

The total return to the Department in respect of operations of the Advertising Branch for selected years since 1930 is as under:—

|                                   | 1930.  | 1932.  | 1934.  | 1935.  | 1936.  | 1938.  | 1939.  | 1940.  |
|-----------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| Rent—                             | £      | £      | £      | £      | £      | £      | £      | £      |
| Land and buildings .. ..          | 1,000  | 1,000  | 800    | 797    | 800    | 800    | 1,240  | 1,240  |
| Advertising-sites .. ..           | 10,390 | 8,741  | 7,890  | 7,259  | 8,325  | 10,066 | 10,260 | 9,341  |
| Commission on cash collections .. | 1,458  | 960    | 786    | 737    | 728    | 901    | 1,052  | 910    |
| Interest .. ..                    | 2,335  | 1,697  | 1,261  | 1,017  | 889    | 761    | 697    | 680    |
| Railage .. ..                     | 323    | 293    | 390    | 357    | 373    | 217    | 231    | 228    |
| Net profit .. ..                  | 381    | 2,898  | 2,548  | 2,088  | 2,383  | 4,770  | 4,937  | 2,356  |
|                                   | 15,887 | 15,589 | 13,675 | 12,255 | 13,498 | 17,515 | 18,417 | 14,755 |

#### DEPARTMENTAL DWELLINGS.

|                   | 1940.          | 1939.          | Variation.      | Per Cent.    |
|-------------------|----------------|----------------|-----------------|--------------|
|                   | £              | £              | £               |              |
| Revenue .. ..     | 141,889        | 133,945        | + 7,944         | 5·93         |
| Expenditure .. .. | 204,175        | 187,193        | + 16,982        | 9·07         |
| Loss .. ..        | <u>£62,286</u> | <u>£53,248</u> | <u>+ £9,038</u> | <u>16·97</u> |

The increase in revenue is due to the additional number of houses in occupation, while the factors responsible for the increased expenditure are higher wages and other costs, particularly of materials.

In addition to ordinary maintenance and repair work during the year, some 167 dwellings were equipped with hot-water services, while 185 houses had electric-lighting equipment installed. Eighty new houses were constructed during the year in accordance with the Department's housing programme.

#### ROAD PASSENGER AND GOODS SERVICES.

|                   | 1940.         | 1939.          | Variation.       | Per Cent.    |
|-------------------|---------------|----------------|------------------|--------------|
|                   | £             | £              | £                |              |
| Revenue .. ..     | 512,758       | 505,612        | + 7,146          | 1·41         |
| Expenditure .. .. | 503,498       | 480,074        | + 23,424         | 4·88         |
| Net revenue .. .. | <u>£9,260</u> | <u>£25,538</u> | <u>- £16,278</u> | <u>63·74</u> |

After providing for interest on capital and for writing down capital by way of depreciation, the operations of the road passenger services showed a net revenue of £16,229, as compared with £23,678 last year, a decrease of £7,449. This result is regarded as satisfactory, having regard to the greatly increased cost of petrol, tires, and other materials, and to the fact that the 10-per-cent. increase in railway fares, which became operative as from December, 1938, has not been applied in respect of the fares schedule applicable to departmental road passenger services.

Revenue from the operation of road passenger services continues on the up-grade, the increase this year being £17,396 (5·02 per cent.) compared with 1938–39. This gratifying result can be attributed very largely to the marked improvement in the receipts from Wellington suburban traffic during the Centennial Exhibition period, the diversion of traffic to public transport services following the imposition of restrictions on the sale of petrol to private-car users, and to the fact that two Easter holiday periods fell within the financial year under review. The absence of cruise ships and the curtailment of tourist traffic following the declaration of war were, however, two by no means unimportant factors which adversely affected the revenue position during the latter half of the year. Mileage run increased by 39,492 (0·64 per cent.) and passenger journeys by 933,717 (16·29 per cent.) compared with the preceding year.

As compared with 1938–39, expenditure increased by £24,845 (7·70 per cent.). Increases of wages to drivers, higher cost of fuel, tires, and materials, and additional costs as a result of the increased mileage run were the principal items making up the increase in expenditure. Twenty-one new omnibuses were placed in service during the year, thus bringing the number of such vehicles in service to 111. One hundred and thirty-eight service cars were also in service at the end of the year.

Reference was contained in last year's annual report to the policy of the Government of co-ordinating the long-distance road and rail units operating over the principal routes throughout the Dominion and to the savings in transport costs which had been effected following the acquisition by the State of road freight services previously operated under private control, and the diversion to rail of traffic which, in other circumstances, would have gone forward to destination by road. Further substantial progress has been made in this direction during the year and will be continued as and when circumstances permit.