

The increase in revenue of £8,640 (13·26 per cent.) was due to the general improvement in economic conditions and the establishment of further motor industries and other factories in the Hutt Valley, causing a growth in the local population. The increase in expenditure of £4,729 (7·99 per cent.), was due to normal causes, the restoration of salaries and wages, the introduction of the shorter working-week, and the employment of extra staff.

WELLINGTON—JOHNSONVILLE—KHANDALLAH.

	1937.	1936.
	£	£
Revenue	21,296	..
Expenditure	18,729	..
Net revenue	<u>£2,567</u>	<u>..</u>
Passenger journeys	848,554	..
Mileage	298,319	..

This service consists of the Wellington—Ngaio—Khandallah and the Wellington sight-seeing passenger-service licenses which were acquired from the Bell Bus Co., Ltd., on 1st July, 1936, also the Wellington—Johnsonville passenger-service license purchased from Mr. S. A. Crichton on 10th August, 1936.

Sixteen vehicles are in operation in this service and the revenue and expenditure per mile since the two services were taken over by the Department are 17·13d. and 15·07d. respectively. The ordinary passenger revenue was £18,168, special trip revenue £1,649, and sight-seeing revenue £1,406, while the revenue per passenger journey was 6·02d.

CHRISTCHURCH SERVICES.

	1937.	1936.
	£	£
Revenue	3,712	..
Expenditure	3,607	..
Net revenue	<u>£105</u>	<u>..</u>
Passenger journeys	11,618	..
Mileage	74,573	..

The passenger-service license operated by Ramsay's Motors, Ltd., between Christchurch and Akaroa was purchased by the Department on 18th May, 1936, and the license for a service operated by Mr. J. A. Read between Little River and Akaroa was taken over on 22nd June, 1936.

Nine service cars are operated by the Department, the revenue per mile being 11·95d. and the expenditure 11·61d.

The services have now been co-ordinated with the rail between Christchurch and Little River, and it is anticipated that the returns from the road and rail operations will improve considerably as the result of this co-ordination.

DUNEDIN SERVICES.

	1937.	1936.	Variation.	Per Cent.
	£	£	£	
Revenue	42,897	8,470	+ 34,427	406·46
Expenditure	40,871	7,768	+ 33,103	426·15
Net revenue	<u>£2,026</u>	<u>£702</u>	<u>+ £1,324</u>	<u>188·60</u>
Passenger journeys	380,600	272,531	+108,069	39·65
Mileage	1,008,188	150,712	+857,476	568·95

The Department has for some time operated road services between Dunedin and Port Chalmers, Oamaru and Tokarahi, and Dunedin and Eglington Valley. The following additional services operating in the Dunedin district were taken over during the year :—

Previous Operator.	Service.	Date purchased.
Read and Smith	Dunedin—Invercargill	3rd May, 1936.
Earl's Motors	Dunedin—Roxburgh	24th May, 1936.
Hope's Motors	Dunedin—Palmerston	24th May, 1936.
Wanaka Motors, Ltd.	Dunedin—Timaru	} 1st June, 1936.
	Dunedin—Pembroke	
	Palmerston—Cromwell—Pembroke	
	Pembroke—Makarora—Cardrona	
Hunters' D.O.T. Motors, Ltd.	Dunedin—Timaru	} 22nd June, 1936.
	Oamaru—Waitaki Hydro	
	Oamaru—Kia Ora—Cormacks	
O'Fee's South Road Services	Dunedin—Clinton—Tahakopa	} 20th September, 1936.
	Dunedin—Balclutha	

All the above are passenger services with the exception of the Dunedin—Balclutha service, which is also used for the carriage of goods.