

CHRISTCHURCH-MIDLAND SERVICE.

				1930.	1929.	Variation.
				£	£	£
Revenue	..	..	..	4,271	4,044	+ 227
Expenditure	..	..	..	6,831	5,157	+1,674
Loss	..	..	..	<u>£2,560</u>	<u>£1,113</u>	<u>+£1,447</u>

During the year we scrapped two buses in this fleet which were beyond the period of useful service, and we added three new buses to the fleet, making a total number of four buses.

The increase in the loss on this service is due to the heavy fixed charges—namely, depreciation, interest, and insurance, but more particularly to maintenance. Maintenance costs increased by £1,100 due to the fact that heavy overhaul of the buses had to be undertaken during the year under review.

Against the loss on account of this service has to be set economies in train operation which it is not possible to estimate with a great deal of accuracy. Principally, as I indicated last year, this service was instituted for the purpose of protecting our business in the area affected. Private interests had commenced running buses and the process of attrition of our business had already commenced. This service was taken over by the Department in order that the whole of the transport services of the district, by road as well as by rail, might be brought under the one control. By running the road service we were enabled to cease working passenger traffic by rail on the Whitecliffs Branch.

OAMARU-TOKARAHI SERVICE.

				1930.	1929.	Variation.
				£	£	£
Revenue	..	..	..	2,261	2,287	— 26
Expenditure	..	..	..	2,375	2,667	— 292
Loss	..	..	..	<u>£114</u>	<u>£380</u>	<u>—£266</u>

The improvement in the result of the working on this service—i.e., decreased loss of £266, is entirely due to less depreciation charges on account of one bus (No. 14) being completely written off. Costs per bus-mile decreased from 17·72d. to 15·47d. and revenue from 15·19d. to 14·73d. The decrease in the revenue was due to a falling-off in parcels traffic.

To the credit of this service has to be placed an estimated saving on account of train services amounting to £800 per annum.

The running of this bus service enabled the Department to entirely abandon passenger traffic on the Tokarahei-Ngapara Branch, and under recent proposals further economies are in view in the direction of closing the Tokarahei Branch altogether.

By way of further general comment on the bus services I would say that we have undertaken a good deal of reorganization work during the year in an endeavour to profit by our experience, and to build up an organization which will enable the services to be maintained at the highest standard of efficiency compatible with due economy.

I think we may fairly claim that the results show substantial advance in this direction. The unfortunate position on the Hastings-Napier route distorts the view of the position. The heavy overhaul on the Midland fleet coming due in this year also has a somewhat similar effect.

I may mention that we are depreciating our bus fleets at a very generous rate, and it will be seen also that we are aiming to dispose of the very heavy burden of the goodwill payment that was made on account of the purchase of the Hutt services as rapidly as possible.

The study which the officers of the Bus Branch are giving to this new side of our business and the experience that we are building up in the actual operations will, I believe, make for an improvement in the administration of the Bus Branch, and will make that branch an increasingly valuable one to us.

LAKE WAKATIPU STEAMERS.

				1930.	1929.	Variation.	
				£	£	Amount.	Per Cent.
Revenue	..	..	..	11,447	10,940	+507	4·63
Expenditure	..	..	..	18,374	17,425	+949	5·25
Net loss	..	..	..	<u>£6,927</u>	<u>£6,485</u>	<u>+£442</u>	<u>6·82</u>

The variations in revenue for the year ended 31st March, 1930, as compared with the previous year, under their respective headings, are as follows:—

Passengers	..	..	..	..	..	201	Decrease.
Parcels, &c.	..	..	..	..	..	58	„
Goods	..	..	..	..	..	782	Increase.
Miscellaneous	..	..	..	..	..	16	Decrease.
						<u>£507</u>	<u>Increase.</u>