

For the year ended 31st March, 1928, the salaries, wages, and allowances totalled £12,540. In 1929 they were £13,675, and in 1930 £14,572. These figures disclose that, although no substantial improvement was made in the revenue, the salaries, wages, and allowances were on the increase.

The evidence before your Commission showed that, with a thorough reorganization of the staff, substantial savings could be made, and, although this reorganization has only now been given effect to, it could have been put into operation some years previously.

As a result of the reorganization it is estimated that the following savings will be effected in the expenditure :—

	Per Annum.
	£
On account of sales staff	2,000
On account of production staff	2,600
On account of photography staff	400
On account of carpenters and linemen	2,000
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	£7,000
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So far the reorganization has not affected the clerical staff, which consists of twelve clerks and cadets; this number appears excessive, and additional saving of at least £1,000 per annum could be made.

Your Commission, in view of the many advantages of outdoor advertising, considers that the management should be more alive to the increased revenue obtainable from the sites and hoardings available on railway property.

The possibilities in this Branch are very great indeed, but it requires a man with vision, initiative, and experience in the business of advertising to control it. We are reluctantly compelled to say that, in our opinion, the officer at present controlling the Branch does not come within this category.

In view of the many avenues for increasing the business, we recommend that the control should be placed in the hands of a thoroughly competent and experienced advertising-man, who would exploit all possible avenues, and your Commission is firmly of opinion that highly satisfactory results would be obtained.

Refreshment Branch.—With regard to the Refreshment Service, the functions of this Branch include the administration and control of the Department's Refreshment Service of twenty-nine rooms and catering on Lake Wakatipu steamers, control of workshop dining-rooms at Otahuhu, Hutt, Addington, and Hillside, hire of cushions for passengers, laundry-work and contracts in the North Island for all branches of the service, and laundry-work at Christchurch and Invercargill, train attendants, and all arrangements in connection with the purchase of foodstuffs by Government Departments, including contracts under authority of the Stores Control Board.

The operating profit of the Refreshment Service for the year ended 31st March, 1930, was £25,270 18s. 1d. Against this profit was charged interest on capital, £1,099; rent, £11,170; freight and fares, £4,520 18s.; betterments, £1,500: a total of £18,289 18s., leaving a net profit for the year of £6,981 0s. 1d.

At present the superintendence staff consists of—

	£
Controller	765 per annum.
Assistant Controller	515 „
Inspector	470 „
Three Supervisors at £425	1,275 „
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	£3,025
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It would appear that each Supervisor has at least one cadet or clerk under his charge, therefore the sum of £600 for clerical assistants should also be included against the cost of the superintendence of this Branch. The cost of superintendence has increased by £894, comparing the charges made for the year 1925–26 with the year 1929–30, although there was a decreased revenue of approximately £7,000.

In view of the fact that the Branch controls only thirty rooms, including Lake Wakatipu steamers and four workshop refreshment-rooms, the Controller, together