

REFRESHMENT SERVICE.

	1931.	1930.	Variation.	
	£	£	£	Per Cent.
Revenue	116,665	131,342	—14,677	11·17
Expenditure	113,324	124,361	—11,037	8·87
Net profit	<u>£3,341</u>	<u>£6,981</u>	<u>—£3,640</u>	<u>52·14</u>

Revenue.—An analysis of receipts discloses the following variations :—

	1931.	1930.	Variation.	
	£	£	£	Per Cent.
Dining-rooms	20,865	25,198	—4,333	17·20
Counter-rooms	93,225	103,319	—10,094	9·77
Miscellaneous	2,575	2,825	—250	8·85
Total	<u>£116,665</u>	<u>£131,342</u>	<u>—£14,677</u>	<u>11·17</u>

During the past year the new station at Auckland was opened, and the public facilities (dining-rooms, bookstall, bath-rooms, hairdresser's shop, &c.), were taken over in November, 1930.

As a result of the late Easter in 1930 and the tour of the British Rugby football team, the revenue up to August was satisfactory, but thereafter the effect of the depression and the decline in passenger traffic generally resulted in a substantial falling-off in business in the Refreshment Branch. The Christmas and New Year holiday traffic was disappointing, and resulted in a decrease in revenue of approximately 27 per cent. as compared with the previous year.

Although considerable reductions were made in expenditure, it was impossible to keep pace with the decline in revenue. Stores and provisions, which comprised over 40 per cent. of the total expenditure, declined by slightly more than the decreased rate shown by revenue, thus indicating that a close watch was kept on this item. Salaries and wages, fuel, &c., show substantial decreases, the rate of decline being very similar in all three items.

A reduction in the charge for meals served in the departmental dining-rooms from 2s. 6d. to 2s. was made effective on 1st March, 1931, by way of experiment, but the returns to date show that such reduction has not caused any increase in the number of passengers patronizing the dining-rooms, and the net revenue from the Branch has suffered accordingly.

The expenditure figures for this Branch include the amount debited for rent of rooms, commission on cash collections, railage on stores, and interest on capital employed in the business—which total £15,558. The total financial benefit which accrued to the Department from the operations of the Refreshment Branch during the year was therefore £18,899.

The number of cushions hired during the year totalled 109,626, as compared with 111,240 in the previous year. The decrease is due to the heavy decline in passenger traffic.

ROAD MOTOR SERVICES.

The year's operations resulted in a loss of £5,842, being a decrease of £5,594 as compared with the previous year. Details of the loss and fluctuations in revenue and expenditure are set out hereunder.

	1930-31.	1929-30.	Decrease.
	£	£	£
Revenue	103,348	105,702	2,354
Expenditure	109,190	117,118	7,928
Loss	<u>5,842</u>	<u>11,416</u>	<u>5,574</u>

VARIATION WITH PREVIOUS YEAR.

Service.	Revenue.	Expenditure.	Loss.
	£	£	£
Napier-Hastings	874 <i>Dec.</i>	5,046 <i>Dec.</i>	4,172 <i>Dec.</i>
Hutt-Wellington	3,589 <i>Dec.</i>	5,553 <i>Dec.</i>	1,964 <i>Dec.</i>
Christchurch-Midland	774 <i>Dec.</i>	1,183 <i>Dec.</i>	409 <i>Dec.</i>
Oamaru-Tokarahi	56 <i>Dec.</i>	202 <i>Dec.</i>	146 <i>Dec.</i>
Dunedin - Port Chalmers (new service)	2,939 <i>Inc.</i>	4,056 <i>Inc.</i>	1,117 <i>Inc.</i>
Total	<u>£2,354 <i>Dec.</i></u>	<u>£7,928 <i>Dec.</i></u>	<u>£5,574 <i>Dec.</i></u>

After making allowance for the Dunedin - Port Chalmers service, which was inaugurated during the financial year under review, revenue fell by £5,293, due to the competition of taxi services, the economic depression, and the dislocation of the Napier-Hastings service by the earthquake.

Another factor which has had material effect on the revenue side is the operation of pirate taxi services on three of our licensed routes. I referred to this matter in my report last year; and although a conviction was secured against the taxi services operating between Hastings and Napier an appeal has been lodged, and, pending a decision in this matter, the services are still operating. It is manifestly unfair that an omnibus service licensed over a route and capable of dealing with the passenger requirements of that area should have its potential traffic interfered with by unlicensed