

Several factors combined to bring about a reduction in receipts as compared with last year, the main one being the reduction in mileage due to the transfer of the Dunedin-Invercargill service to the Invercargill group, which shows an increase in revenue of £903. The decrease in revenue was more than offset by a fairly substantial drop in expenditure, the net result for the year's working showing an improvement of £851 (294·46 per cent.) as compared with the previous year.

WAIPAHI-EDIEVALE SERVICES.

			1939. £	1938. £	Variation. £ Per Cent.	
Revenue	..	..	1,090	1,102	— 12	1·09
Expenditure	..	..	1,068	1,211	— 143	11·81
Net revenue	..	..	<u>£22</u>	<u>—£109</u>	<u>+£131</u>	<u>..</u>
Passenger journeys	..	..	8,404	8,570	— 166	1·94
Mileage	..	..	29,251	30,031	— 780	2·60

The revenue from this service shows very little variation when compared with last year. Insurance £22, maintenance-costs £84, and hire of vehicles £49 were the principal decreases in expenditure.

INVERCARGILL SERVICES.

			1939. £	1938. £	Variation. £ Per Cent.	
Revenue	..	..	14,614	13,711	+ 903	6·59
Expenditure	..	..	13,318	14,014	— 696	4·97
Net revenue	..	..	<u>£1,296</u>	<u>— £303</u>	<u>+£1,599</u>	<u>..</u>
Passenger journeys	..	..	22,684	20,968	+ 1,716	8·18
Mileage	..	..	279,360	283,194	— 3,834	1·35

The reorganized and co-ordinated service that has operated since the 4th October, 1937, has borne fruitful results. The revenue, which in 1937, was 10·16d. per mile, rose in 1938 to 11·62d., and this year to 12·55d.

Superintendence £72, fixed charges £364, and maintenance charges £325 all show decreases when compared with previous year, while running-expenses increased by £65. The fall in fixed charges was due to a reduction in insurance (fire and accident) of £327.

The decrease in maintenance charges was due to the closing of the repair shop at Queenstown and to high establishment charges for Invercargill garage last year. The increase in running-expenses was the result of higher rent this year and the higher rate of wages paid to drivers.

ROAD GOODS SERVICES.

			1939. £	1938. £	Variations. £ Per Cent.	
Revenue	..	..	185,454	15,994	+ 169,460	1,059·52
Expenditure	..	..	182,117	18,450	+ 163,667	887·08
Net revenue	..	..	<u>£3,337</u>	<u>—£2,456</u>	<u>+ £5,793</u>	<u>..</u>
Tonnage	..	..	101,901	12,035	+ 89,866	746·71
Mileage	..	..	2,804,262	225,565	+2,578,697	1,143·22

During the year thirty-six road goods services operating in the North Island and nine in the South Island were, in accordance with Government policy, taken over from private operators. The expenditure under this head includes full provision for depreciation (£15,080) and interest on capital, including goodwill payments, amounting to £3,426.

Details of the various services are as follow :—

AUCKLAND GOODS SERVICE.

							1939. £
Revenue	..	..	..	..	..	..	61,086
Expenditure	..	..	..	..	..	..	54,503
Net revenue	..	..	..	..	..	..	<u>£6,583</u>
Mileage	..	..	..	..	..	..	797,079
Tonnage	..	..	..	..	..	..	31,165