and control of revenue and expenditure in this section is sound. A physical stock-check is taken at each "room" every four weeks, and the stock purchased and sold is reconciled with revenue. The number

of cups of tea sold is calculated as follows:—at each refreshment-room there are slides which hold a specified number of clean cups; as soon as a train departs, the clean cups remaining on the slides are counted by the supervisor and the difference is presumed to be the number of cups sold.

22. Goods which are sold in packets, as well as bottles of cordials, are balanced by count. Quantities of food used are measured against appropriate standards, e.g.—

Tea is served in 10-pint teapots, with so many ounces of tea to the pot. A pound of tea should yield a standard number of cups.

Details are kept of the number of sandwiches cut and put out. The quantity of food which is thrown away is recorded and taken into account when revenue and expenditure is accounted.

23. The wages cost varies at the different refreshment and dining rooms and the numbers employed cannot be compared with the numbers employed in catering businesses in the towns and cities. The staff required is governed by—

(a) Volume of business arising from the train.

(b) The duration of the train stop.

A big factor, particularly in the dining-rooms, is the cost of idle time. The cost of staffing the refreshment-rooms to cater for Sunday passenger services is also an added burden to the Department.

### Bookstalls

24. These are under the control of the same officers as are the refreshment-rooms, and the accounting plan follows similar principles.

### Interest

25. Whether interest is to be regarded as a cost or not is for Government to determine. If it is a cost, then it must be taken into account when considering what is required of tariff rates. If it is to be regarded as a profit and not a cost then interest should not be charged, though perhaps the equivalent of a dividend could be paid to the Consolidated Fund when railway finances permit.

26. Similarly, it is for Government to determine what additional profits, if any, it expects the Department to earn. Management must be given an attainable goal. Not to budget and plan to achieve the desired results is both unrealistic and unbusiness-like.

### Tariff Rates

27. Tariff rates follow the long-established railway practice throughout the world of differential rates, classified for commodities and tapered for distance. When railways were new, rates were more or less uniform, and based on weight and distance. The classification system was evolved when the railroads found that a proportion of the expenses were unaffected by some increase in the volume of business and that, the fixed overheads having been recovered from existing business, extra business yielded extra profits. Arising from bargaining for this extra profitable traffic arose the dictum of charging what the traffic will bear.

The above is an entirely different principle from carrying traffic at reduced rates in order to minimize losses.

In New Zealand rail freights are in the main based on avoirdupois and distance.

## Exceptions :—

- (a) Wool—charged at so much per bale.
- (b) Timber—charged per 100 superficial feet.
- (c) Live-stock—charged per head or per truck.
- (d) Motor-vehicles—charged per unit.
- (e) Class G goods—charged on cubic measurement.

The origin of the basic classification in New Zealand is obscure. The tariff rates applying in New Zealand today are not directly related to railway costs, because such costs are unknown.

28. The attention of the Commission is drawn to page 30 of the "Chief Accountant's Review of Financial Operations Year ended 31st March 1952." This table sets out the classification of goods and live-stock traffic and earnings by commodities. While these figures are factually correct, they are misleading and capable of mis-interpretation when used in conjunction with the statement that the revenue from goods was 3·81d. per net ton-mile, whereas to meet the loss (and interest) revenue of 4·75d. per net ton-mile was required.

29. The inference is that all goods traffic which yielded revenue of less than 4·75d. per net ton-mile was carried at a loss, whereas the cost studies referred to in paragraph 7 of this heading (B) show that this is far from true in every case. This emphasises the need for further research, and every effort must be made to avoid carrying traffic at a loss.

30. It is only fair to the goods traffic to say that the estimates for 1953 show estimated profits from goods of £323,000 after allowing £1,965,000 for interest, while it is estimated that passenger traffic will show a loss of £3,526,000 (including £967,000 interest).

**C. ESTIMATES, 1952-53**

1. Based on to-day's tariffs and operating costs, the Chief Accountant has prepared a statement setting out the estimated revenue and expenditure for the Railways Department for the financial year ending 31st March 1953.

2. This shows as follows:—

	Coaching Traffic. £	Goods Traffic. £	Total Operating. £	Subsidiary Services. £	Total. £
Expenditure	6,169,000	16,937,000	23,106,000	3,776,000	26,882,000
Interest	967,000	1,965,000	2,932,000	268,000	3,200,000
Revenue	7,136,000	18,902,000	26,038,000	4,044,000	30,082,000
	3,610,000	19,225,000	22,835,000	4,049,000	26,884,000
Profit		323,000		5,000	
Loss	3,526,000		3,203,000		3,198,000

3. It is clear that coaching traffic is yielding little more than the presumed variable expenses attaching to passenger transportation, but it is also apparent that if passenger services were to cease altogether, then the coaching loss would be transferred to goods and tend to become the goods loss. A major problem is to reduce the amount of the coaching loss.

4. The revenue derived from goods for 1951-52 was 3·81d. per net ton-mile. A recovery of 4·75d. per net ton-mile would have met the loss and interest.

5. For 1952-53 it is estimated that goods traffic will have to yield a return of 4·798d. per net ton-mile if the Department is to meet all expenditure, including interest. Any increase in passenger rates would reduce this latter figure.

## D. BRIEF COMMENTS ON VARIOUS MATTERS

### 1. Capital Structure and Interest Charge

The estimated gross revenue for 1952-53 is .....	£26,884,000
The capital as at the 31st March 1952 was .....	£88,070,000

giving a ratio of revenue to capital of 1 : 3.3,

whereas in industry and in the commercial world generally the ratio of sales to shareholders' funds could easily be 3:1 and is frequently higher, depending on the nature of the business.

The interest charge absorbs too much of the railway revenue, being the equivalent to 10.6 per cent of the revenue, which has to be earned in order to meet the full operating expenditure including interest.

### 2. Branch Lines

It is advocated overseas that, by the elimination of branch lines and by making delivery on such routes by road transport from the nearest main stations, the railways can give a "door to door," service resulting in a gain in goodwill. I understand that the Transport Regulations in New Zealand prevent this and that the ancillary carriers here can deliver only to railway-stations—delivery from there being the prerogative of local carriers.

### 3. Railcars

Second-class fares are charged on all railcars. The Chief Accountant has drawn attention to the need to increase these fares by at least 25 per cent, and his view is supported by his estimates of costs as shown on the Schedule headed "Rail Cars—Revenue and Expenditure Per Car Mile".

The savings in time, plus the extra comfort, warrant the payment of increased fares by railcar passengers.

### 4. Road Services: Wellington Suburban

It seems wrong that the Railways Department should have to bear the full loss incurred in providing a road service to the Hutt Valley. Surely that proportion which is attributable to the railways providing the equivalent of a civic bus service for local bodies in the Hutt Valley should be borne by the local public rather than by the general taxpayers.

### 5. Goods Sheds

The Transportation Manager has drawn attention to the unsuitability of goods sheds for handling inward cargoes from ships where no wharf sheds exist.

### 6. Delays

Delays in passing on big increases in costs arising from such items as higher rates of wages and higher costs for coal and fuel are a contributing factor in adding to the losses of the Department.

### 7. Conclusion

In conclusion, I urge the need for setting up a fully staffed Costing Section under the control of the Chief Accountant.

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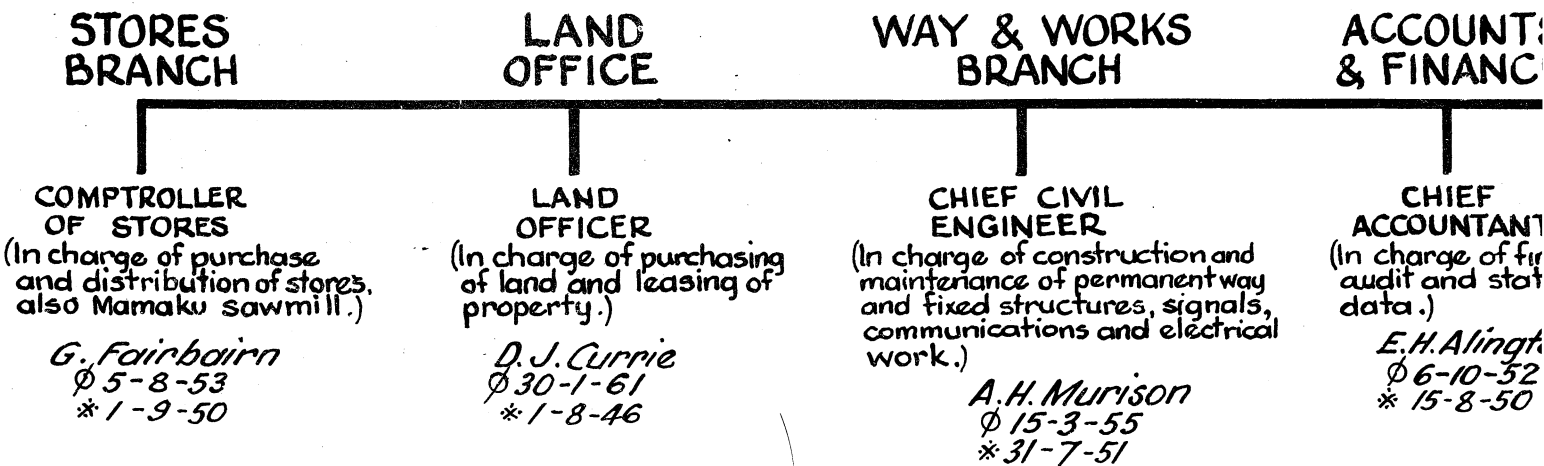
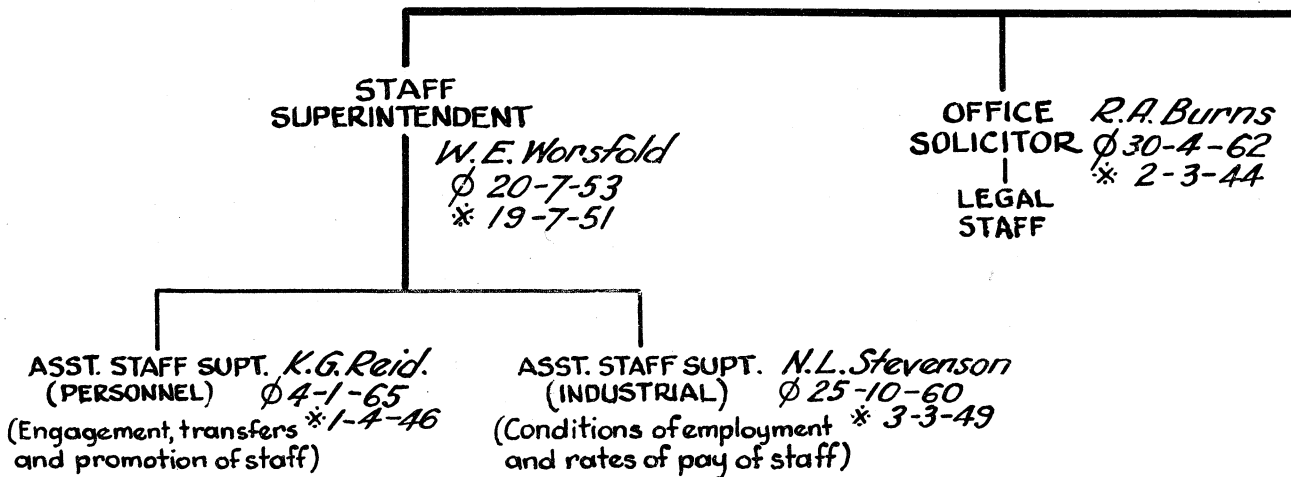
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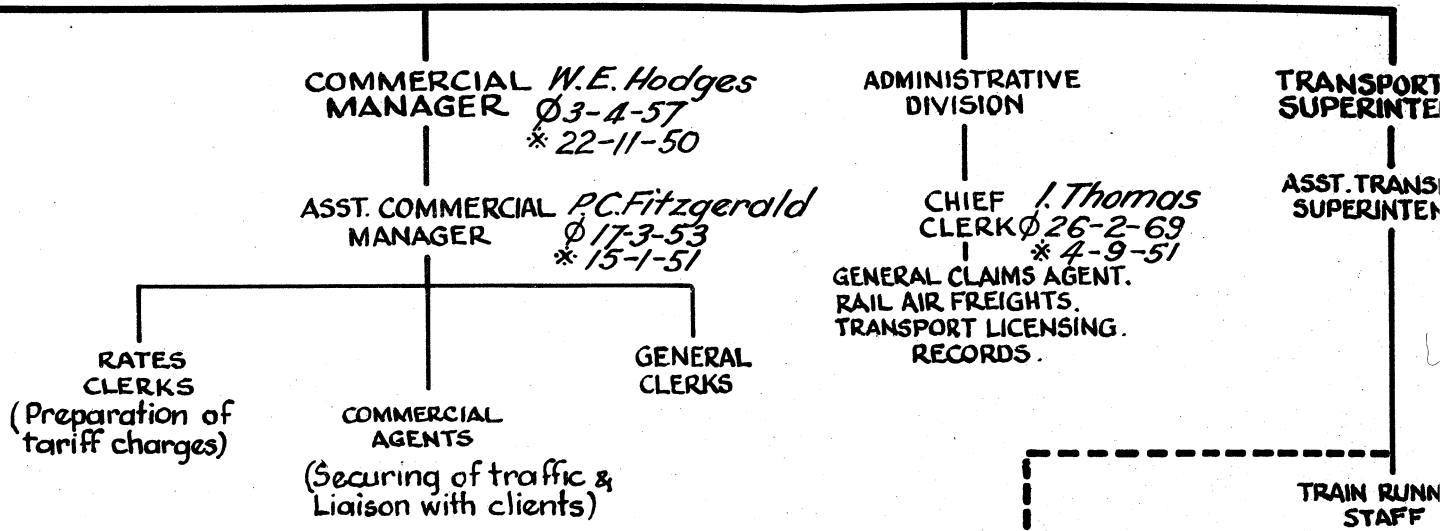


ϕ Date of retire  
 \* Date of appoi

# TER OF RAILWAYS

GENERAL MANAGER *H.C. Lusty*  $\phi$  4-2-52  
\* 1-8-51

GENERAL MANAGER *A.J. Ede*  $\phi$  11-3-52  
\* 1-8-51



## ROAD SERVICES

## MECHANICAL BRANCH

## TRAFFIC BRANCH

## REFRES BRAI

**SUPERINTENDENT**  
(In charge of passenger and goods road services)

*P.A. Taylor*  
 $\phi$  29-2-52  
\* 11-2-48

**CHIEF MECHANICAL ENGINEER**  
(In charge of construction and maintenance of locomotive and wagon rolling stock, electric traction, also workshops and locomotive running staff.)

*R.F. Black*  
 $\phi$  30-6-64  
\* 3-7-51

**DISTRICT TRAFFIC MANAGERS**  
(Responsible for train services for the movement of goods and passengers.)

<b>AUCKLAND</b>	<i>J.S. King</i> $\phi$ 14-7-52. * 19-7-51	<i>W. E.</i> $\phi$ 1-4-*
<b>WANGANUI</b>	<i>A.E. List</i> $\phi$ 18-8-52. * 18-11-47	
<b>WELLINGTON</b>	<i>J.G. Whetton</i> $\phi$ 16-1-57. * 1-8-51	
<b>CHRISTCHURCH</b>	<i>W.A. Breach</i> $\phi$ 28-3-52. * 21-8-47	
<b>DUNEDIN</b>	<i>R.R. Martin</i> $\phi$ 3-2-53. * 22-7-51	
<b>INVERCARGILL</b>	<i>W.H. Preston</i> $\phi$ 1-4-52. * 13-10-47	

**COMPTR**  
(In charge rooms an

ment (40 years service)  
intment.

# MINISTER OF RAILWAYS

GENERAL MANAGER *H.C. Lusty*  $\phi$  4-2-52  
\* 1-8-51

ASST. GENERAL MANAGER *A.J. Ede*  $\phi$  11-3-52  
\* 1-8-51

OFFICE SOLICITOR *R.A. Burns*  $\phi$  30-4-62  
\* 2-3-44  
LEGAL STAFF

COMMERCIAL MANAGER *W.E. Hoc*  $\phi$  3-4-57  
\* 22-11-51

ASST. COMMERCIAL MANAGER *P.C. Fitz*  $\phi$  17-3-51  
\* 15-1-51

RATES CLERKS  
(Preparation of tariff charges)

COMMERCIAL AGENTS  
(Securing of traffic & Liaison with clients)

STAFF SUPT. *N.L. Stevenson*  $\phi$  25-10-60  
(INDUSTRIAL)  $\phi$  25-10-60  
(Responsible for conditions of employment & rates of pay of staff) \* 3-3-49

## WAY & WORKS BRANCH

## ACCOUNTS & FINANCE

## ROAD SERVICES

## MECHANICAL BRANCH

CHIEF CIVIL ENGINEER  
(In charge of construction and maintenance of permanent way and fixed structures, signals, communications and electrical work.)  
*A.H. Murison*  
 $\phi$  15-3-55  
\* 31-7-51

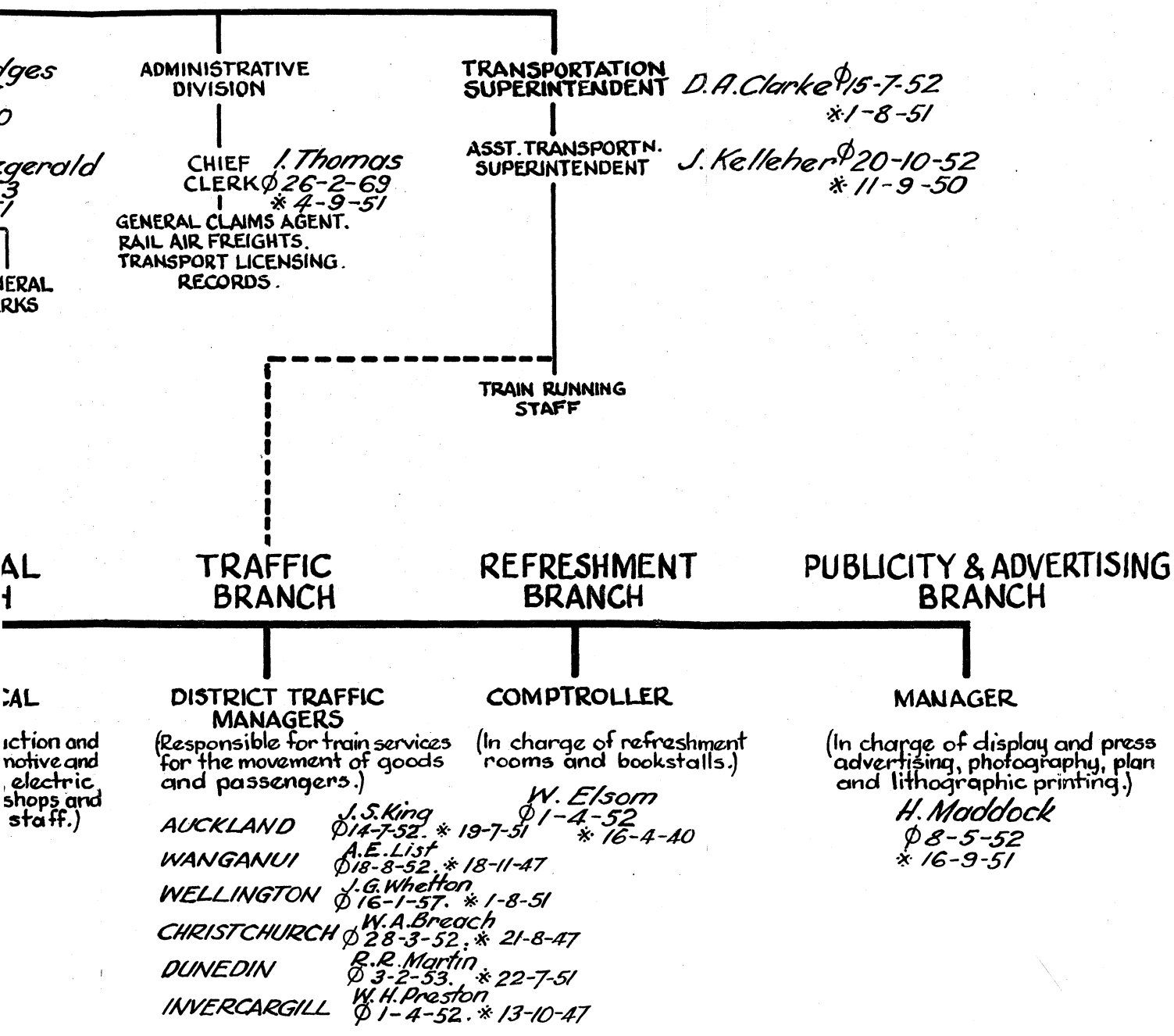
CHIEF ACCOUNTANT  
(In charge of finance, also audit and statistical data.)  
*E.H. Alington*  
 $\phi$  6-10-52  
\* 15-8-50

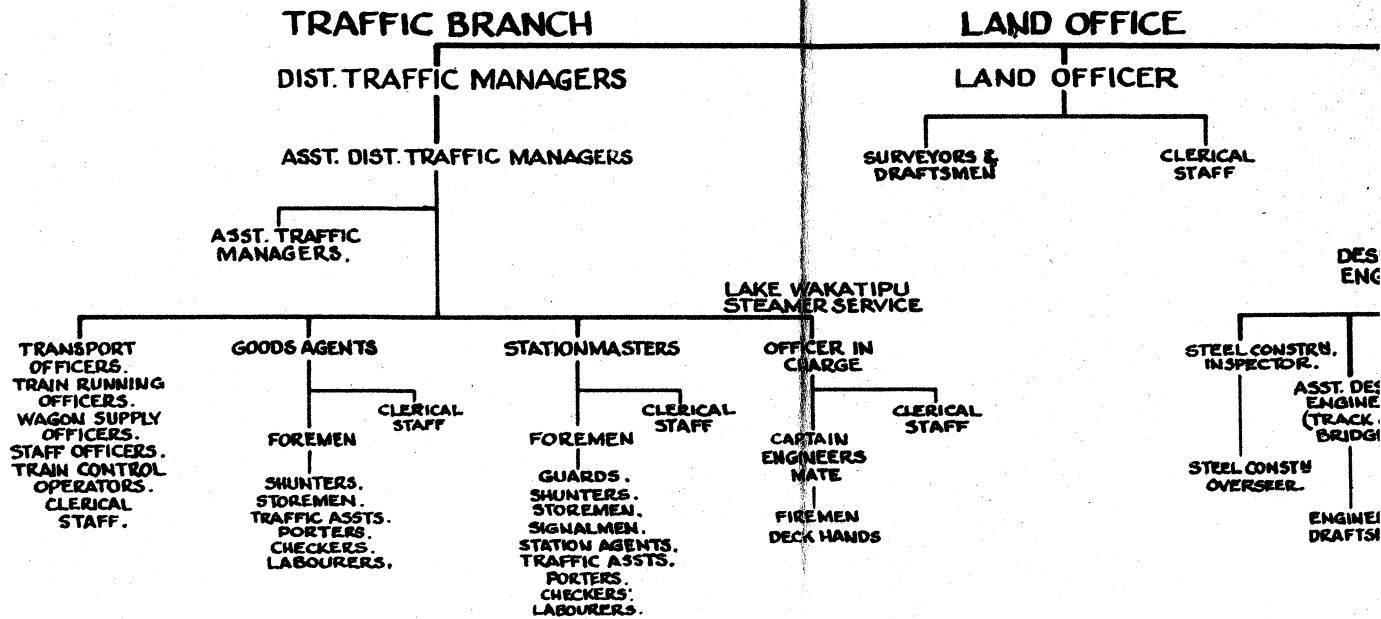
SUPERINTENDENT  
(In charge of passenger and goods road services)  
*P.A. Taylor*  
 $\phi$  29-2-52  
\* 11-2-48

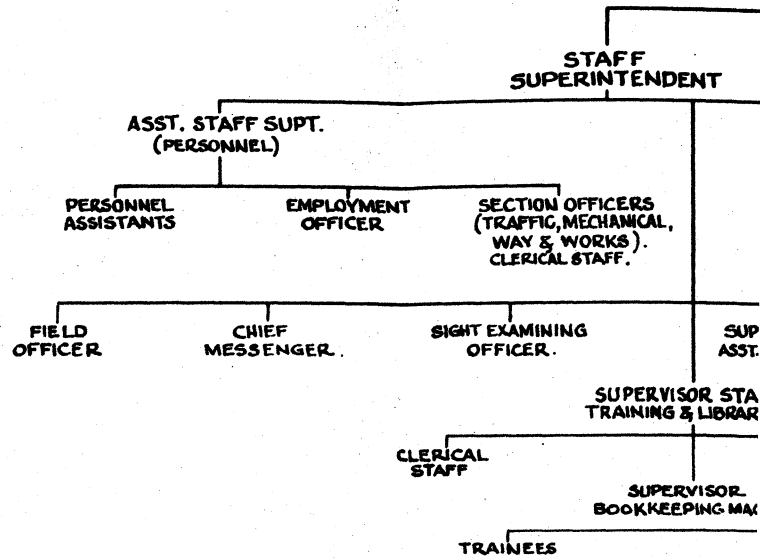
CHIEF MECHANICAL ENGINEER  
(In charge of construction, maintenance of locomotives, wagon rolling stock, traction, also work on locomotive running)  
*R.F. Black*  
 $\phi$  30-6-64  
\* 3-7-51

$\phi$  Date of retirement (40 years service)  
\* Date of appointment.

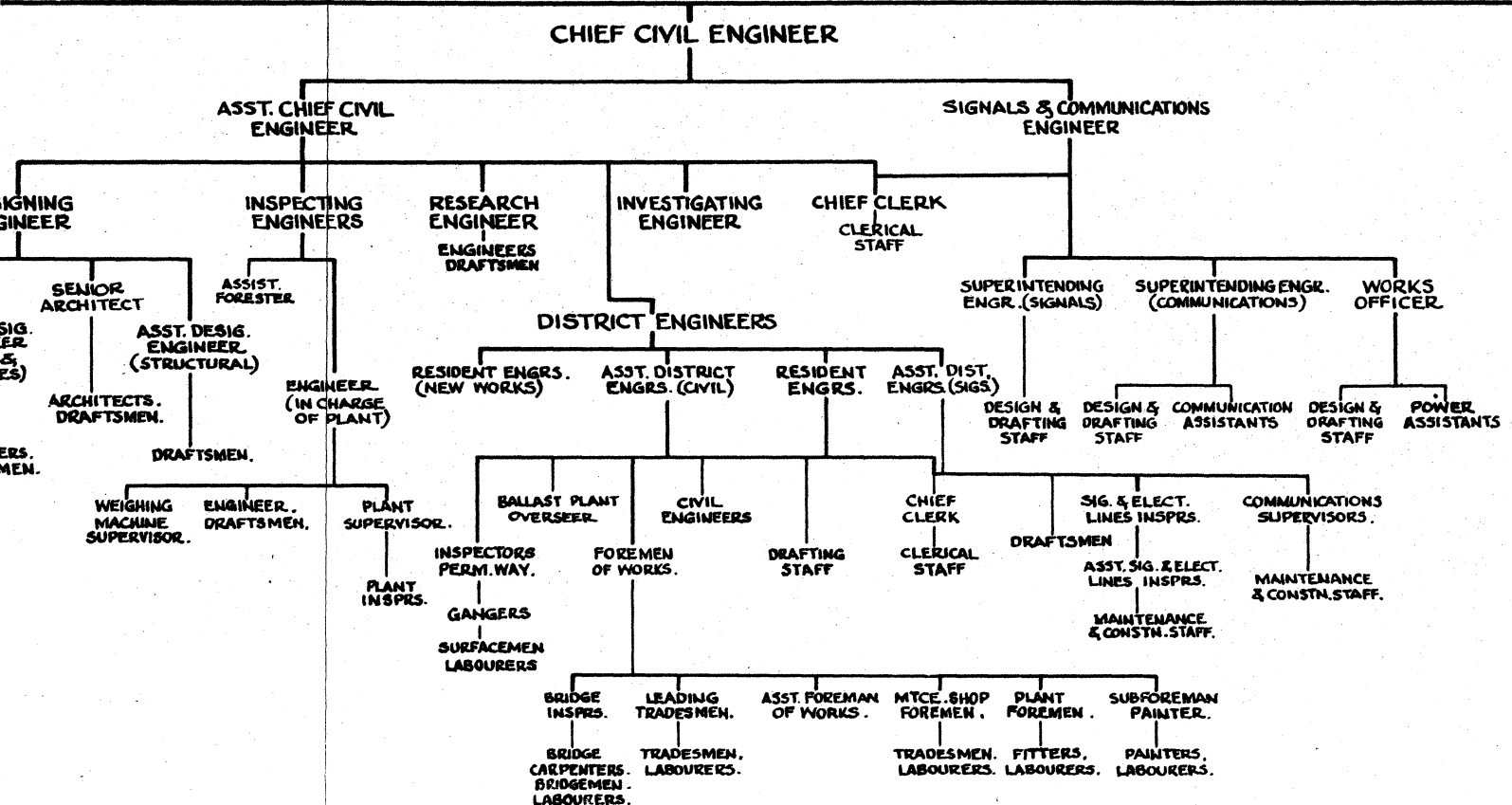
Appendix 2.







**WAY & WORKS BRANCH**

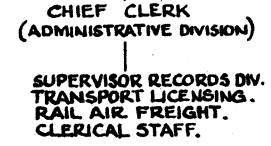
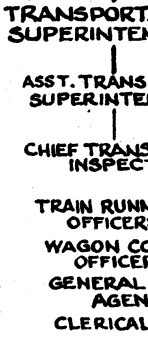
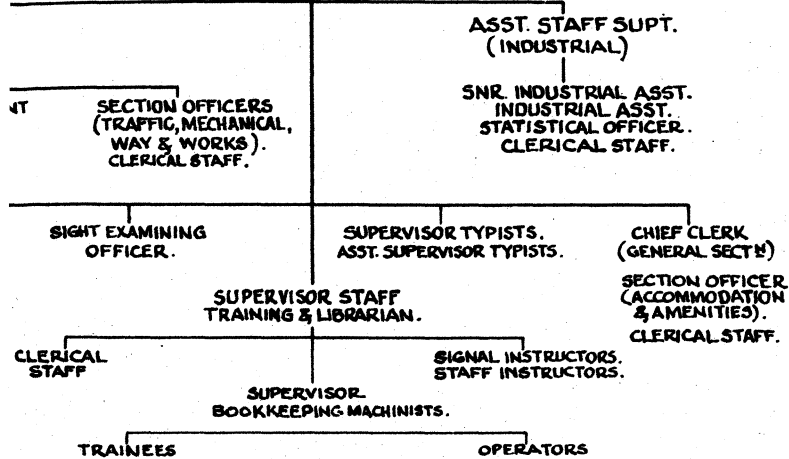


# MINISTER OF RAILWAYS

GENERAL MANAGER

ASSISTANT GENERAL MANAGER

## STAFF SUPERINTENDENT

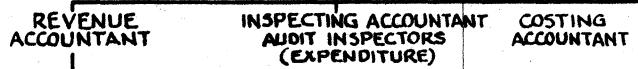


## ACCOUNTS & FINANCE

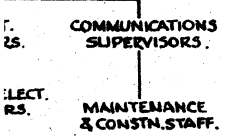
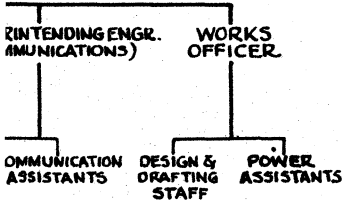
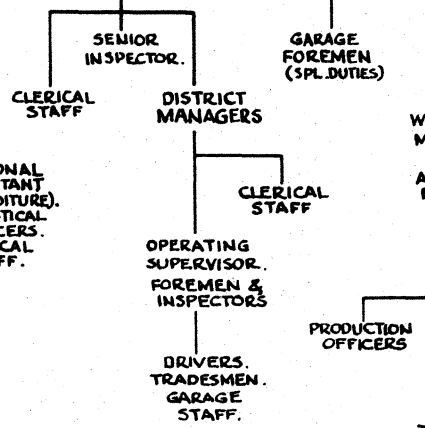
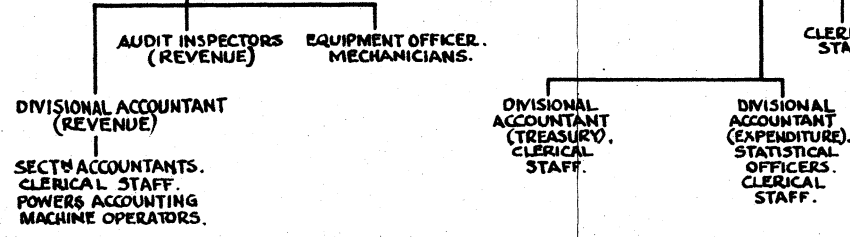
## ROAD SERVICES

### CHIEF ACCOUNTANT

#### ASST. CHIEF ACCOUNTANT



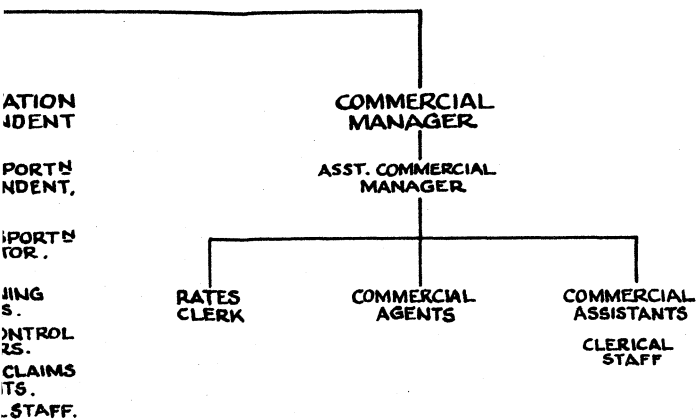
### SUPERINTENDENT



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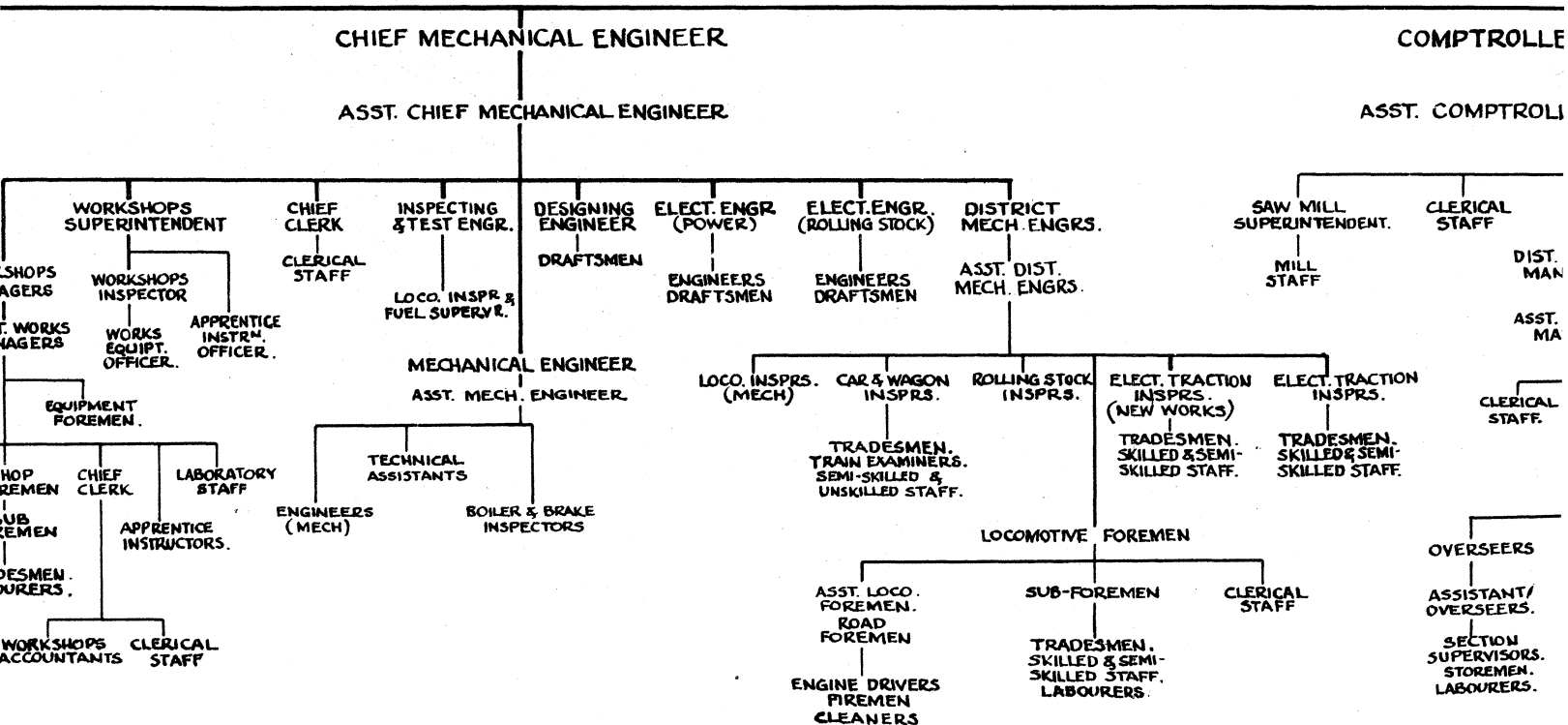
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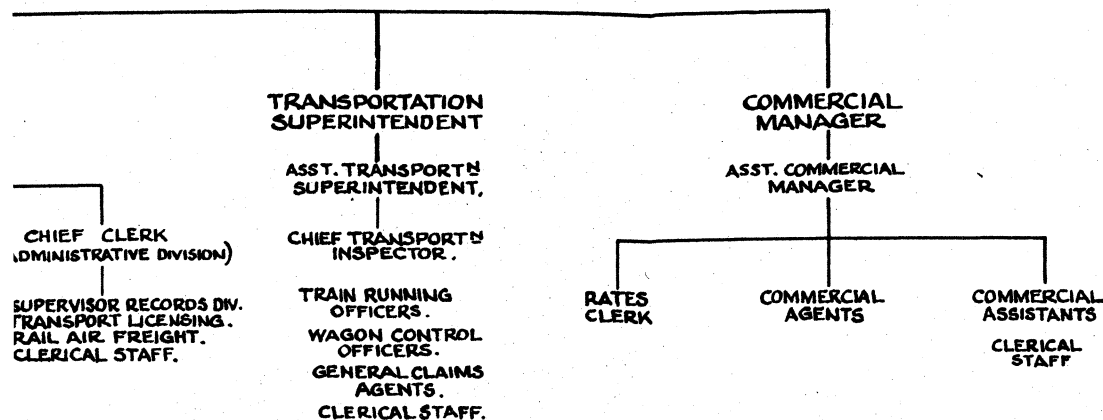


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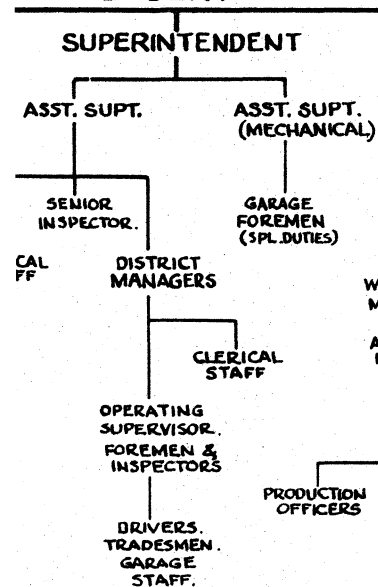
## STORES



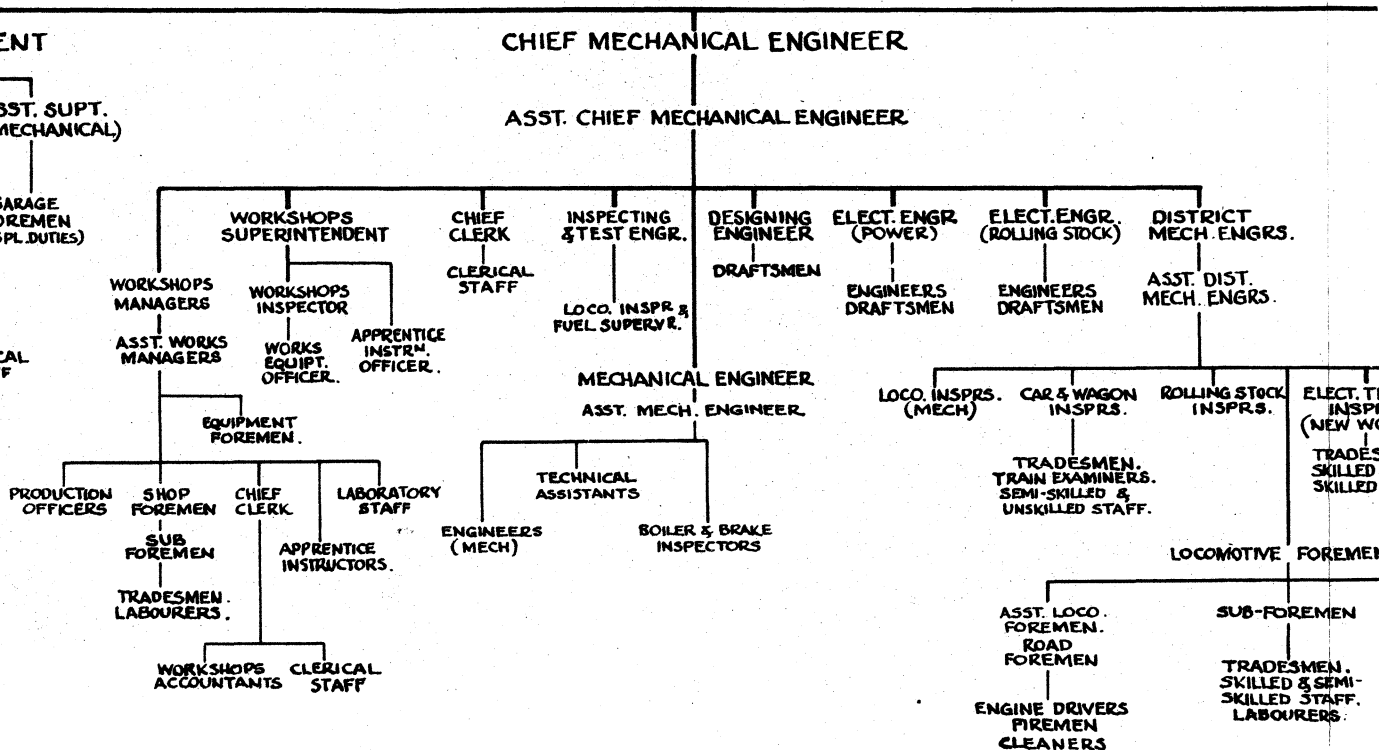
**RAILWAYS**  
**MANAGER**  
**GENERAL MANAGER**

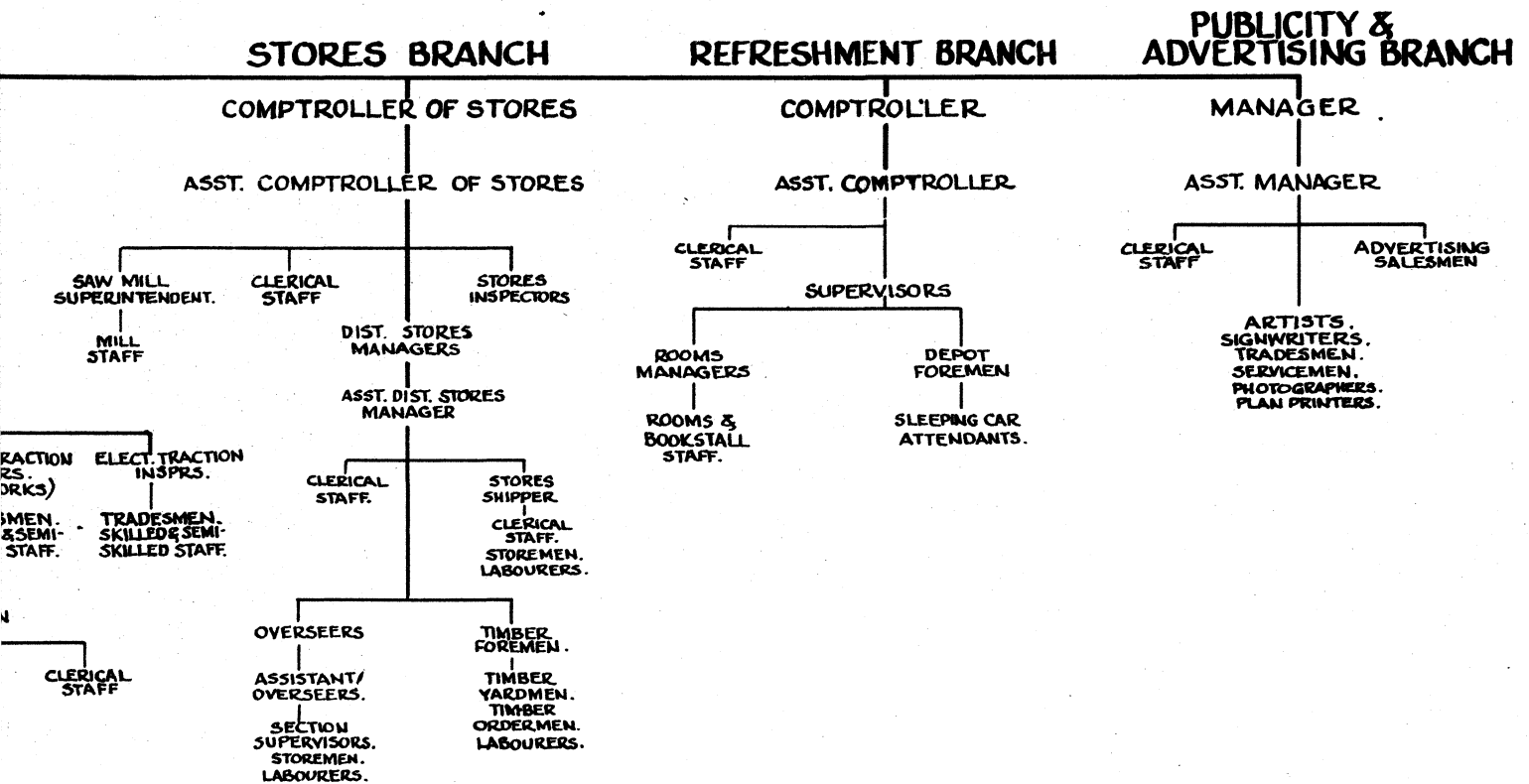


**ROAD SERVICES**



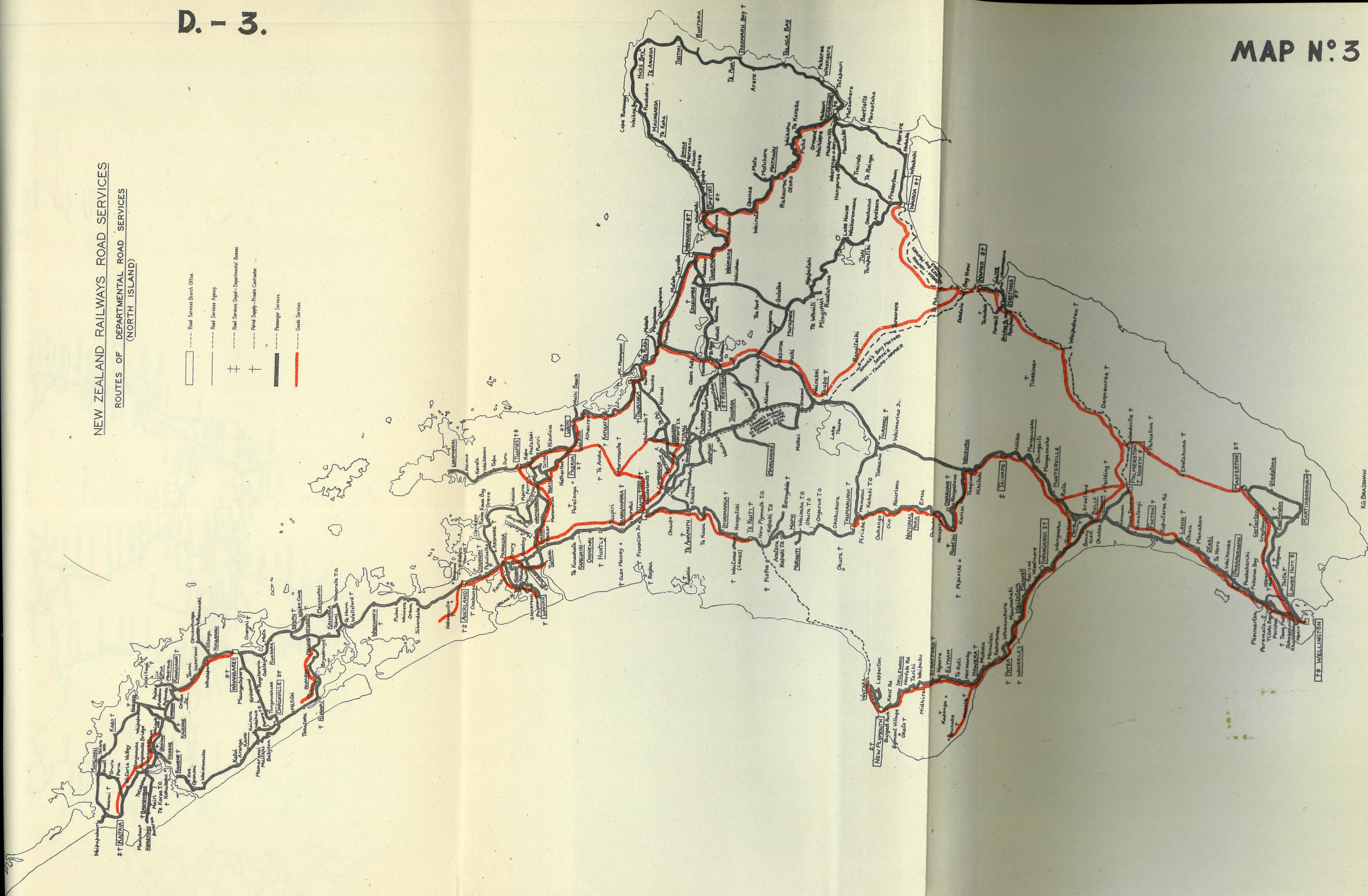
**MECHANICAL BRANCH**





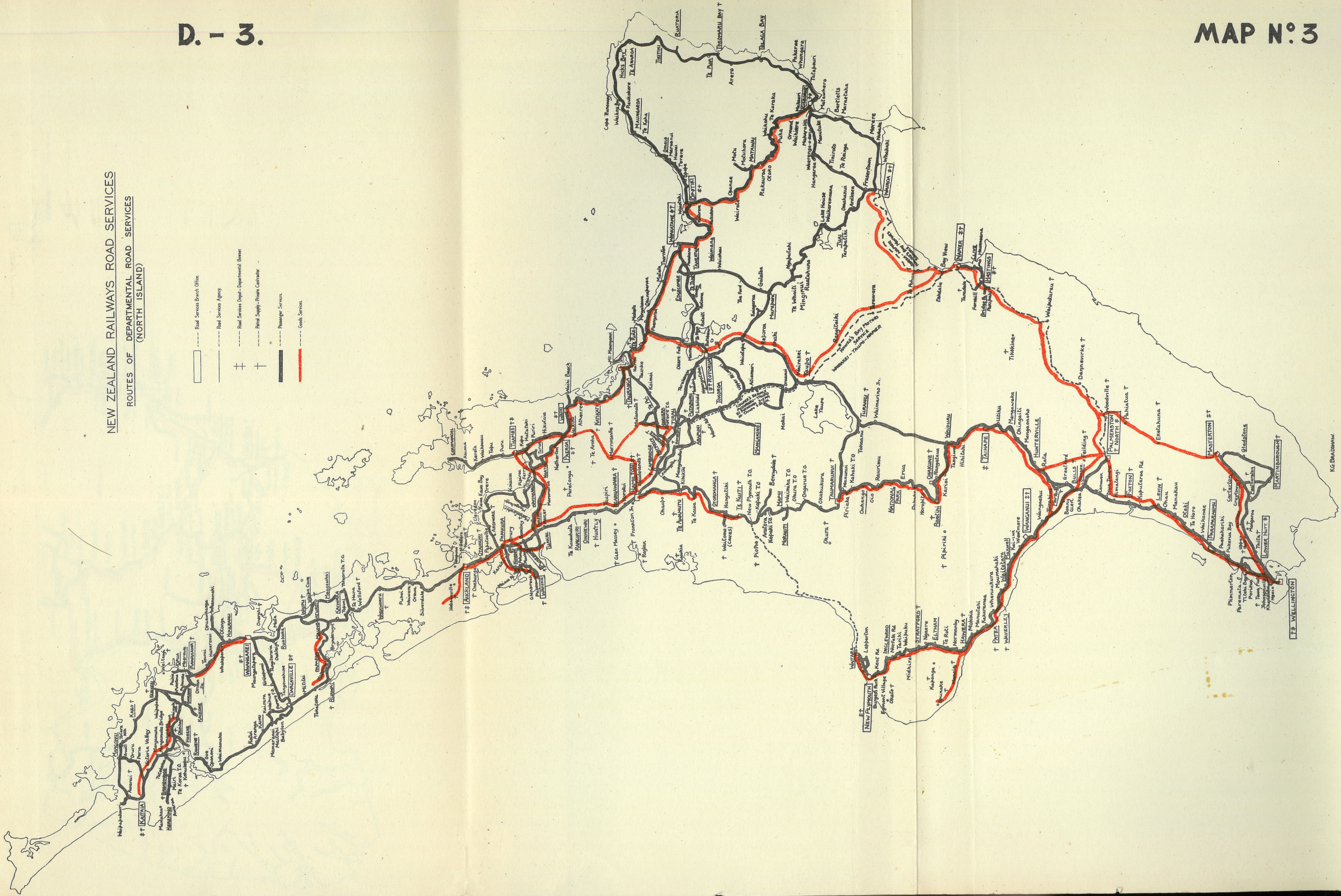
NEW ZEALAND RAILWAYS ROAD SERVICES  
ROUTES OF DEPARTMENTAL ROAD SERVICES  
(NORTH ISLAND)

- Road Services Branch Office
- Road Services Agency
- + + Road Services Dept-Departmental Base
- + + Road Supply-Private Contractor
- Passenger Services
- Goods Services



NEW ZEALAND RAILWAYS ROAD SERVICES  
ROUTES OF DEPARTMENTAL ROAD SERVICES  
(NORTH ISLAND)

- Road Service Branch Office
- Road Service Agency
- + + Road Service Dept. - Departmental Boxes
- + + Road Service Dept. - Private Contractor
- Passenger Services
- Goods Services



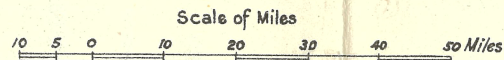
KG 04/24/44

NEW ZEALAND RAILWAYS DEPARTMENTAL ROAD SERVICES (SOUTH ISLAND)





# MAP OF SOUTH ISLAND NEW ZEALAND, SHOWING RAILWAY SYSTEM.

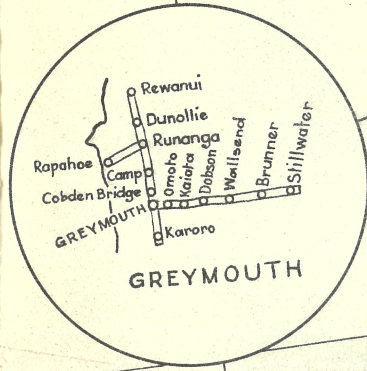


### REFERENCE.

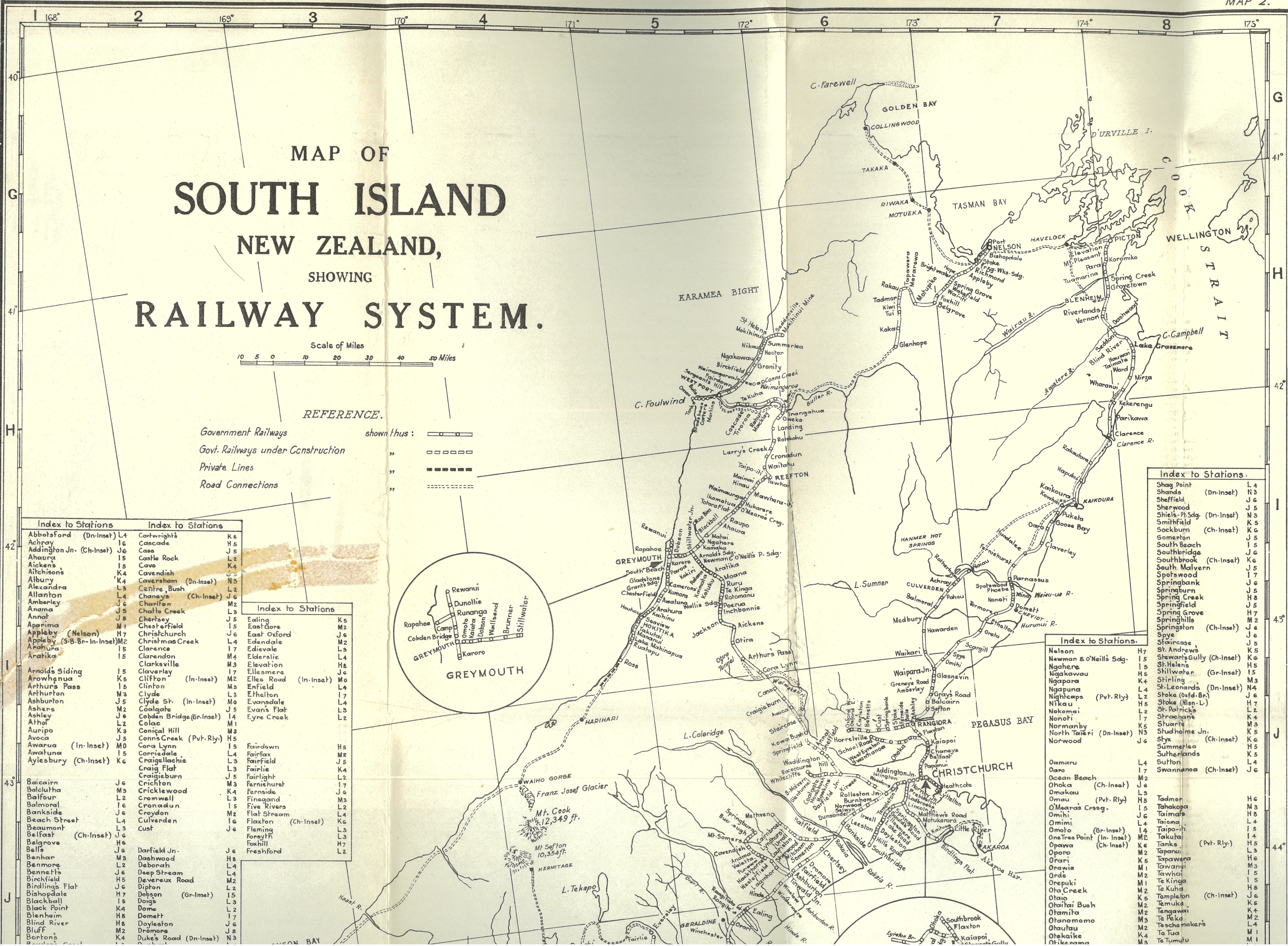
- Government Railways shown thus:
- Govt. Railways under Construction "
- Private Lines "
- Road Connections "

Index to Stations		Index to Stations	
Abbotsford (Dn-Inset)	L4	Cartwrights	K6
Achray	J6	Cascade	H5
Addington Jn. (Ch-Inset)	J6	Cass	J5
Ahauna	L5	Castle Rock	L2
Aickens	L5	Cave	K4
Aitchisons	K4	Cavendish	J5
Albury	K4	Caversham (Dn-Inset)	N3
Alexandra	L3	Centre Bush	L2
Allanton	L4	Chaneya (Ch-Inset)	J6
Amberley	J6	Charlton	M2
Anama	J5	Challo Creek	L3
Annet	J5	Chertsey	J5
Aperima	M1	Chesterfield	L5
Appleby (Nelson)	H7	Christchurch	J6
Appleby (S.B.Br.-In-Set)	M2	Christmas Creek	L4
Ararua	L5	Clarence	L7
Aratika	L5	Clarendon	M4
Arnold's Siding	L5	Clarksville	M3
Arowhenua	K5	Clayton	L7
Arthur's Pass	L5	Clifton (In-Inset)	M2
Arthurton	M3	Clyde	L3
Ashburton	J5	Clyde St. (In-Inset)	M0
Ashers	M2	Coalgate	J5
Ashley	J6	Cobden Bridge (Gr-Inset)	L4
Athol	L2	Colac	M1
Auripo	K3	Conical Hill	M1
Avoca	J5	Conns Creek (Pvt. Rly.)	H5
Awarua (In-Inset)	M0	Cora Lynn	L5
Awatuna	L5	Cornisdale	L4
Ayiesbury (Ch-Inset)	K6	Craigallachie	L3
		Craig Flat	L3
		Craigieburn	J5
		Crichton	M3
		Cricklewood	M3
		Cromwell	J6
		Cronadun	L5
		Croydon	M2
		Culverden	L6
		Cust	J6
		Darfield Jn.	J6
		Daehwood	H8
		Deborah	L4
		Deep Stream	L4
		Devenux Road	M2
		Dipton	L2
		Dobson (Gr-Inset)	L5
		Doigs	L3
		Dome	L2
		Domett	L7
		Doyleston	J6
		Drumore	J5
		Duke's Road (Dn-Inset)	N3

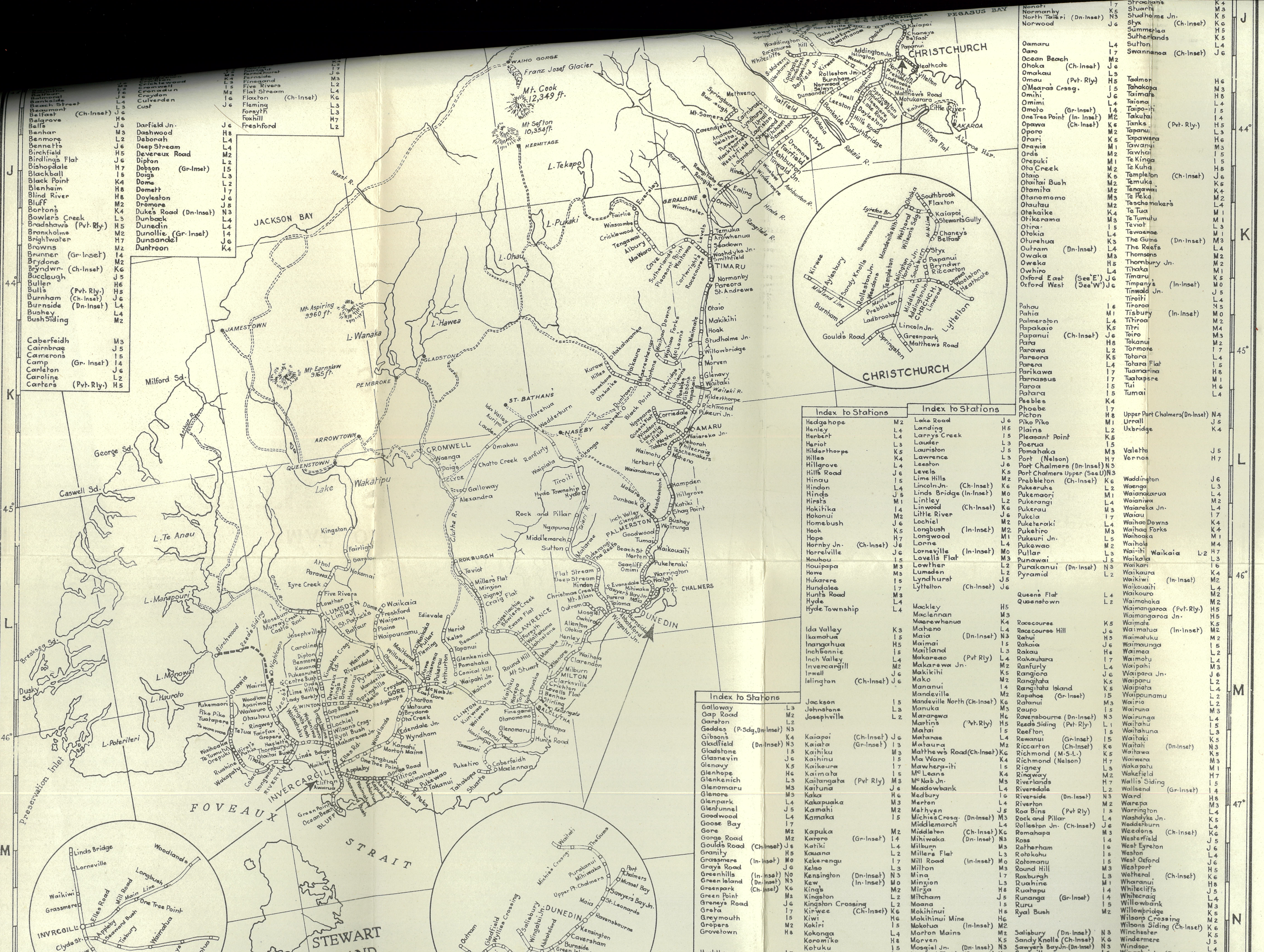
Index to Stations	
Ealing	K5
East Gore	M2
East Oxford	J6
Edendale	M2
Edievale	L3
Elderslie	L4
Elevation	H8
Ellesmere	J6
Elles Road (In-Inset)	M0
Enfield	L4
Eheltton	L7
Evansdale	L4
Evan's Flat	L3
Eyne Creek	L2
Fairdown	H5
Fairfax	M2
Fairfield	J5
Fairlie	K4
Fairlight	L2
Fernichurst	L7
Fernside	J6
Finagand	M3
Five Rivers	L4
Flat Stream	L4
Flaxton (Ch-Inset)	K6
Fleming	L3
Forsyth	H7
Foxhill	L3
Freshford	L2



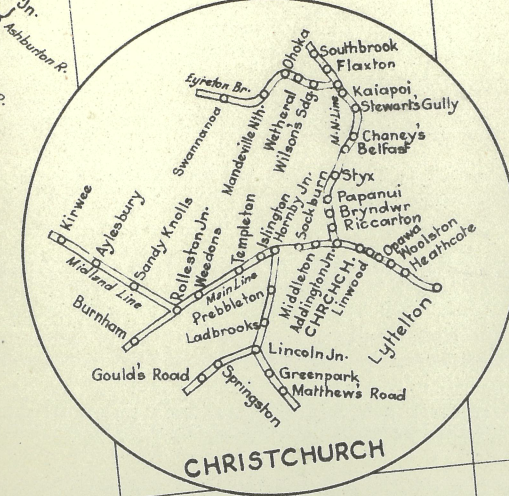
Index to Stations.	
Shag Point	L4
Shands (Dn-Inset)	N3
Sheffield	J6
Sherwood	J5
Shiels-Pt. Sdg. (Dn-Inset)	N3
Smithfield	K5
Sockburn (Ch-Inset)	K6
Somerton	J5
South Beach	L5
Southbridge	J6
Southbrook (Ch-Inset)	K6
South Malvern	J5
Spotswood	L7
Springbank	J6
Springburn	J5
Spring Creek	H8
Springfield	J5
Spring Grove	H7
Springhills	M2
Springston (Ch-Inset)	J6
Spye	J6
Staircase	J5
St. Andrews	K5
Stewart's Gully (Ch-Inset)	K6
St. Helens	H5
Stillwater (Gr-Inset)	L5
Stirling	M3
St. Leonards (Dn-Inset)	N4
Stoke (Oxf.-Br.)	J6
Stoke (Nelson-L.)	H7
St. Patrick's	L2
Stracrans	K4
Stuarts	M3
Studholme Jn.	K5
Styx (Ch-Inset)	K6
Summerlea	H5
Sutherland	K5
Sulton	L4
Swannanoa (Ch-Inset)	J6
Tadmon	H6
Tahakopa	M3
Taimata	H8
Taiama	L4
Taipoi-I	L5
Takuta	L4
Tanks (Pvt. Rly.)	H5
Tapau	L3
Tapawera	H6
Tawhiti	M3
Tawhai	L5
Te Kinga	L5
Te Kaha	H5
Templeton (Ch-Inset)	J6
Temuka	K6
Tengawai	K4
Te Peka	M2
Taschamakers	L4
Te Tui	M1
Te Tumu	M1







Beaufort	L2	Darfield Jn.	J6
Bellfield	L3	Dashwood	H8
Bellfield (Ch-Inset)	L3	Deborah	L4
Belmont	L4	Deep Stream	L4
Belmont (Ch-Inset)	L4	Devereux Road	M2
Balgrove	H6	Dipton	L2
Balls	J6	Dobson (Gr-Inset)	L5
Banhar	M3	Doigs	L3
Benmore	L2	Dome	L2
Bennetts	J6	Domett	L7
Birchfield	H5	Doyleston	J6
Bindings Flat	J6	Dromona	J5
Bishopdale	H7	Duke's Road (Dn-Inset)	N3
Blackball	L3	Dunback	L4
Black Point	K4	Dunedin (Gr-Inset)	L4
Blenheim	H8	Dunsandel	J6
Blind River	H8	Dunroon	K4
Bluff	M2		
Bortons	K4		
Bowlers Creek	L3		
Bradshaw's (Pvt. Rly.)	H5		
Branchholme	M2		
Brightwater	H7		
Browns	M2		
Brunner (Gr-Inset)	L4		
Brydone	M2		
Bryndwr (Ch-Inset)	K6		
Buccleugh	J5		
Buller	H6		
Bulls (Pvt. Rly.)	H5		
Burnham (Ch-Inset)	J6		
Burnside (Dn-Inset)	L4		
Bushy	L4		
Bushy Siding	M2		
Caberfeidh	M3		
Cairnbrae	J5		
Cameron's	L5		
Camp (Gr-Inset)	L4		
Carleton	J6		
Caroline	L2		
Carthers (Pvt. Rly.)	H5		
Finagond	L3		
Five Rivers	M3		
Flaxton (Ch-Inset)	K6		
Fleming	L3		
Forsyth	L3		
Foxhill	H7		
Freshford	L2		



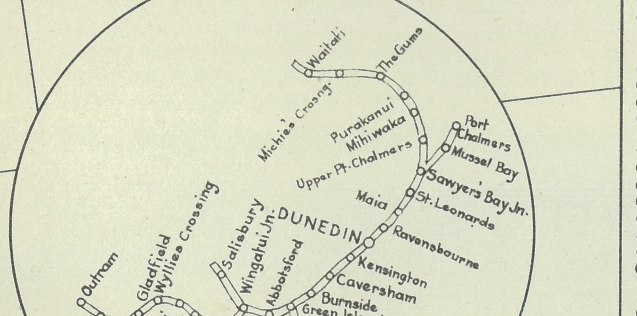
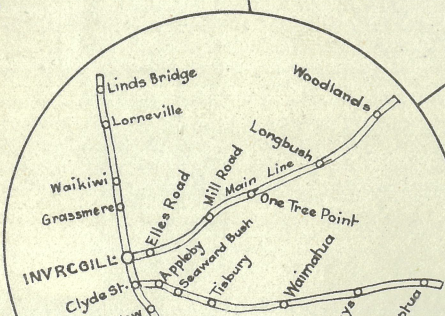
Index to Stations

Hedgemoor	M2	Lake Road	J6
Henley	L4	Landing	H5
Herbert	L4	Larnys Creek	L5
Harriet	L3	Lauder	L3
Hilderthorpe	K5	Lauriston	J5
Hilles	K4	Lawrence	L3
Hillgrove	J6	Leeston	J6
Hills Road	L4	Levels	K5
Hinua	L5	Lime Hills	M2
Hindon	L2	Lincoln Jn. (Ch-Inset)	K6
Hinds	J5	Linds Bridge (In-Inset)	M0
Hirsts	M1	Lintley	L4
Hokitika	M4	Linwood (Ch-Inset)	K6
Hokonui	J6	Little River	J6
Homebush	J6	Lochiel	M2
Hook	K5	Longbush (In-Inset)	M2
Hope	H7	Longwood	M1
Hornby Jn. (Ch-Inset)	L4	Lorne	J6
Horrelville	J6	Lonsville (In-Inset)	M0
Houpa	M3	Lovells Flat	M3
Houpa	M3	Lowther	L2
Hove	M3	Lumadon	L2
Hukanere	L7	Lynchurst	J5
Hundales	M3	Lyttelton (Ch-Inset)	J6
Hyde	L4		
Hyde Township	L4		

Index to Stations

Galloway	L3	Jackson	L5
Gap Road	M2	Johnstone	L3
Garston	L2	Josephville	L2
Geddes (P. Sdg. Dn-Inset)	N3		
Gibsons	K4	Kaiapoi (Ch-Inset)	J6
Gladfield (Dn-Inset)	N3	Kaiata (Gr-Inset)	M3
Gladstone	L5	Kaihiku	M3
Glasnevin	J6	Kaihuru	J6
Glenavy	K5	Kaikoura	L7
Glenhope	H6	Kaimata	M5
Glenkenich	L3	Kaitangata (Pvt. Rly.)	M3
Glenomaru	M3	Kaituna	J6
Glenpark	M3	Kaka	H6
Glenunnel	J5	Kakapuaka	L4
Goodwood	L4	Kamahi	M3
Goose Bay	L7	Kamaka	L5
Gore	M2	Kapuka	M2
Gunga Road	M2	Karoro (Gr-Inset)	L4
Goulds Road (Ch-Inset)	J6	Katikati	L2
Granby	H5	Kauana	L4
Grassmere (In-Inset)	M0	Keke-rungu	L7
Grays Road	J6	Kelso	M3
Greenhills	N0	Kensington (Dn-Inset)	N3
Green Island (Dn-Inset)	N3	Kew (In-Inset)	M3
Greenpark (Ch-Inset)	K6	Kings	M2
Green Point	M2	Kingston	J6
Greys Road	J6	Kingston Crossing	L2
Greya	L7	Kiwicee (Ch-Inset)	K6
Grey-mouth	L5	Kiwi	H6
Groopers	M2	Kokiri	M2
Grovetown	H8	Kokonga	L4
		Koromiko	H8
		Kotuku	K5
		Kowhai	L5
		Kowhai Bush	N3

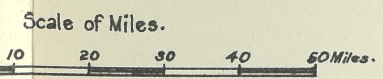
Norwood	J6	Styx	(Ch-Inset)	K6
Norwood	J6	Summerlea	H5	
Norwood	J6	Sutherland	K5	
Oamaru	L4	Sulton	L4	
Oaro	L7	Swannanoa (Ch-Inset)	J6	
Ocean Beach	M2			
Ohaka (Ch-Inset)	J6			
Omaka	L3	Tadmor	H6	
Omau (Pvt. Rly.)	H5	Tahakopa	M3	
Omeara's Crossg.	L5	Taimata	H8	
Omihiri	J6	Taiapa	L4	
Omimi	L4	Taiapa-Ji	L5	
Omolo (Gr-Inset)	L4	Takutai	L4	
One Tree Point (In-Inset)	M2	Tanks	(Pvt. Rly.)	H5
Opawa (Ch-Inset)	K6	Tapanui	L3	
Oporo	M2	Tararua	H6	
Orari	K5	Tarawera	M3	
Orawia	M1	Te Kinga	L5	
Ords	M2	Te Kaha	L5	
Orepuki	M1	Te Kaha	H5	
Ota Creek	M2	Templeton (Ch-Inset)	J6	
Otaio	K5	Temuka	K6	
Otaio Bush	M2	Tangawai	K4	
Otamaha	M2	Te Peka	M2	
Otanomomo	M3	Taschermakers	L4	
Otautu	M2	Te Tuai	M1	
Otakeke	K4	Te Tumutu	M1	
Otakekarama	M3	Teviot	L3	
Otira	L5	Tewaoe	M1	
Orokia	L4	The Gums (Dn-Inset)	M3	
Oturehua	K3	The Reefs (Dn-Inset)	L4	
Owham (Dn-Inset)	L4	Thomson's	L4	
Owaka	M3	Thornbury Jn.	M2	
Owaka	H5	Thurston	M2	
Oxford East (See 'E')	L4	Timaru	M1	
Oxford West (See 'W')	J6	Timpany's (In-Inset)	K5	
		Tinwald Jn.	M0	
		Tiroiti	L4	
		Tiroora	L5	
		Tisbury (In-Inset)	M0	
		Tiroora	M2	
		Tiroora	M1	
		Titri	M4	
		Tokana	M3	
		Tono	M2	
		Toro	M3	
		Tormote	L7	
		Totara	L4	
		Totara Flat	L5	
		Tuamarina	H8	
		Tuatapere	M1	
		Tui	H6	
		Tumai	L4	
		Upper Part Chalmers (Dn-Inset)	N4	
		Urrall	J5	
		Uxbridge	K4	



J  
K  
L  
M  
N



# MAP OF NORTH ISLAND NEW ZEALAND, SHOWING RAILWAY SYSTEM.



**REFERENCE.**  
 Government Railways shown thus   
 Railways under Construction "   
 Private Lines "   
 Road Connections "

**Index to Stations**

Selwyn's Sidings	D3
Sentry Hill (N.P.-Inset)	E2
Shannon	F3
Silverhope	G5
Simla Crescent (Wn.-Inset)	G4
Skinner Road	E2
Smart Road (N.P.-Inset)	D1
Solway	F3
Southdown (Ak.-Inset)	C5
St. George's Str. (Ak.-Inset)	B4
St. John's Strand (Wg.-Inset)	F1
Stratford	E4
Stungess Road (Ak.-Inset)	B4
Summit	G8
Sunnyvale (Ak.-Inset)	B4
Swanson (Ak.-Inset)	B4
Sylvia Park (Ak.-Inset)	C5

**Index to Stations**

Ongeve	D3
Opake	C3
Opaki	A2
Opapa	F3
Opahama	E4
Opua	D5
Opunake	E1
Orakei (Ak.-Inset)	B5
Oringi	F4
Ormond	D5
Ormondville	F2
Otauhu (Ak.-Inset)	B4
Otaki	F3
Otakiri	C4
Otamarakau	C4
Otane	E4
Otiria	A2
Otoko	D5
Otonga	A2
Otarohanga	D3
Otumoetai	C4
Overton	F3
Owhango	E3

**Index to Stations**

Paekakariki	F3
Paengaroa	C4
Paerata	C2
Paeroa	C3
Pahiatua	F8
Pahoa	C4
Pahihi	E3
Pakipaki	E4
Palmer Road	E2
Palmerston North	F3
Panmure (Ak.-Inset)	C5
Papakura (Ak.-Inset)	C2
Papamoa	C4
Paparua	B2
Papahawa	F3
Papatoetoe (Ak.-Inset)	C5
Panapaerua	F3
Parawai	C3
Paremaha (Wn.-Inset)	E2
Paritua Pa	G4
Paritua Loop	D5
Park Racecourse	D5
Parore	A1
Patea	E2
Patumahoe	C2
Pikohia	D4
Penrose Jn. (Ak.-Inset)	B2
Petone (Wn.-Inset)	G2
Piko	D3
Pigeon Bush	G3
Pihama	E2
Pikiwahine	A2
Pikowai	C4
Piriaka	D3
Piripiri	F3
Plimmerton (Wn.-Inset)	E2
Pohokura	G2
Pokaka	E3
Pokapu	A2
Pokeno	C3
Pongakawa	C4
Porewa	F3
Porirua (Wn.-Inset)	G2
Pororo-tarua	D3
Port Ahuriri	E4
Portland	A2
Poukawa	E4

**Index to Stations.**

Ahikiwi	B1
Ahuroa	B2
Akerama	A2
Amokura	C3
Andrews (Wn.-Inset)	G5
Aongarete	C4
Apatai Aorangi	F3
Arakiwi	D4
Aramoho Jn. (Wg.-Inset)	F1
Aranga	A1
Ashhurst	F3
Atternes	C3
Auckland	B2
Auroa Road	E2
Ava (Wn.-Inset)	G4
Avondale (Ak.-Inset)	B2
Awakaponga	C4
Awakeri	D4
Awapuni	F3
Awarua St. (Wn.-Inset)	G4
Awatoto	E4

**Index to Stations**

Mahuta	C3
Mair	A2
Maitahi	A1
Makaraka	D6
Makaranui	E3
Makarau	B2
Makerua	F3
Makino Road	F3
Makohuku	F4
Mamaku	D4
Mamaramui	A1
Manakau	F3
Mangaiti	C3
Mangamahoe	F3
Mangamaire	F3
Manganoho	E3
Mangapai	A2
Mangaparo	D3
Mangapehi	D3
Mangaroa	G3
Mangatainoka	F3
Mangatawa	F4
Mangawaka	E3
Mangawhero Road	E2
Mangere (Ak.-Inset)	C5
Maniatau	C4
Manunui	D8
Manurewa (Ak.-Inset)	C2
Manuhiri	E2
Marakeke	F4
Mareretu	B2
Maromaku	A2
Marlon Jn.	F3
Masterton	F3
Matamata	C3
Matamau	F4
Matangi	C3
Matapahi	C4
Matapu	E2

**Index to Stations**

Matarawa	G3
Mataroa	E3
Matata	C4
Matatiki	C3
Matawai	D5
Matawhero	D5
Matiere	D3
Mauku	C2
Maungaturoto	B2
Mauriceville	F3
Maxwell	E2
McKays Crossg.	F3
Molling (Wn.-Inset)	G4
Mercer	C3
Middlemore (Ak.-Inset)	B4
Midhurst	E2
Moerewa	A2

**Index to Stations**

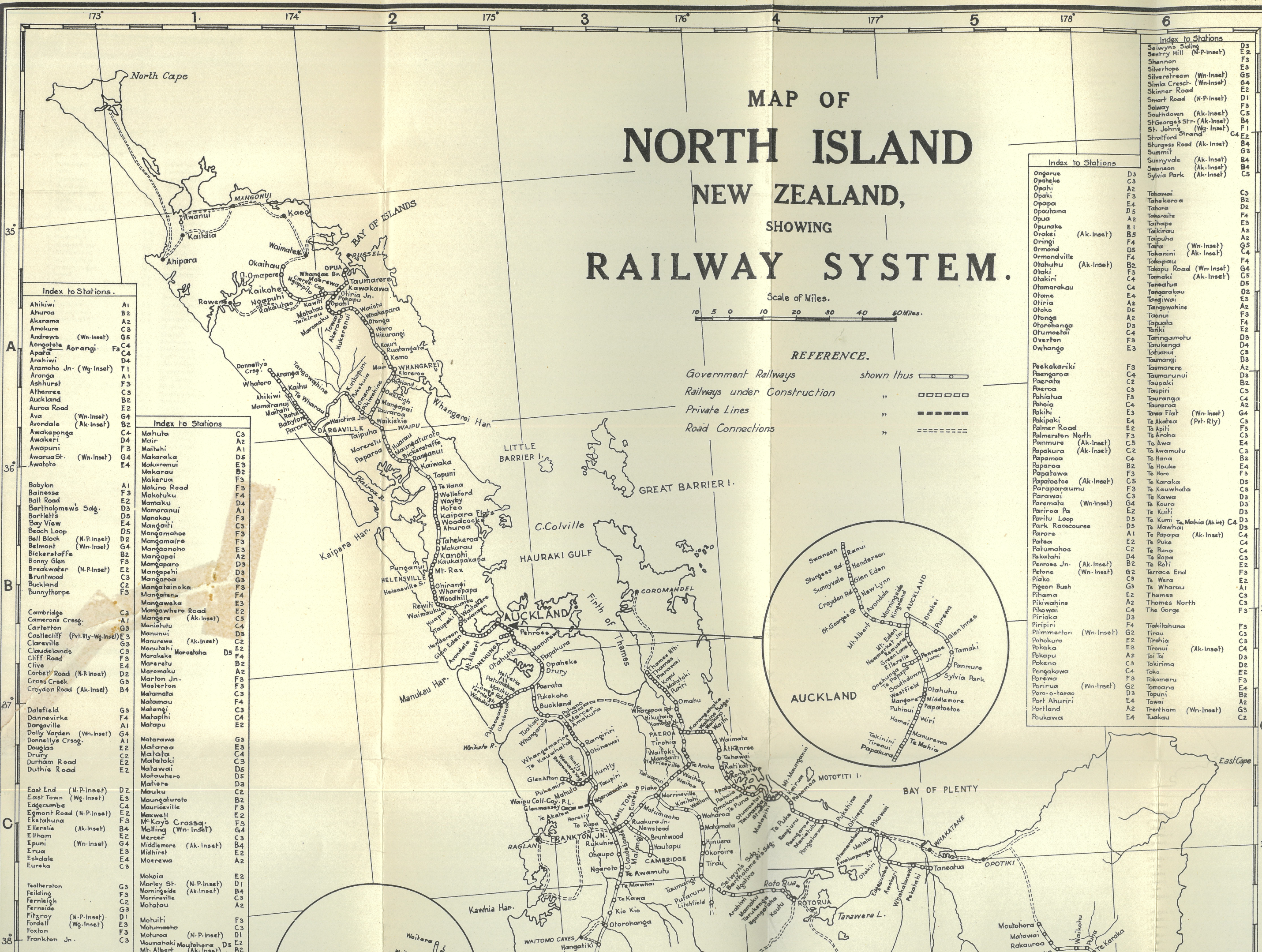
Mokoia	E2
Monley St. (N.P.-Inset)	D1
Morningside (Ak.-Inset)	B4
Morrinsville	C3
Motatau	A2

**Index to Stations**

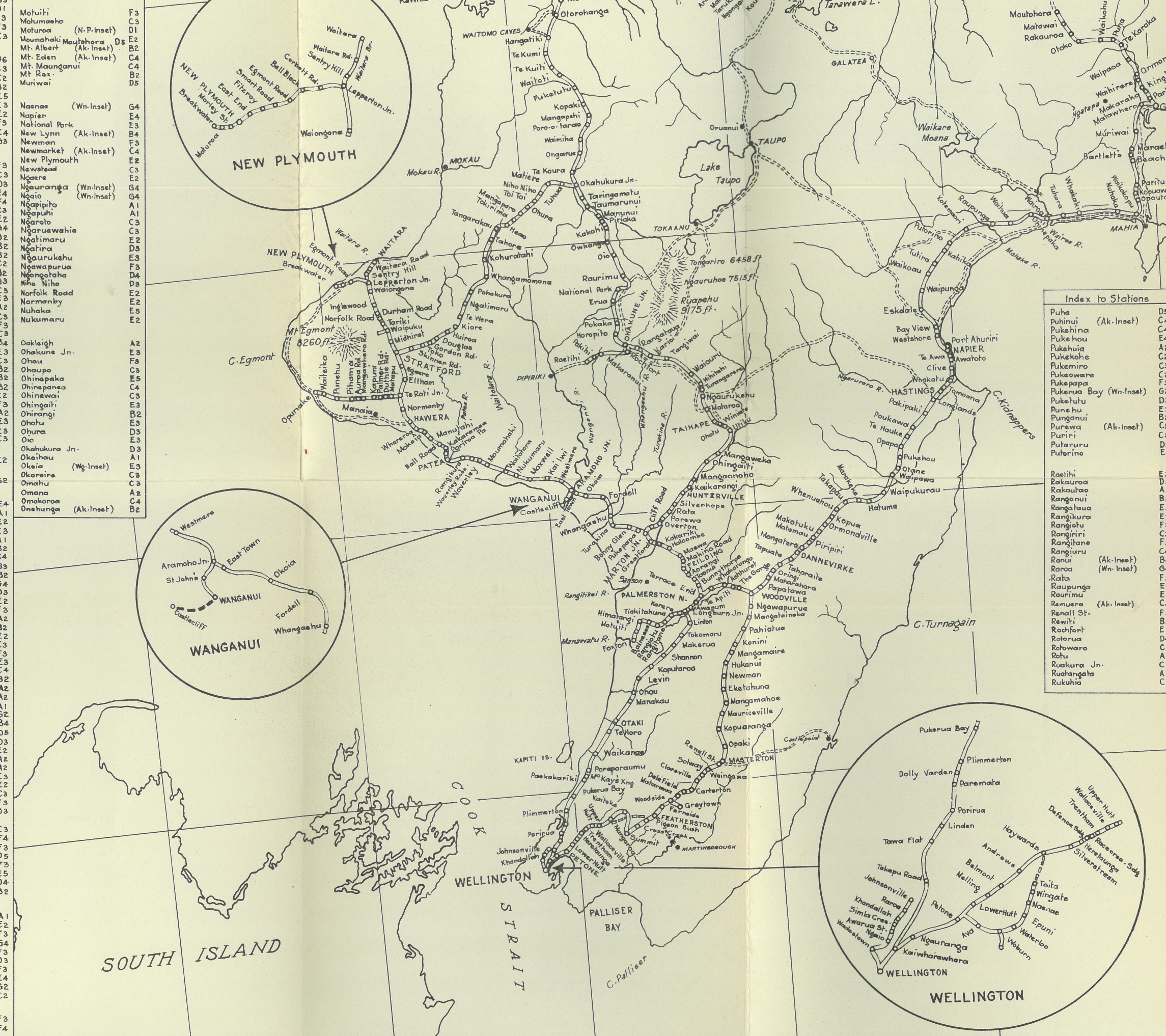
Motaiti	F3
Motumaoho	C3
Moturoa (N.P.-Inset)	D1
Moutahaka	E2
Mt. Albert (Ak.-Inset)	B2

A  
B  
C

35  
36  
37  
38



- Fernside G3
- Fitzroy (N.P.-Inset) D1
- Fordell (Wg.-Inset) E3
- Foxton C3
- Frankton Jr. C3
- Gisborne D6
- Glen Afton C3
- Glenbrook C2
- Glen Eden (Ak.-Inset) B2
- Glen Innes (Ak.-Inset) C5
- Glenmassey (Pvt. Rly) C3
- Gordon Road E2
- Greatford F3
- Green Lane (Ak.-Inset) C4
- Greytown G4
- Halcombe F3
- Hamilton C3
- Hangatiki D3
- Hastings E4
- Hatuma F4
- Hawera C3
- Hawera (Wn.-Inset) E2
- Heo D2
- Helensville B2
- Helensville South B2
- Helvetia C2
- Henderson (Ak.-Inset) G3
- Herehuanga (Wn.-Inset) B2
- Herriesville C3
- Hihitahi E3
- Hikurangi A2
- Hikutia C3
- Himalangi F3
- Hinuera C3
- Homai (Ak.-Inset) B4
- Haropito E3
- Horohiu C3
- Hoto B2
- Huapai B2
- Huapua B2
- Huirua E2
- Hukanui F3
- Hukerenui A2
- Hunterville E3
- Huntly C3
- Huntly West C3
- Inglewood E2
- Johnsonville (Wn.-Inset) G2
- Kahika E4
- Kaihu A1
- Kai Iwi E2
- Kaikarangi E3
- Kaikehe A1
- Kaipara Flats B2
- Kairua C4
- Kaitake G3
- Kawaka B2
- Kaiwharawhara (Wn.-Inset) D3
- Kakahi D3
- Kakaramea E2
- Kakariki F3
- Kamo A2
- Kanohi B2
- Kapuni E2
- Yarangahake C3
- Karere F3
- Karioi E3
- Katikati C4
- Kaukapakapa B2
- Kauri A2
- Kawakawa A2
- Kawiti A1
- Khandallah (Wn.-Inset) G2
- Kingsland (Ak.-Inset) B4
- Kings Road D5
- Kio Kio D3
- Kiore E2
- Kiorero A2
- Kirikopuni A2
- Kiwitahi C3
- Kohuratahi E2
- Komata North C3
- Konini F3
- Kopaki D3
- Kopua C3
- Kopua F4
- Kopuaranga F3
- Kopuwhara D5
- Koputarua F3
- Koumari E5
- Koutu D4
- Kumeu B2
- L. Omare Rd. Crsg. A1
- Lepperton Jr. (N.P.-Inset) E2
- Levin F3
- Linden (Wn.-Inset) G4
- Linton F3
- Litchfield D3
- Longburn F3
- Longlands E4
- Lower Hutt (Wn.-Inset) G2
- Lower Road Crsg. C2
- Maewa F3
- Mahararua F4



Index to Stations		Index to Stations	
Tuhara	E5	Puha	D5
Tuhua	D3	Puhinui (Ak.-Inset)	C4
Turakina	F3	Pukehina	C4
Turangareke	E3	Pukehou	E4
Tutira	E4	Pukehuia	A2
Upper Hutt (Wn.-Inset)	G3	Pukekohe	C2
Ukhu	E3	Pukemiro	C3
Wadestown (Wn.-Inset)	G4	Pukeoware	C2
Waharoa	C3	Pukepapa	F3
Waihi	C3	Pukerua Bay (Wn.-Inset)	G2
Waihirere	D5	Pukehutu	D3
Waihou	C3	Punehu	E2
Waihua	E5	Pungunui	B2
Waikanae	F3	Purewa (Ak.-Inset)	C5
Waikiekie	A2	Puriri	C3
Waikino	C3	Putaruru	D3
Waikino Sidings	C3	Putarino	E5
Waikouau	E4	Raeiti	E3
Waikohu	D5	Rakaurua	D5
Waikokopu	E5	Rakautae	A1
Waikopu	E5	Ranganui	B2
Waimata	C3	Rangitua	E3
Waimata	C3	Rangikura	E2
Waimauku	B2	Rangitoto	F3
Waimiha	D3	Rangiora	C3
Waingawa	F3	Rangitiri	F3
Waiononga (N.P.-Inset)	E2	Rangitane	C4
Waiohira	A2	Rangituru	E3
Waiohuru	A2	Ranui (Ak.-Inset)	B4
Waiohu	E3	Rarua (Wn.-Inset)	G4
Waipara	D5	Rata	F3
Waipawa	E4	Raupunga	E5
Waipatu	E2	Raurimu	E3
Waipukurau	E4	Ramua (Ak.-Inset)	C4
Waipungu	E4	Renall St.	F3
Waipuka	E5	Renall St.	B2
Waipukurau	E4	Rochford	E3
Waipuna	E4	Rotorua	D4
Waipua	E5	Rohowaro	C3
Waipua	E5	Rohu	A1
Waipua	E5	Ruakura Jr.	C3
Waipua	E5	Ruakanga	A2
Waipua	E5	Rukuhia	C3
Waipua	E5	Wairua	C2
Waipua	E5	Wallaceville (Wn.-Inset)	G3
Waipua	E5	Walton	C3
Waipua	E5	Wanganui	E3
Waipua	E5	Waro	A2
Waipua	E5	Waterloo (Wn.-Inset)	G5
Waipua	E5	Waverley	E2
Waipua	E5	Waverley Rse.	B2
Waipua	E5	Wayby	C3
Waipua	E5	Waverley Crossing	G2
Waipua	E5	Wellington	G2
Waipua	E5	Wellsford	B2
Waipua	E5	Westfield (Ak.-Inset)	C5
Waipua	E5	Westmore (Wg.-Inset)	E3
Waipua	E5	Westshore	E4
Waipua	E5	Whakaki	E5
Waipua	E5	Whakapara	A2
Waipua	E5	Whakarango	F3
Waipua	E5	Whakatane West	D4
Waipua	E5	Whakatu	E4
Waipua	E5	Whangae Bridge	A2
Waipua	E5	Whangaehu (Wg.-Inset)	F3
Waipua	E5	Whangamano	C3
Waipua	E5	Whangamomona	E2
Waipua	E5	Whangarei	A2
Waipua	E5	Wharepapa	B2
Waipua	E5	Wharepapa Road	C3
Waipua	E5	Whareroa	E2
Waipua	E5	Whareroa	A1
Waipua	E5	Whenuahou	F4
Waipua	E5	Wingate (Wn.-Inset)	G5
Waipua	E5	Wingatia	E3
Waipua	E5	Winlata	C4
Waipua	E5	Wiri (Ak.-Inset)	C4
Waipua	E5	Woburn (Wn.-Inset)	G5
Waipua	E5	Woodcocks	B2
Waipua	E5	Woodhill	B2
Waipua	E5	Woodside	G3
Waipua	E5	Woodville	F3

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry should be clearly documented and verified.

In the second section, the author outlines the various methods used to collect and analyze data. This includes both qualitative and quantitative approaches, ensuring a comprehensive understanding of the subject matter.

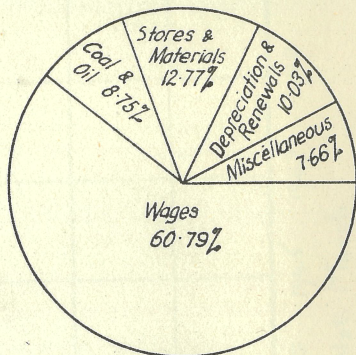
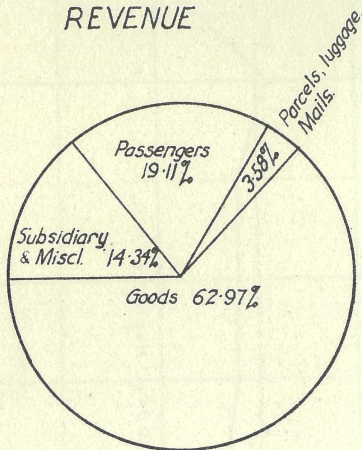
The third section details the results of the research, showing a clear trend in the data over time. The findings suggest that there is a significant correlation between the variables being studied.

Finally, the document concludes with a summary of the key points and offers some recommendations for future research. It stresses the need for continued monitoring and analysis to stay abreast of any changes.

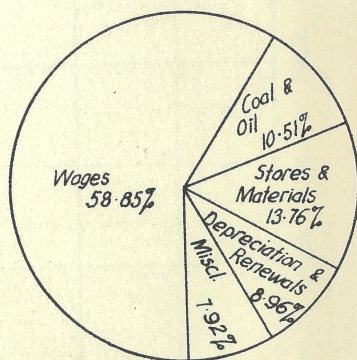
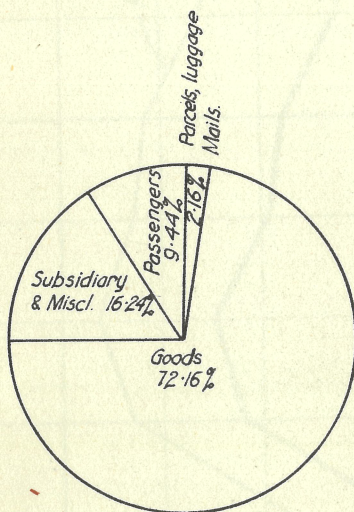
REVENUE

EXPENDITURE

1939



1952



4

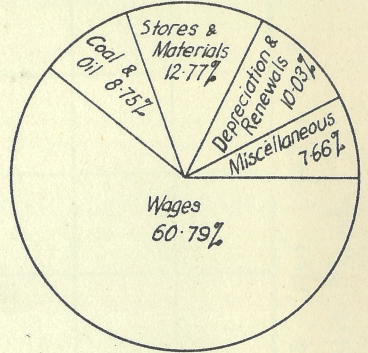
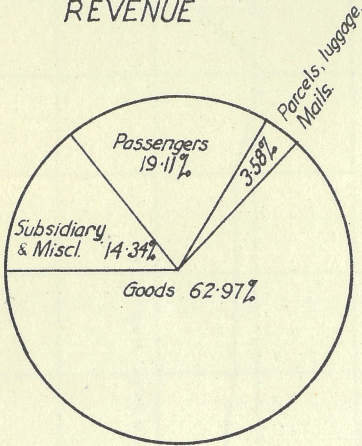
1. The first part of the document  
 discusses the general principles  
 of the system. It is divided into  
 two main sections: the first  
 section deals with the theory  
 and the second section deals  
 with the practice. The theory  
 section is further divided into  
 three sub-sections: the first  
 sub-section deals with the  
 basic principles, the second  
 sub-section deals with the  
 advanced principles, and the  
 third sub-section deals with  
 the application of the theory.

The practice section is divided  
 into two main parts: the first  
 part deals with the general  
 principles of the practice and  
 the second part deals with the  
 specific details of the practice.  
 The first part of the practice  
 section is further divided into  
 three sub-sections: the first  
 sub-section deals with the  
 basic principles, the second  
 sub-section deals with the  
 advanced principles, and the  
 third sub-section deals with  
 the application of the practice.

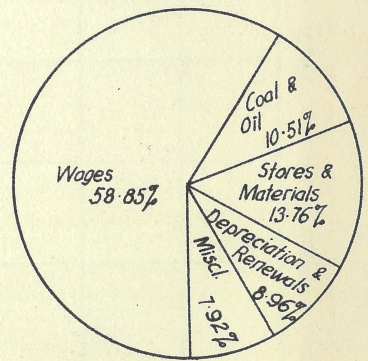
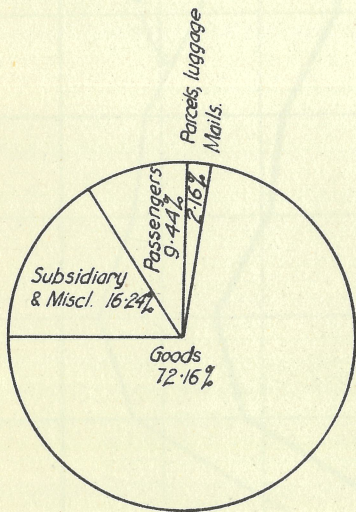
REVENUE

EXPENDITURE

1939



1952



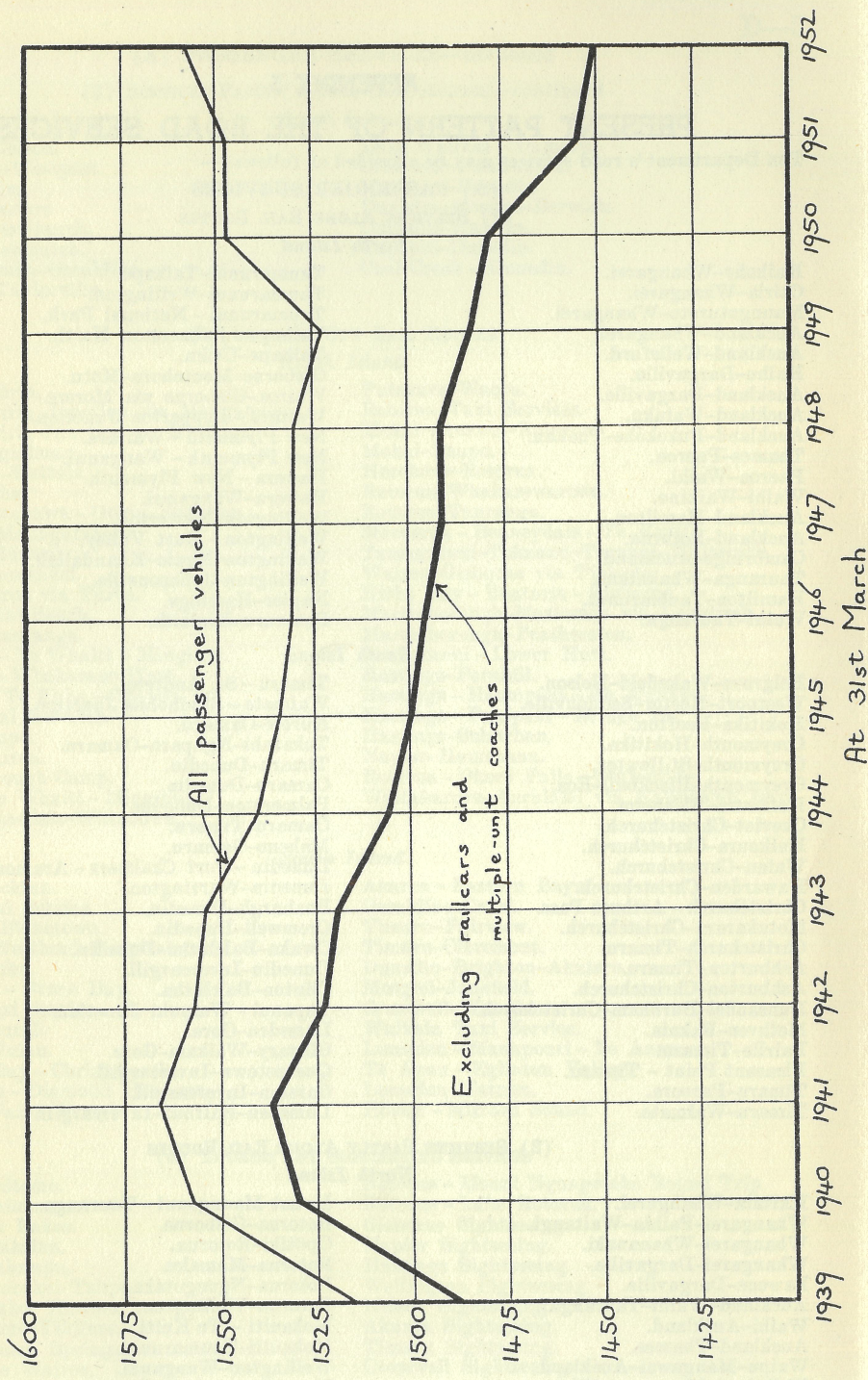




PASSENGER CAR STOCK

Appendix 4.

at 31st March each year



At 31st March

APPENDIX 5

PRESENT PATTERN OF THE ROAD SERVICES

THE Department's road services may be classified as follows:—

(A) PASSENGER SERVICES

(1) SERVICES ALONG RAIL ROUTES

North Island

Kaikohe-Whangarei.  
 Otiria-Whangarei.  
 Maungaturoto-Whangarei.  
 Auckland-Whangarei.  
 Auckland-Wellsford.  
 Kaihu-Dargaville.  
 Auckland-Dargaville.  
 Auckland-Waikuku.  
 Auckland-Pukekohe-Tuakau.  
 Thames-Paeroa.  
 Paeroa-Waihi.  
 Waihi-Waikino.  
 Auckland-Hamilton.  
 Auckland-Rotorua.  
 Cambridge-Auckland.  
 Tauranga-Whakatane.  
 Hamilton-Taumarunui.  
 Waihi-Tauranga.

Taumarunui-Taihape.  
 Taumarunui-Wellington.  
 Taumarunui - National Park.  
 Taihape - Palmerston North.  
 Taihape-Utiku.  
 Gisborne-Moutohora-Motu.  
 Wairoa-Gisborne via Morere.  
 Waitara - Lepperton Junction.  
 New Plymouth - Waitara.  
 New Plymouth - Wanganui.  
 Hawera - New Plymouth.  
 Hawera-Wanganui.  
 Wellington-Masterton.  
 Wellington - Hutt Valley.  
 Wellington-Ngaio-Khandallah.  
 Wellington-Johnsonville.  
 Napier-Hastings.  
 Putaruru-Kinleith.

South Island

Belgrove-Wakefield-Nelson.  
 Westport-Hector-Seddonville.  
 Hokitika-Reefton.  
 Greymouth-Hokitika.  
 Greymouth-Stillwater.  
 Greymouth-Blackball-Roa.  
 Kaikoura-Blenheim.  
 Cheviot-Christchurch.  
 Kaikoura-Christchurch.  
 Waiau-Christchurch.  
 Hawarden-Christchurch.  
 Christchurch - Arthurs Pass.  
 Motukarara-Christchurch.  
 Christchurch-Timaru.  
 Ashburton-Timaru.  
 Ashburton-Christchurch.  
 Dunsandel-Burnham-Christchurch.  
 Methven-Rakaia.  
 Fairlie-Timaru.  
 Pleasant Point - Timaru.  
 Timaru-Paeroa.  
 Timaru-Waimate.

Timaru - St. Andrews.  
 Waimate - Studholme Junction.  
 Kurow-Oamaru.  
 Tokarahi-Ngapara-Oamaru.  
 Timaru-Dunedin.  
 Oamaru-Dunedin.  
 Palmerston-Dunedin.  
 Oamaru-Timaru.  
 Maheno-Oamaru.  
 Dunedin - Port Chalmers - Aramoana.  
 Dunedin-Warrington.  
 Roxburgh-Dunedin.  
 Cromwell-Dunedin.  
 Owaka-Balclutha-Dunedin.  
 Dunedin-Invercargill.  
 Clinton-Balclutha.  
 Tapanui - Waipahi Junction.  
 Lumsden-Gore.  
 Glenary-Waikaia-Gore.  
 Queenstown-Invercargill.  
 Garston-Invercargill.  
 Lumsden-Balfour-Invercargill.

(2) SERVICES PARTLY ALONG RAIL ROUTES

North Island

Kaitaia-Whangarei.  
 Whangarei-Paihia-Waitangi.  
 Whangarei-Whananaki.  
 Whangarei-Dargaville.  
 Rawene-Dargaville.  
 Auckland-Waihi-Tauranga.  
 Waihi-Auckland.  
 Auckland-Thames.  
 Waipu-Mangawai-Auckland.  
 Wellsford-Mangawai-Whangarei.  
 Auckland-Mangakino.  
 Auckland-Wairakei.  
 Hamilton-Mangakino.  
 Frankton Junction - Tauranga.

Mount Maunganui - Tauranga.  
 Rotorua-Gisborne.  
 Opotiki-Rotorua.  
 Rotorua-Mamaku.  
 Rotorua-Ngongotaha.  
 Rotorua-Wellington.  
 Mokauiti - Te Kuiti.  
 Mokauiti-Taumarunui.  
 Wellington-Wanganui.  
 Martinborough-Wellington.  
 Martinborough-Masterton via Greytown.  
 Wellington - Titahi Bay.  
 Paraparaumu-Paekakariki.

(A) PASSENGER SERVICES—*continued*(2) SERVICES PARTLY ALONG RAIL ROUTES—*continued**South Island*

Murchison-Nelson.	Lake Waitaki - Oamaru.
Christchurch-Westport.	Cromwell-Palmerston.
Hokitika-Otira.	Karitane-Dunedin.
Hokitika-Glaciery.	Dunedin-Mosgiel-Berwick.
Hamner-Christchurch.	Dunedin-Wanaka.
Akaroa-Christchurch.	Tapanui-Dunedin.
Timaru-Temuka-Geraldine.	Coal Creek - Dunedin.
Greymouth-Taylorville.	

## (3) SERVICES OFF RAIL ROUTES

*North Island*

Herekino-Otiria.	Putaruru-Waotu.
Kaitaia - Otiria Junction via Mangamuka.	Rotorua Taxi Services.
Kaitaia - Otiria Junction via Kerikeri.	Mokai-Oruanui-Rotorua.
Horeke-Rangiahua.	Mokai-Taupo.
Oruru-Peria-Kaitaia.	Horo-horo-Rotorua.
Kaeo-Kaikohu.	Rotorua-Whakarewarewa.
Paihia - Kawakawa - Otiria Junction.	Rotorua-Tauranga.
Whangarei-Maungatapere.	Maraeroa - Benneydale - Te Kuiti.
Dargaville-Ruawai.	Taumarunui-Tokaanu-Turangi-Waitetoko.
Thames-Coromandel.	Wairoa-Gisborne via Tiniroto.
Thames-Paeroa via Turua.	Hicks Bay - Ruatoria - Gisborne.
Waihi - Waihi Beach.	Martinborough-Masterton via Longbush.
Te Puke - Tauranga.	Martinborough-Featherston.
Whakatane - Te Whaiti - Minginui.	Pauhatanui - Lower Hutt.
Whakatane - Whakatane West.	Hastings-Fernhill.
Te Araroa - Te Kaha - Opotiki.	Hastings - Haumoana - Te Awanga.
Opotiki Local Services.	Hastings - Pakipaki - Bridge Pa.
Rotorua-Taupo.	Hastings-Suburban.
Rotorua-Wairoa.	Napier-Haumoana.
Rotorua Borough Camp.	Rotorua - Okere Falls - Otaramaru.
Rotorua - Te Whaiti - Minginui.	Waitakaruru-Auckland via Kawakawa Bay.
Putaruru-Pinedale-Wiltsdown.	

*South Island*

Granity-Stockton.	Akaroa - Eastern Bays.
Granity Taxi Service.	Geraldine-Orari.
Greymouth-Blaketown.	Timaru-Fairview.
Hokitika - Westland Hospital.	Timaru-Claremont.
Rimu-Hokitika.	Dunedin-Brighton-Akatere.
Fox Glacier - Bruce Bay.	Mosgiel-Janefield.
Harihari Taxi Service.	Cromwell-Wanaka.
Kaikoura Rural.	Waikaia Taxi Service.
Kaikoura-Waiiau.	Lumsden - Manapouri - Te Anau.
Governors Bay - Christchurch.	Te Anau - Eglinton Valley.
Christchurch - Diamond Harbour.	Lumsden-Matuku.
Hamner - Waiiau Ferry.	Homer - Milford Sound.

## (4) TOURIST AND SIGHTSEEING SERVICES

Rotorua-Waitomo.	Rotorua - Mount Ngongotaha Round Trip.
Rotorua-Waimungu.	Rotorua - Lake Rotorua.
Rotorua-Six Lakes.	Gisborne Sightseeing.
Rotorua-Okataina.	Napier Sightseeing.
Rotorua-Waiotapu.	Hastings Sightseeing.
Rotorua-Wairakei-Taupo.	Wellington Sightseeing.
Rotorua-Orakei Korako.	Nelson Sightseeing.
Rotorua-Okere-Tikitere.	Akaroa Sightseeing.
Rotorua - Fairy Springs.	Timaru Sightseeing.
Rotorua - Te Wairoa.	Cromwell Sightseeing.
Rotorua Circular Tour.	

The above are regular sightseeing services. In addition, contract and tourist trips are operated throughout the Dominion as traffic warrants.

(A) PASSENGER SERVICES—*continued*

## (5) SCHOOL BUS SERVICES

	Services.		Services.
Kaitaia district	17	Christchurch district	28
Auckland district	16	Westland district	13
Rotorua district	26	Otago district	25
Hawke's Bay district	17	Southland district	8
Wellington district	26		

Total 176 services running 1,314,500 miles per annum.

## (6) WORKERS' SERVICES

Numerous "contract" workers' services are operated for the conveyance of workers between their homes and freezing-works, factories, sawmills, &c. Many of these are seasonal only.

*Examples:*

Timaru to Pareora Freezing-works; Hutt Valley residential area to factories; Rotorua residential area to Waipa Sawmill.

## (B) GOODS SERVICES

## (1) "ANCILLARY TO RAIL" SERVICES

Whangarei-Maromaku.	Wellington - Lower Hutt.
Auckland-Kaukapakapa.	Wellington-Masterton.
Auckland-Hellensville.	Wellington-Paekakariki.
Auckland-Henderson.	Blenheim-Ward.
Auckland-Local.	Christchurch-Waipara.
Auckland-Tuakau.	Christchurch-Oxford-Eyreton.
Auckland-Hamilton.	Christchurch-Ashburton.
Hamilton-Putaruru.	Christchurch-Southbridge.
Hamilton-Paeroa.	Christchurch-Springfield.
Hamilton - Te Kuiti.	Christchurch-Methven.
Hamilton-Pukekohe.	Christchurch-Local.
Hamilton - Frankton Junction.	Ashburton-Timaru.
Paeroa-Taneatua.	Timaru-Fairlie.
Paeroa-Local.	Timaru-Oamaru.
Gisborne-Moutohora.	Oamaru-Dunedin.
Marton-Local.	Dunedin-Balclutha.
Taumarunui-Taihape.	Timaru-Local.
Taumarunui - National Park.	Oamaru-Kurow.
Taihape-Wanganui.	Dunedin-Local.
Wanganui-Waitara.	Milton-Roxburgh.
Hawera-Opunake.	Cromwell-Queenstown.
Palmerston North - Feilding.	Balclutha-Gore.
Palmerston North - Featherston.	Gore-Invercargill.
Palmerston North - Taihape.	Gore-Switzers.
Palmerston North - Wanganui.	Gore - Edievale - Baes Junction.
Palmerston North - Foxton.	Invercargill-Local.
Palmerston North - Napier.	Gore-Lumsden.
Palmerston North - Wellington.	Gore-Waikaia.

## (2) FEEDER TO RAIL SERVICES

Okaihau-Kaitaia.	New Plymouth - Parcels Collection.
Maungaturoto-Tokatoka.	Palmerston North - Household Removal
Taneatua-Whakatane.	Work.
Taneatua-Opotiki-Gisborne.	Hokitika - Ross - South Westland.

## (3) SERVICES PARALLELING RAIL OR CONNECTING RAIL CENTRES BY MORE DIRECT ROUTE

Auckland-Hamilton.	Palmerston North - Pahiatua.
Auckland-Thames.	Foxton-Wellington.
Auckland-Waihi.	Invercargill-Queenstown.
Napier-Waipukurau.	Invercargill-Mossburn.
Palmerston North - Marton.	

(B) GOODS SERVICES—*continued*

## (4) SPECIAL SERVICES

Rotorua-Tauranga (services area away from rail).  
 Napier-Wairoa (urgent and perishable goods).  
 Palmerston North - Wanganui (serves dairy factories away from rail).  
 Wellington-Masterton (directed by Licensing Authority).  
 Christchurch-Ashburton (urgent and perishable goods).  
 Dunedin-Roxburgh (directed by Licensing Authority).  
 Christchurch District (household removals).  
 Otaki - Palmerston North (vegetable traffic).  
 Central Otago - Invercargill (fruit traffic).  
 Rotorua-Hastings (fruit traffic).

## (5) LOCAL SERVICES

Auckland local service.  
 Wellington local service.

Christchurch local service.  
 Dunedin local service.

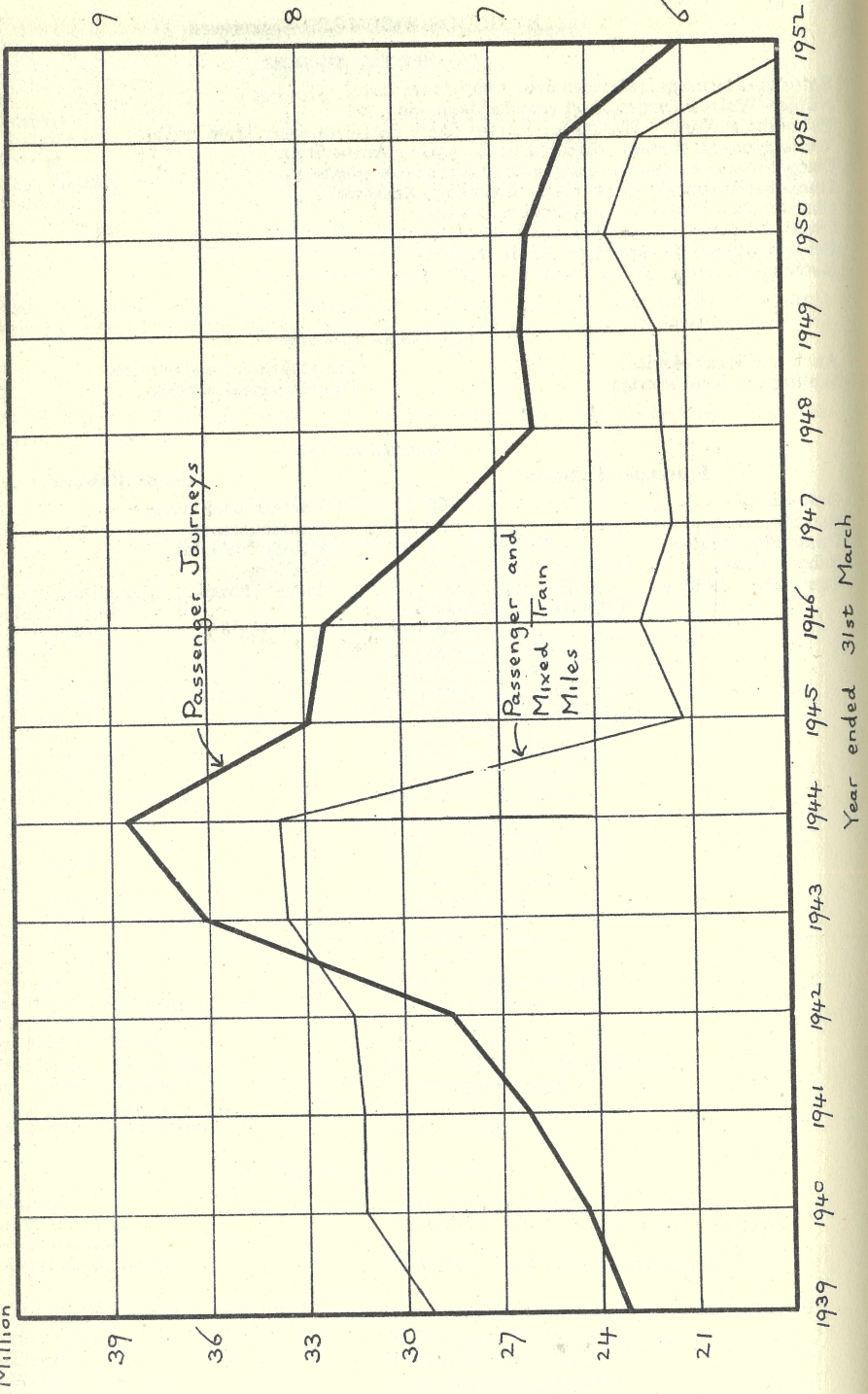
## VEHICLES IN USE

<i>Passenger Vehicles</i>			<i>Goods Vehicles</i>		
Omnibuses .....	355	Lorries and vans .....	265		
Service coaches and cars .....	397	Pantechnicons .....	1		
Passenger trucks .....	2	Utility vehicles .....	13		
School buses .....	8	Trailers .....	8		
Composite vehicles .....	17	Ticket boxes .....	2		
	<u>779</u>				<u>289</u>

PASSENGER TRAFFIC related to  
PASSENGER SERVICE

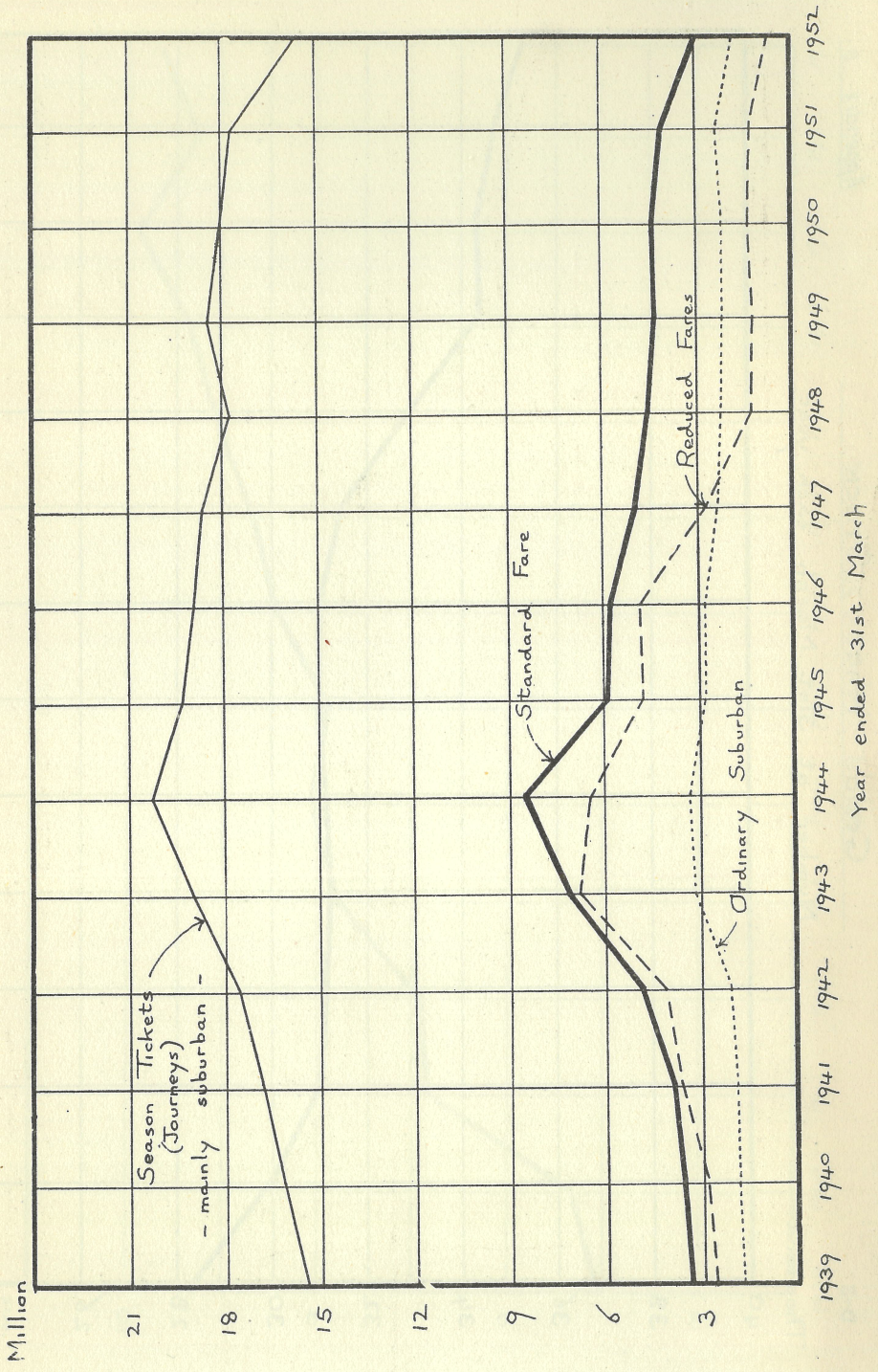
D-3  
Passenger  
Journeys  
Million

Train  
Miles  
Million



PASSENGER JOURNEYS  
per Annum

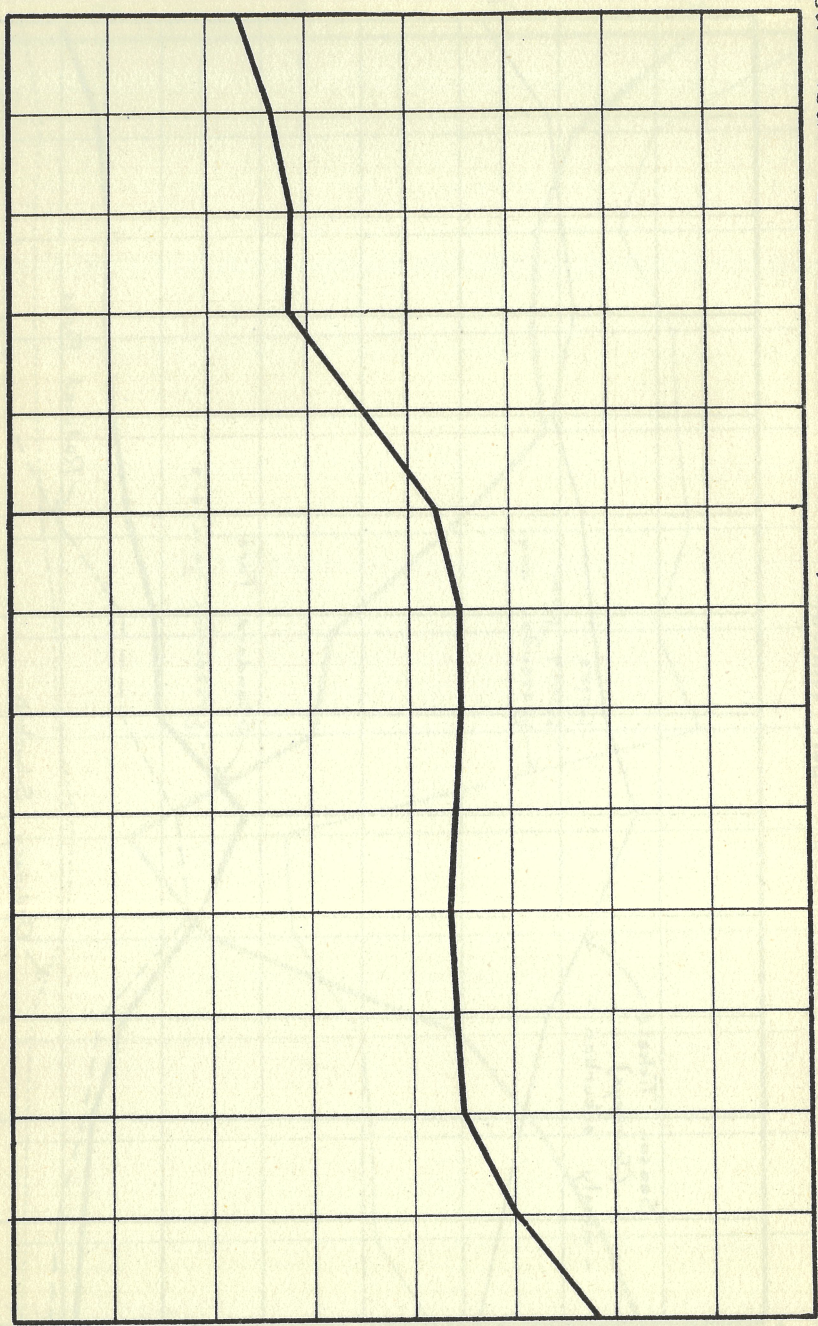
D-3





GOODS WAGON STOCK  
Number at 31st March each year

D-3  
Thousand  
40  
38  
36  
34  
32  
30  
28  
26  
24  
1939 1940 1941 1942 1943 1944 1945 1946 1947 1948 1949 1950 1951 1952



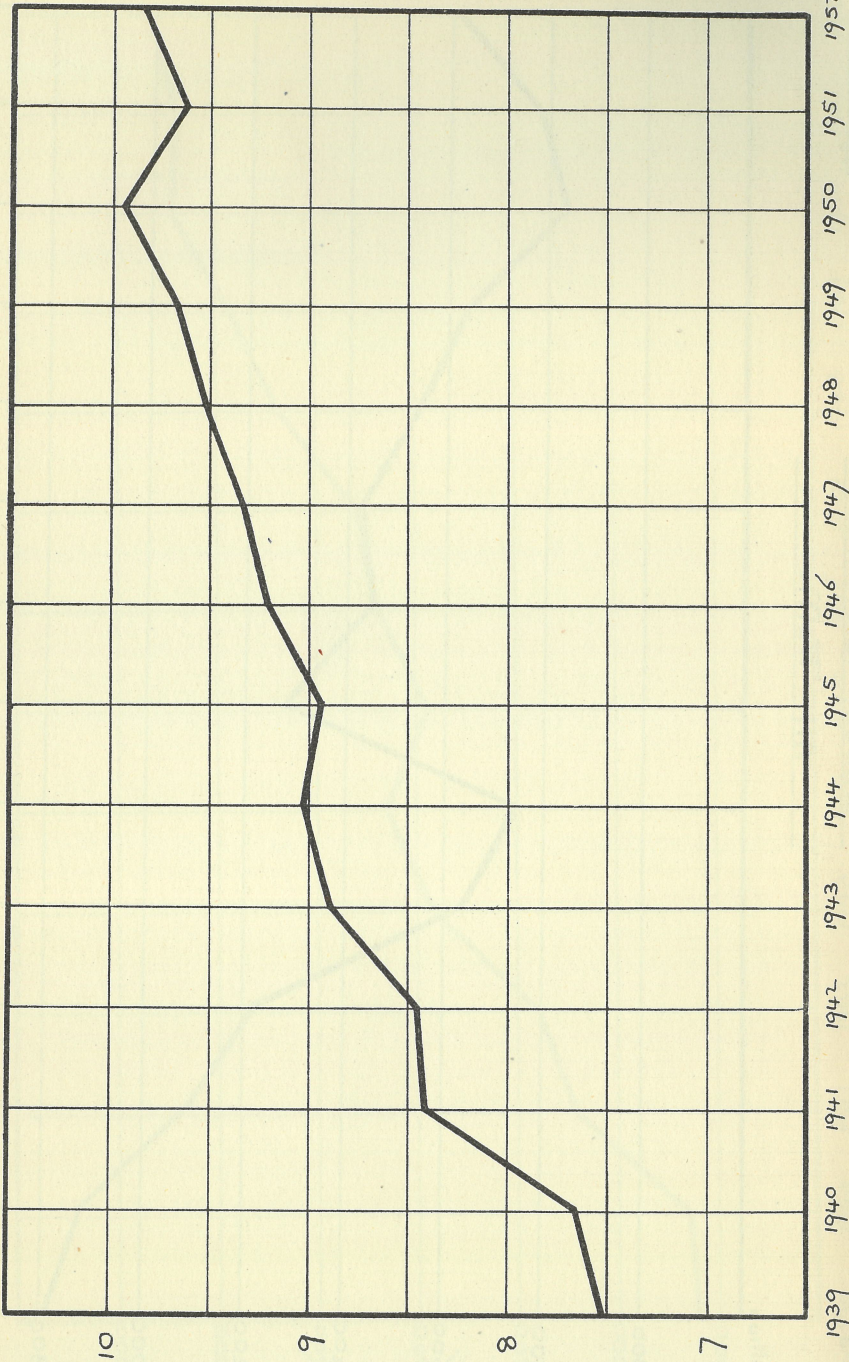
At 31st March

GOODS AND LIVESTOCK TONNAGE

per annum

D-3

Million  
Tons

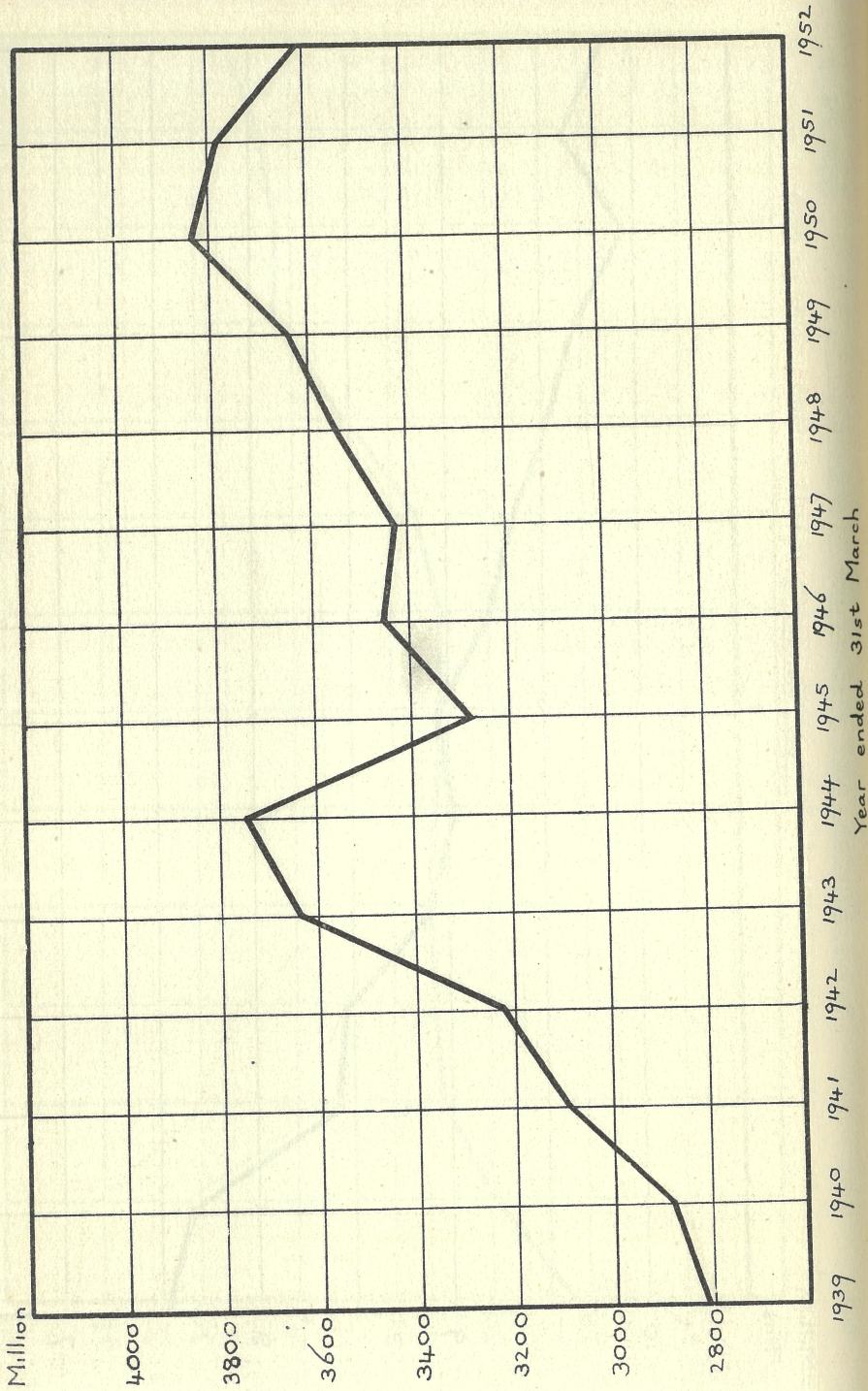


Year ended 31st March

GROSS TON MILES  
All Traffic

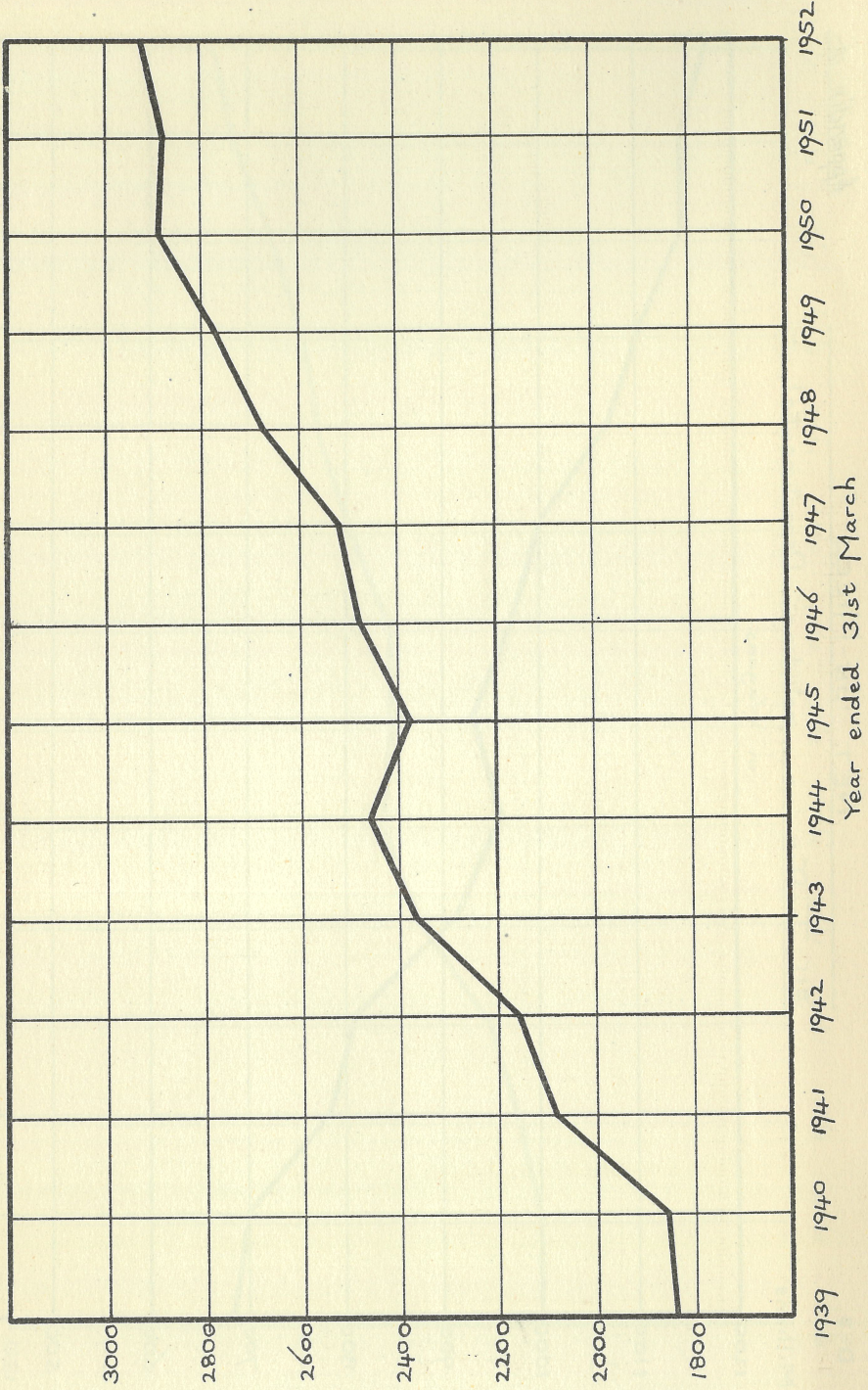
Appendix 10.

D-3



GROSS TON MILES

All Traffic in Wagons



Year ended 31st March

D-3

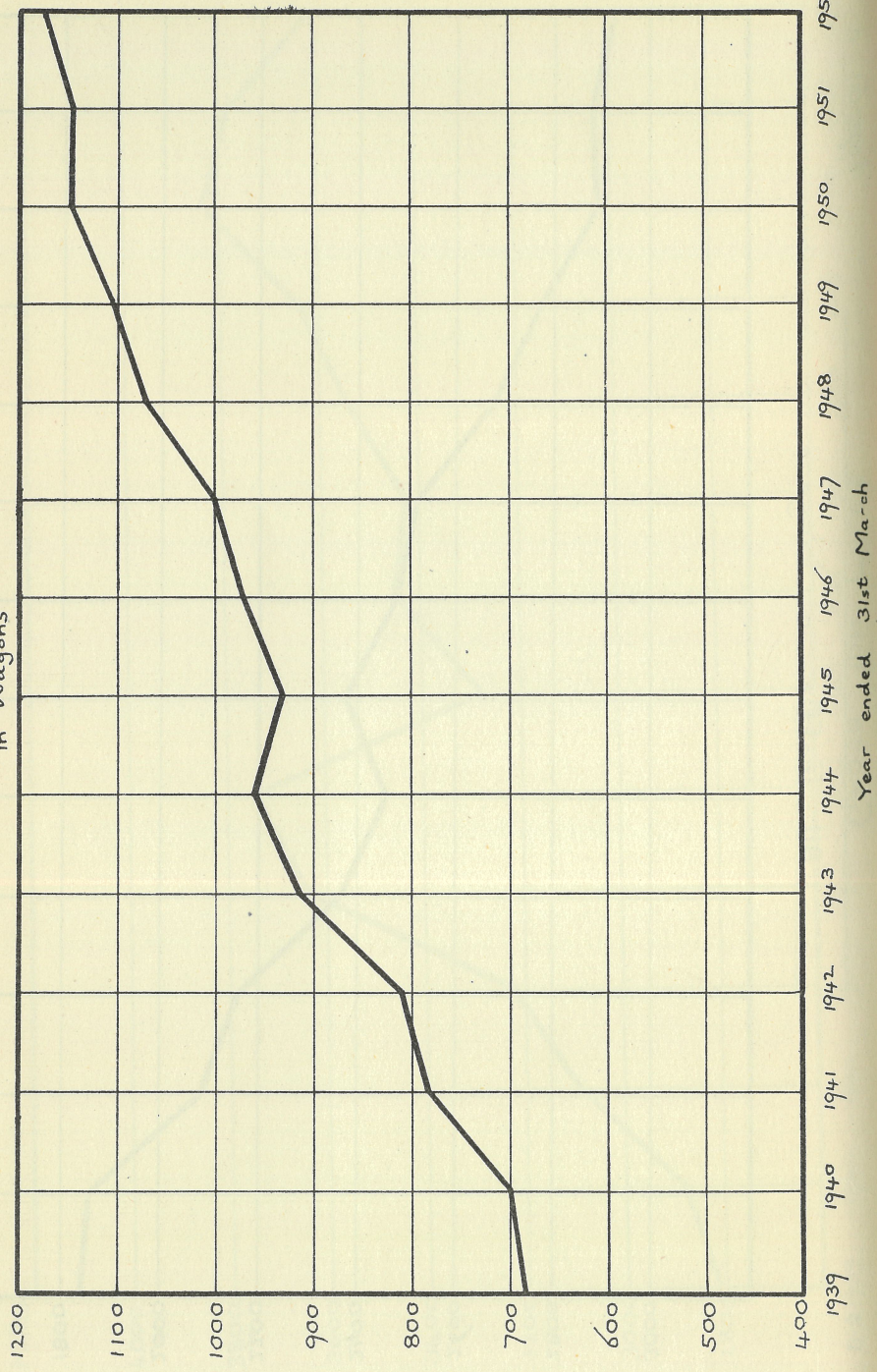
NET TON-MILES

Appendix 12.

All Traffic - including Departmental -

in Wagons

Millions



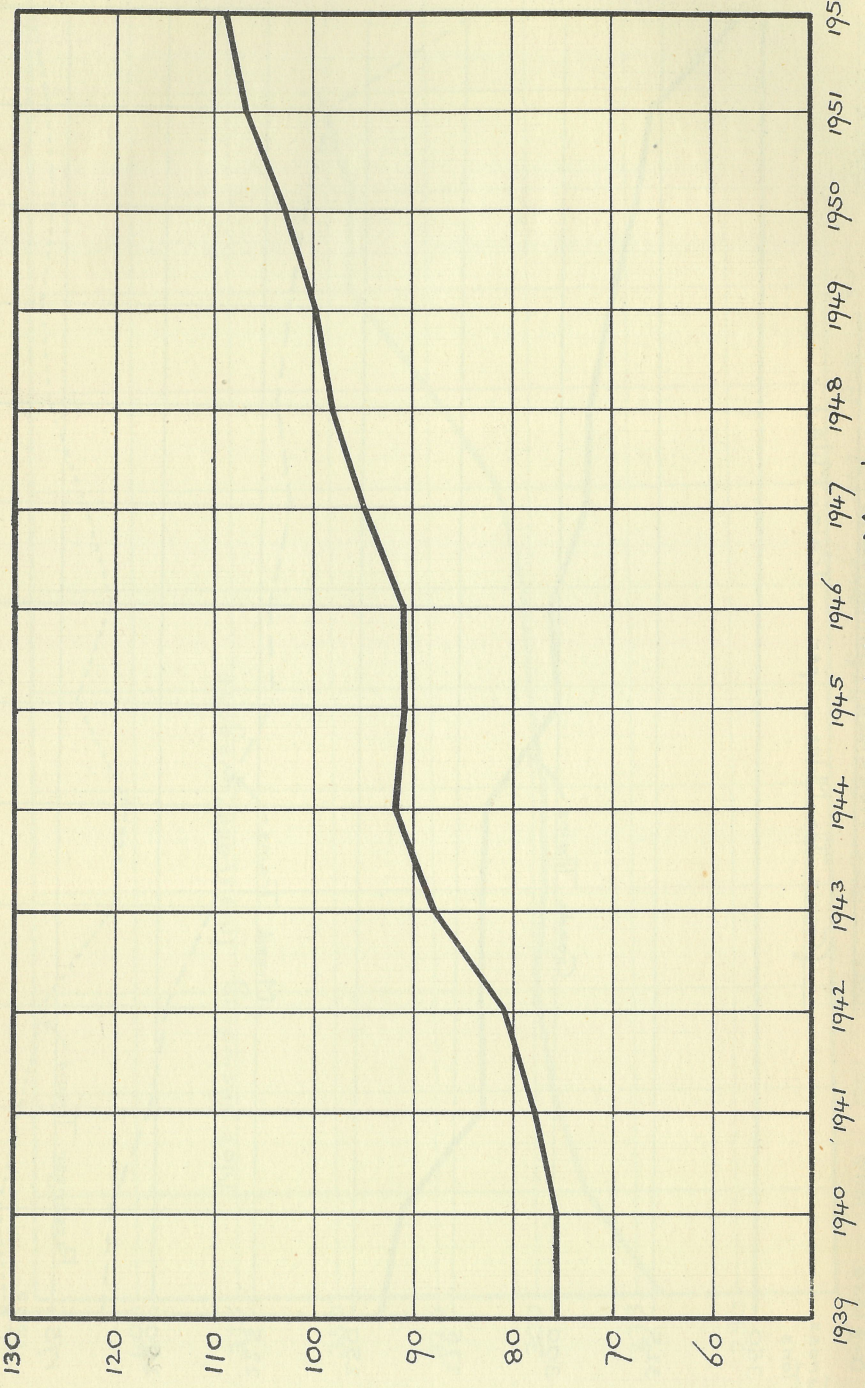
Year ended 31st March

GOODS TRAFFIC

Average Length of Haul.

D-3

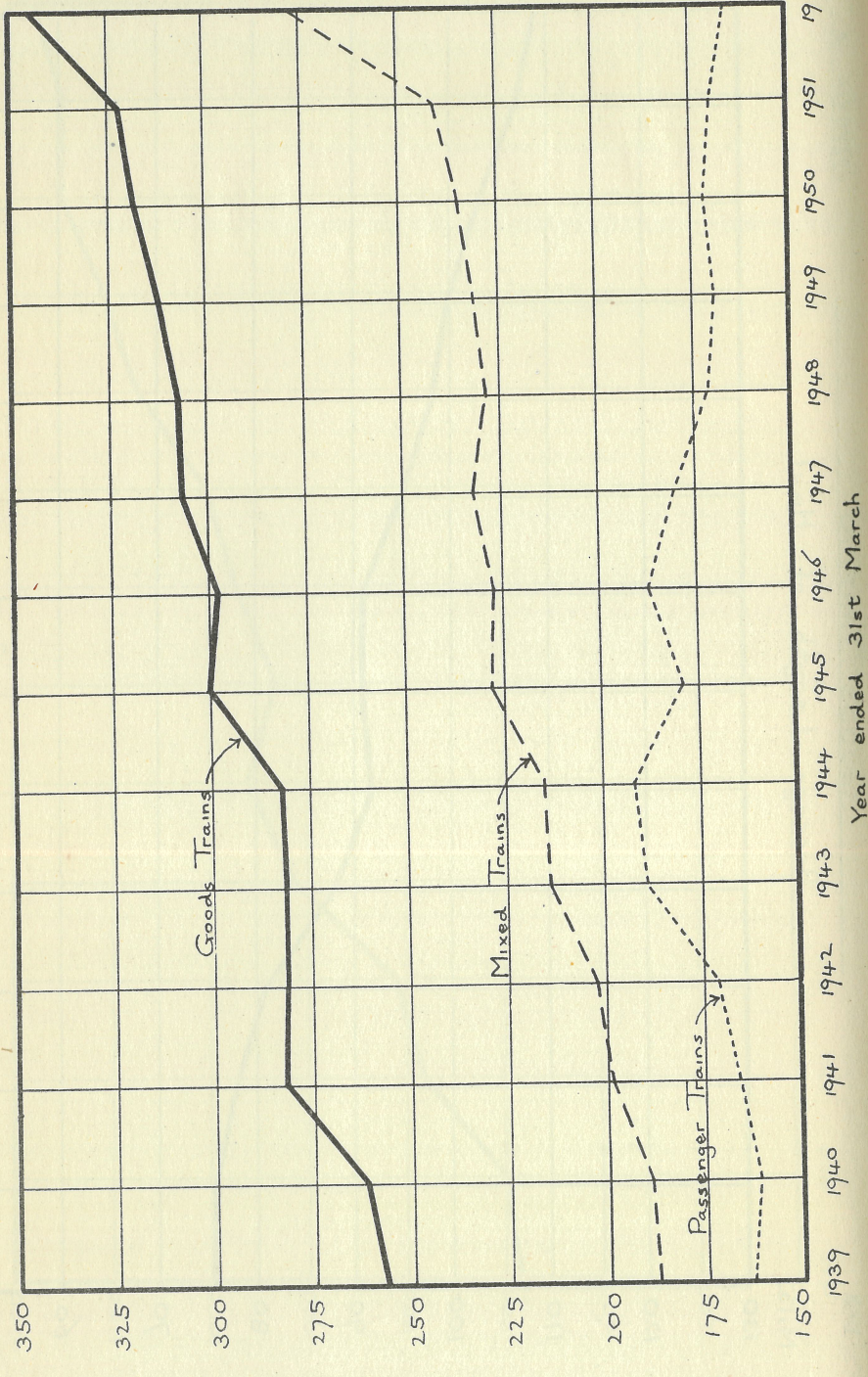
Miles



AVERAGE TRAIN LOAD  
 (Gross Ton-Miles per Train-Mile)

D-3

Gross  
 Tons

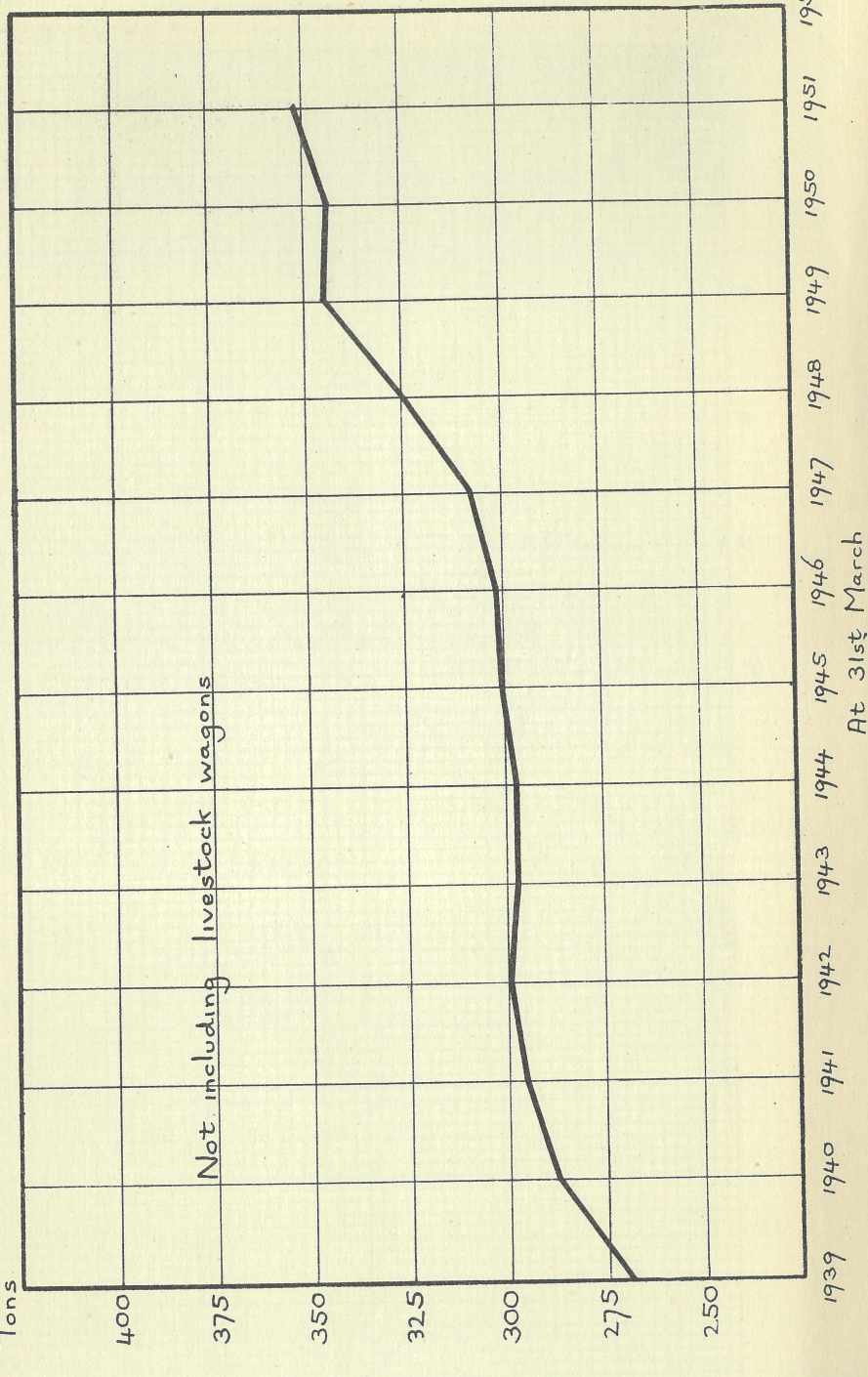


Year ended 31st March

AGGREGATE GOODS WAGON CAPACITY  
at 31st March each year

D-3

Thousand  
Tons

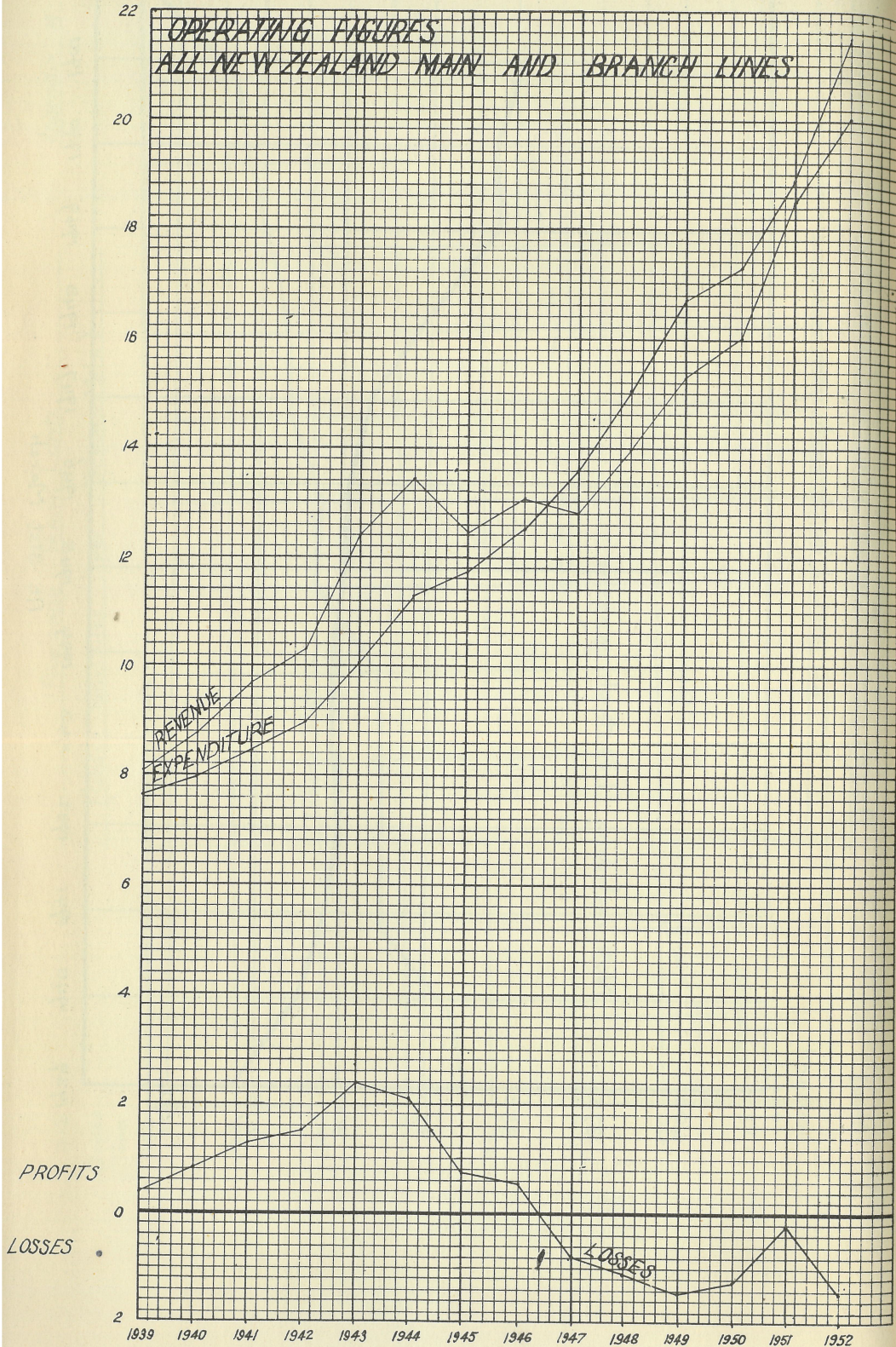


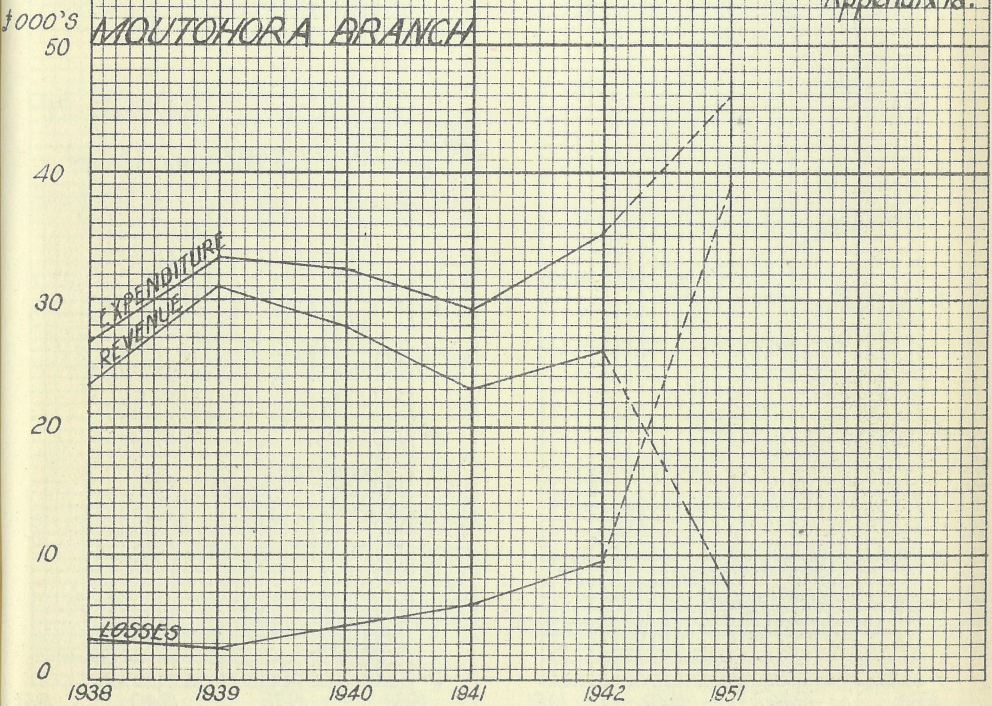
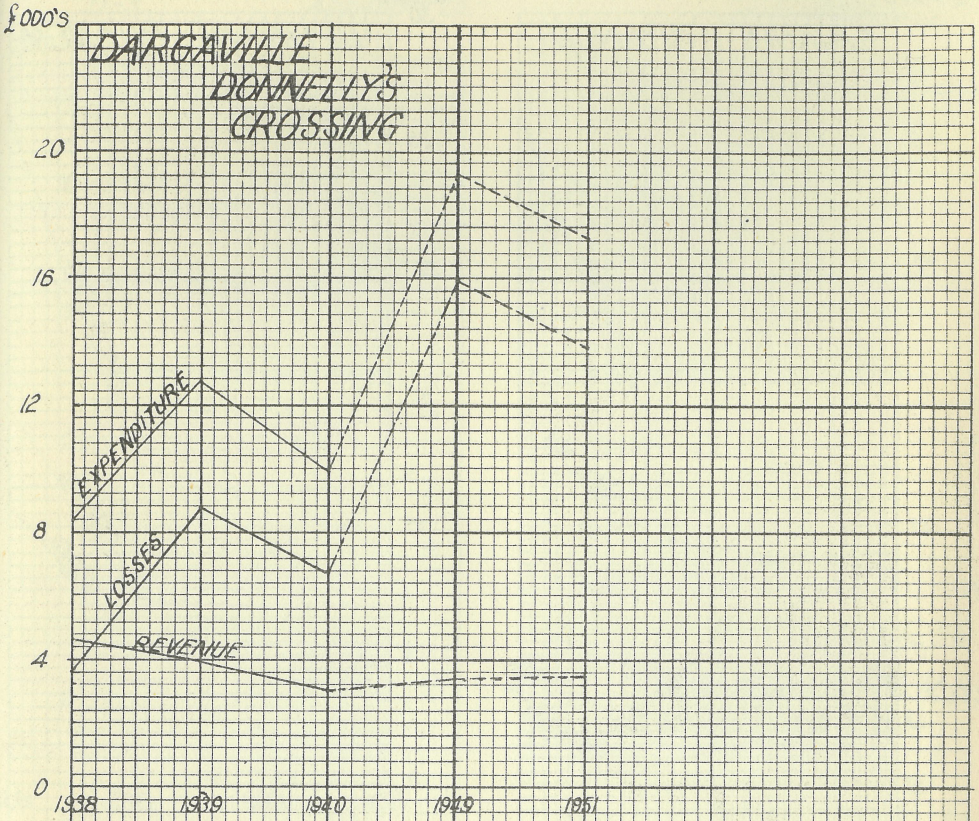


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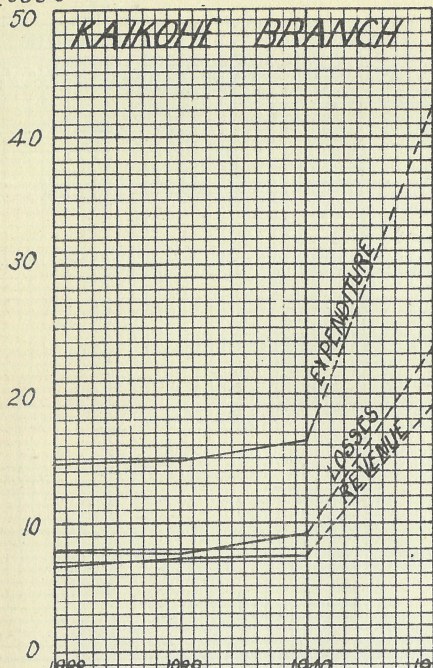
Appendix 16.

£ MILLIONS

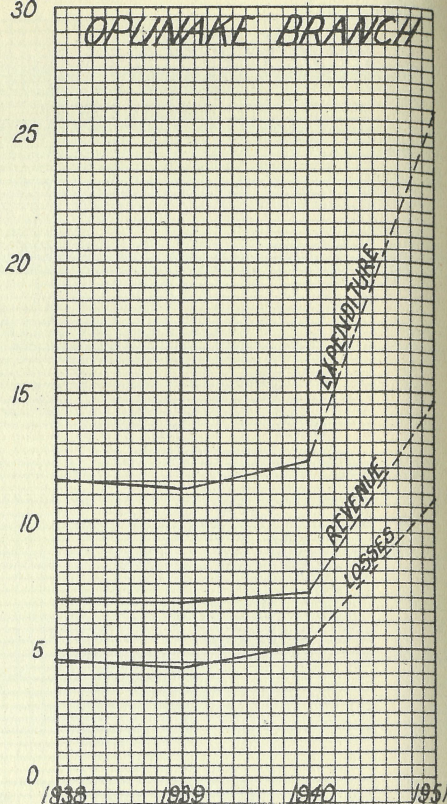




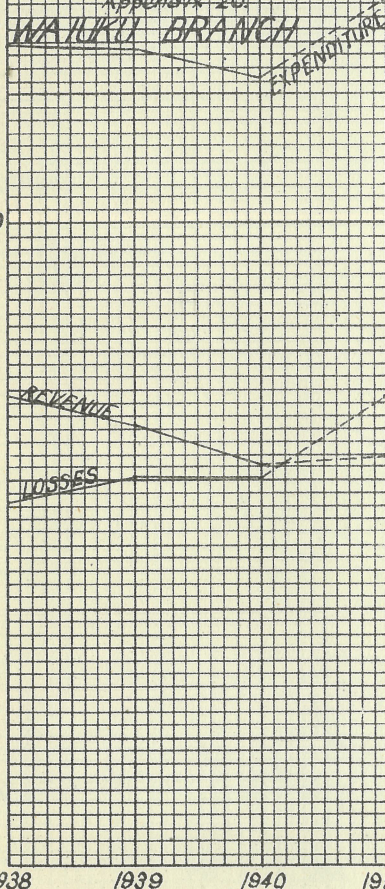
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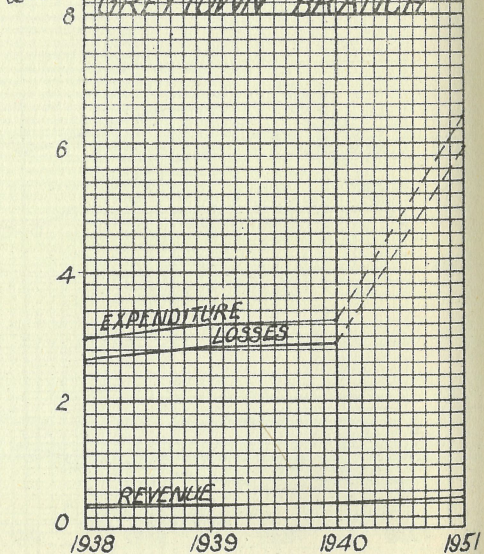
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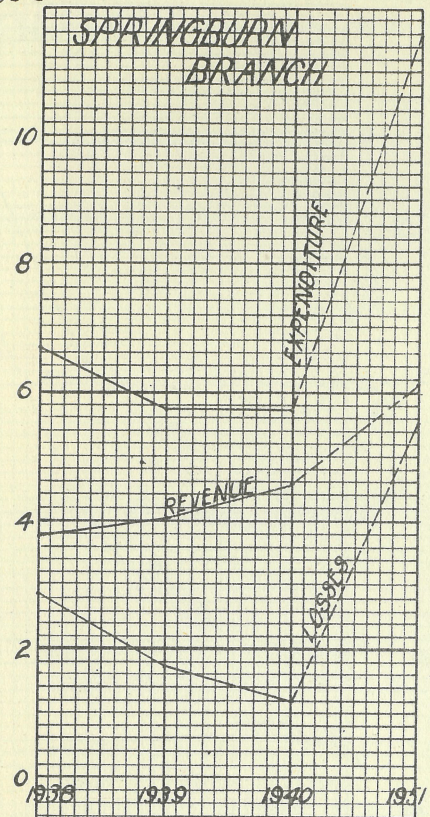
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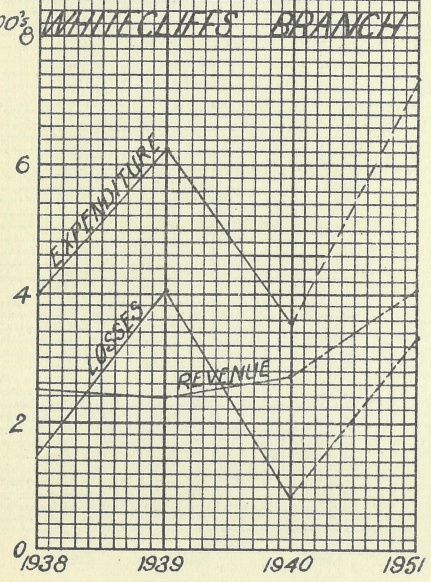
Appendix 23.

£000's



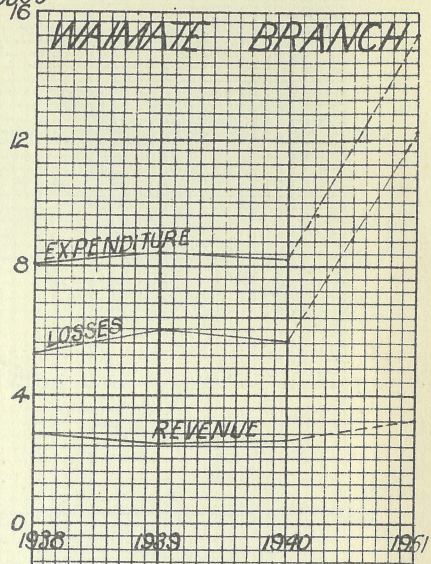
Appendix 24

£000's



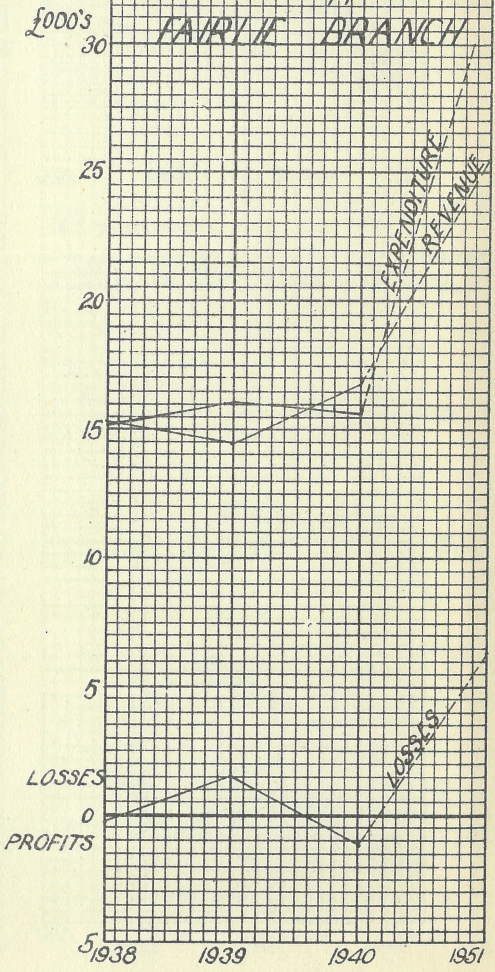
Appendix 25

£000's



Appendix 26

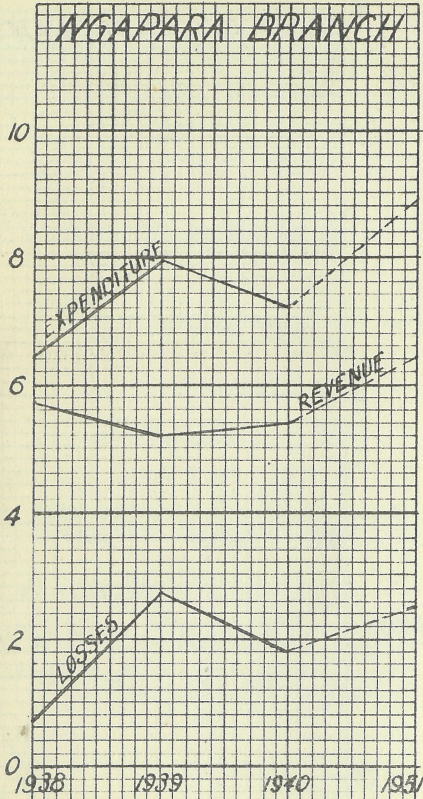
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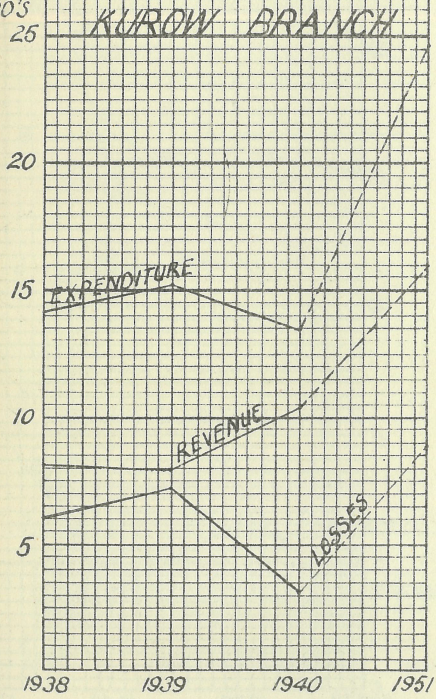
Appendix 27.

£000's



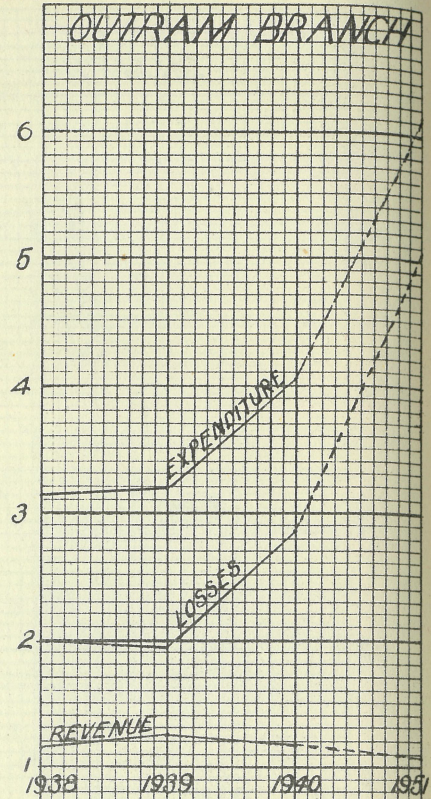
Appendix 28.

£000's



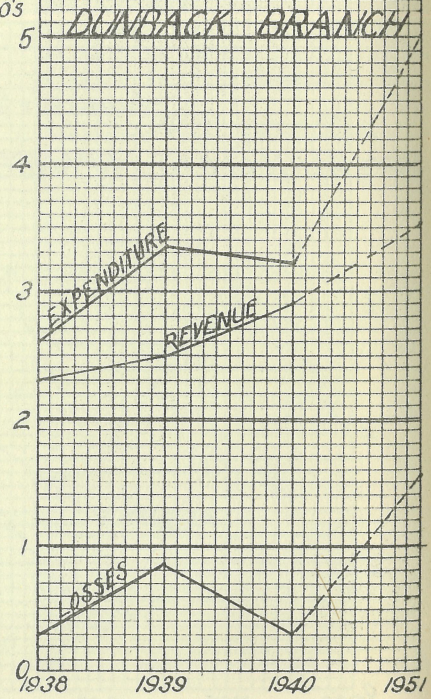
Appendix 29.

£000's



Appendix 30.

£000's



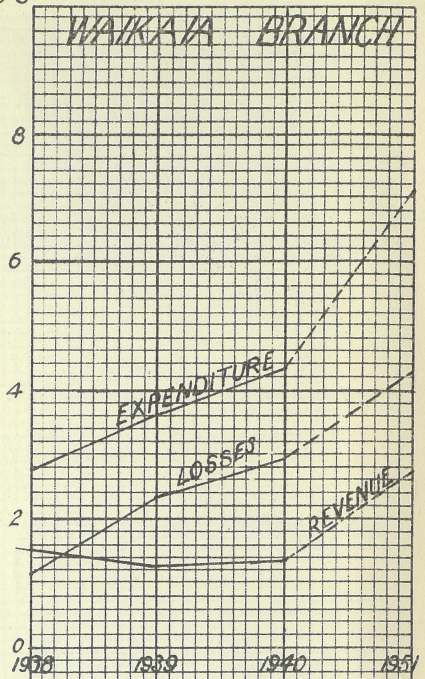
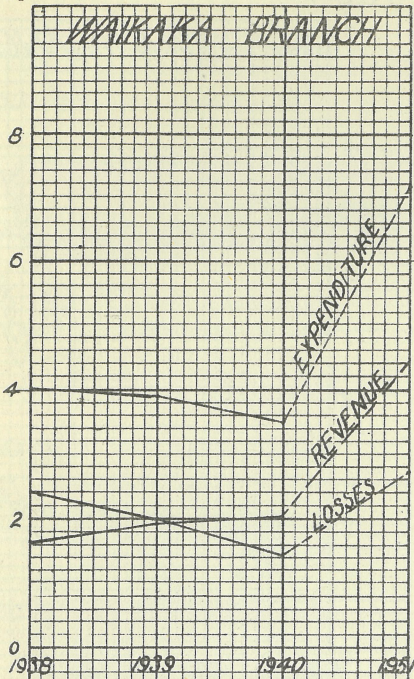
D-3.

Appendix 31.

Appendix 33.

£000's

£000's



Appendix 32

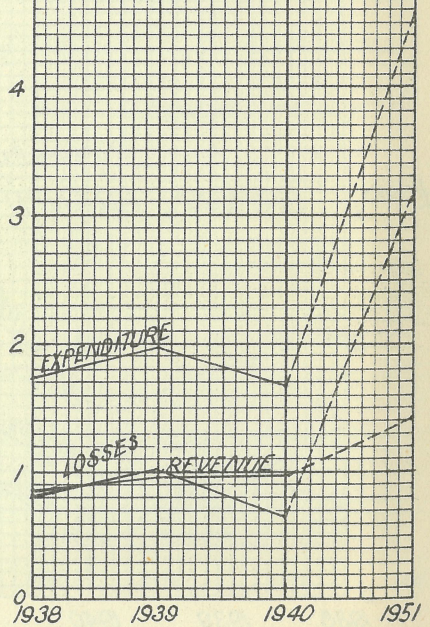
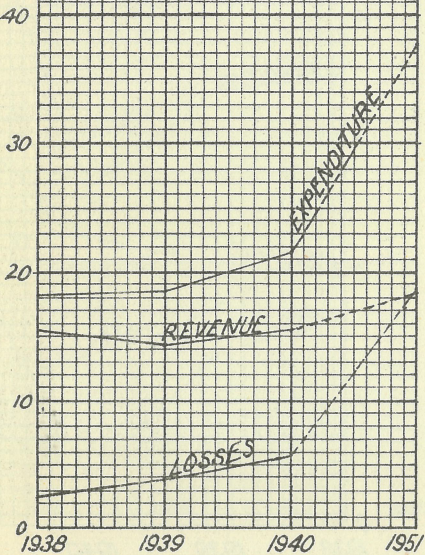
Appendix 34

CATLINS RIVER BRANCH

WYNDHAM BRANCH

£000's

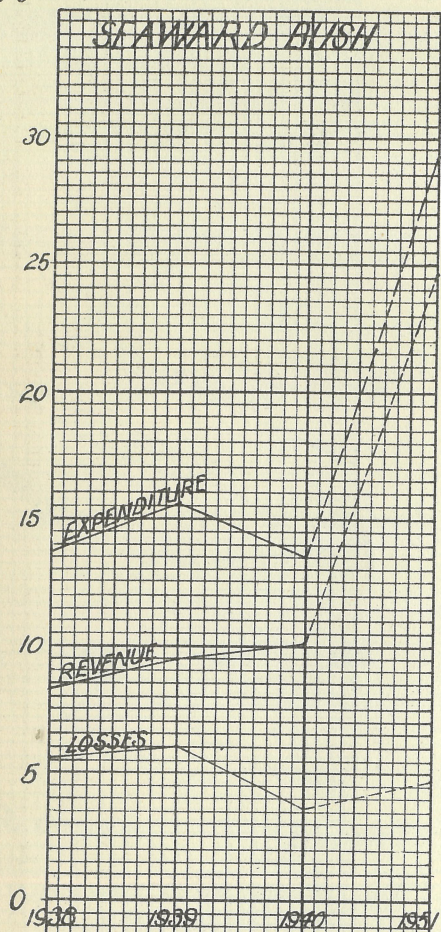
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D-3.

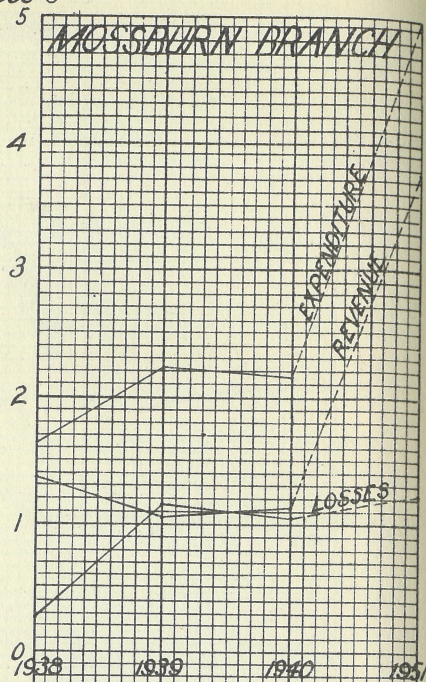
Appendix 35

£000's



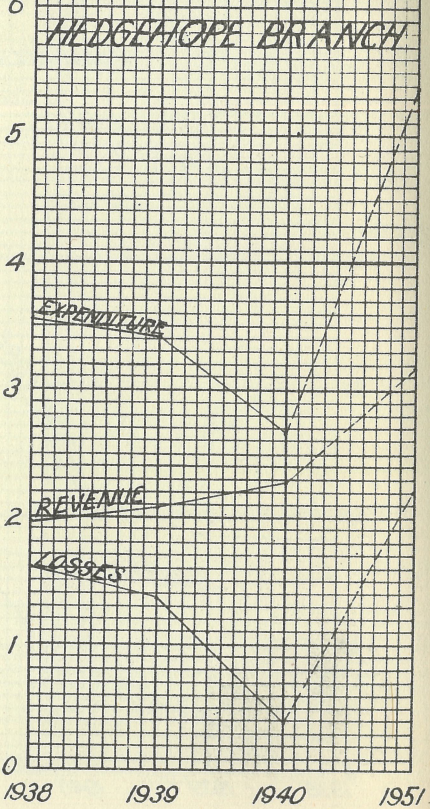
Appendix 37

£000's



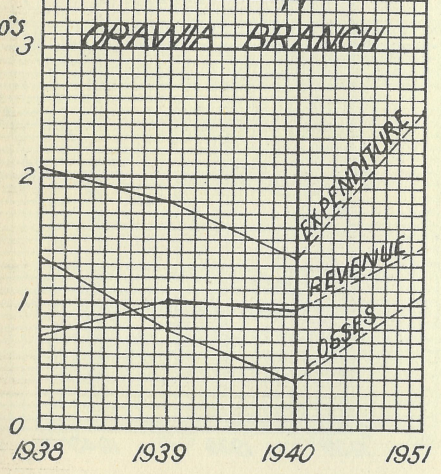
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Appendix 38

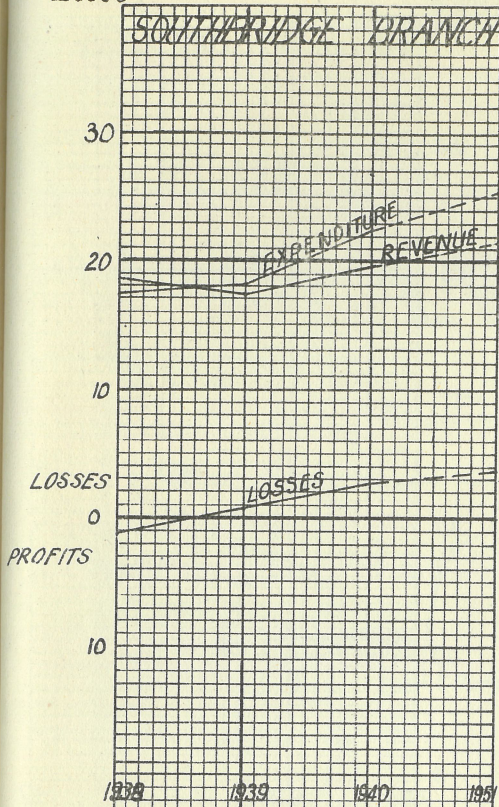


Appendix 36

£000's



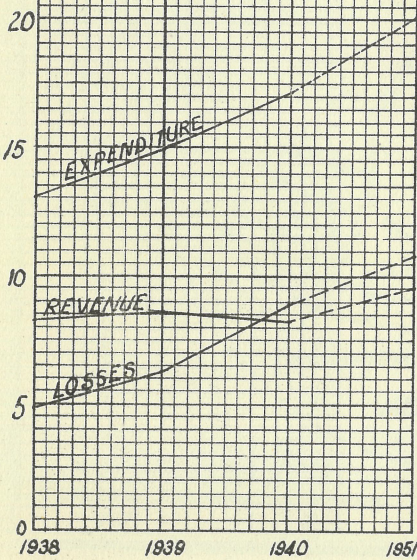
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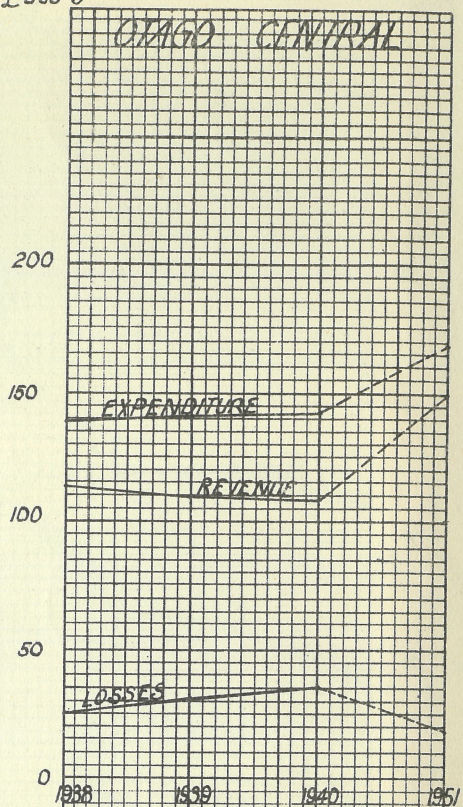
Appendix 40

**LITTLE RIVER BRANCH**

£000's



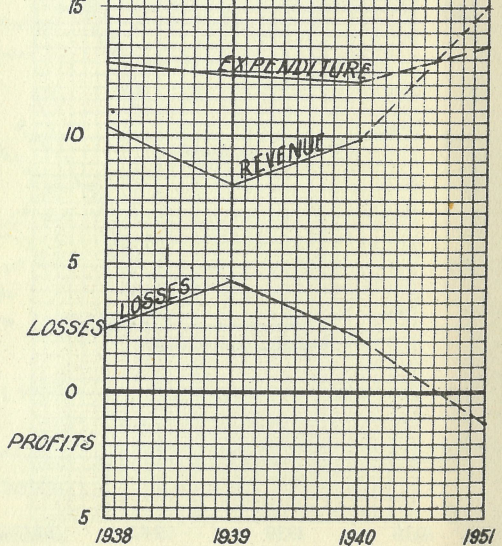
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Appendix 42

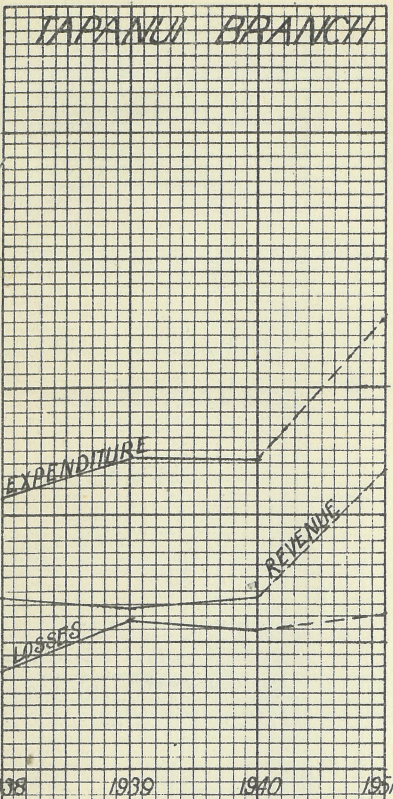
**METHVEN BRANCH**

£000's

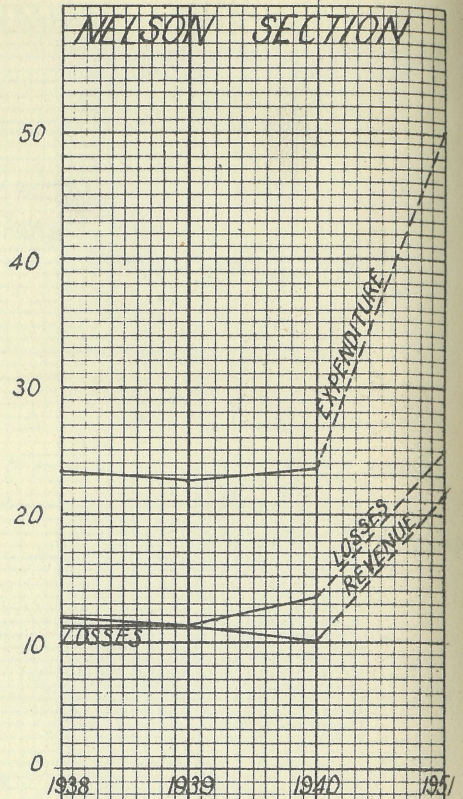




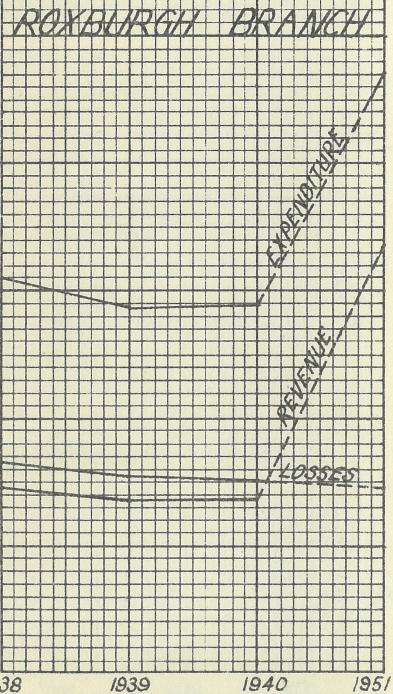
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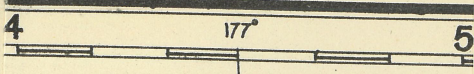


£000's



£000's





# MAP OF ISLAND

ZEALAND

