

The number of vehicles operated was 59 and the mileage run 1,008,188. The revenue per mile was 10·20d. and the expenditure 9·73d. The returns were, however, seriously affected by the infantile paralysis epidemic.

The following are the results of the operation of the various services :—

	Revenue.	Expenditure.	Profit.	Loss.
	£	£	£	£
Dunedin—Port Chalmers .. ..	6,694	5,329	1,365	..
Oamaru—Tokarahi .. ..	1,921	1,726	195	..
Dunedin—Eglinton Valley .. ..	370	372	..	2
Read and Smith .. ..	845	1,922	..	1,077
Earl's Motors .. ..	5,685	4,653	1,032	..
Hope's Motors .. ..	1,443	1,742	..	299
Wanaka Motors, Ltd. .. ..	14,127	12,037	2,090	..
Hunters' D.O.T. Motors, Ltd. .. ..	8,397	9,566	..	1,169
O'Fee's South Road Services .. ..	3,415	3,524	..	109
Total .. ..	£42,897	£40,871	£2,026	..

#### WAIPAHI—EDIEVALE.

	1937.	1936.	Variation.	Per Cent.
	£	£	£	
Revenue .. ..	1,103	1,196	— 93	7·78
Expenditure .. ..	1,181	1,102	+ 79	7·17
Net revenue .. ..	—£78	£94	— £172	182·98
Passenger journeys .. ..	8,628	9,071	— 443	4·88
Mileage .. ..	29,136	30,482	—1,346	4·42

The revenue from this service showed a decrease of £93 (7·78 per cent.), due to the infantile paralysis epidemic adversely affecting the returns. The increase in expenditure was due to increased wages-costs. Although the year's operations have shown a loss the running of the service has enabled substantial savings to be effected by permitting the cancellation of mixed trains on the branch line.

#### QUEENSTOWN SERVICES.

	1937.	1936.
	£	£
Revenue .. ..	9,703	..
Expenditure .. ..	10,492	..
Loss .. ..	£789	..
Passenger journeys .. ..	15,744	..
Mileage .. ..	229,291	..

The first service operated under this group was a service car from Invercargill to Queenstown, the run being inaugurated upon the opening of the lakeside road on 4th April, 1936. An omnibus service from Kingston to Queenstown commenced running on 6th April, 1936, and during the following month a goods-lorry was placed in service between Lumsden and Queenstown. The service-car license operated by Mr. A. R. Porteous between Garston and Invercargill was purchased on 11th May, 1936, and on 9th July, 1936, the Department took over the passenger-service license of the Mount Cook Tourist Co., Ltd., for the Lumsden—Manapouri—Te Anau—Eglinton Valley routes.

The operation of these services resulted in a loss of £631 on the Invercargill—Queenstown route, a loss of £280 on the Invercargill—Garston route, and a profit of £122 on the Lumsden—Manapouri—Te Anau—Eglinton Valley route. The revenue per mile was 10·16d. and the expenditure 10·98d.

The revenue in this district was adversely affected by the infantile paralysis epidemic. The expenditure included items of a non-recurring nature in establishing the new services. It is anticipated that the returns from the services will show considerable improvement in 1937–38.

#### SOUTH WESTLAND SERVICES.

	1937.	1936.
	£	£
Revenue .. ..	13,822	..
Expenditure .. ..	11,155	..
Net revenue .. ..	£2,667	..
Passenger journeys .. ..	12,733	..
Mileage .. ..	175,716	..