

FINANCIAL CONSIDERATIONS

The Board is not unmindful of the responsibilities devolving upon it under provisions of the New Zealand National Airways Act, 1945. It is aware that the primary function of the Corporation is to establish and operate air transport services to meet the needs of the people of New Zealand, and has already demonstrated its ability to do so in the expansion and development which has taken, and is taking, place. The availability of material and labour as well as high costs do not make the task of development an easy one to implement. The activities of the Corporation are, nevertheless, being developed on sound commercial lines, and every endeavour will always be made to ensure a proper relationship between service to the public and a satisfactory financial result.

It is appropriate to mention that the air fares in New Zealand compare more than favourably with other countries where air services are more fully developed. For instance, the air fare in the United States of America is based on 5½ cents per mile, which is equivalent to 3·975d. (N.Z.), whereas the air fare in New Zealand is in practically all cases based on 3·75d. per mile flown.

The extent to which existing passenger-capacity is being availed of clearly indicates that there is a large passenger potential yet untouched. With the introduction of additional aircraft, new routes, and increased frequencies later this year more active steps will be taken to educate the public on the advantages of modern commercial aviation. In this respect the Corporation is devoting considerable attention to additional air freight services. It is not considered prudent, however, to launch out on services which might detract from the efficient development of the passenger services or unduly strain the maintenance and other essential activities of the Corporation. It has to be borne in mind also that commercial air transport, by reason of its present cost of operation, will only attract particular traffic and goods able to bear the cost of air transport. Notwithstanding these considerations, there is no doubt scope for expansion of air freight services, and the Corporation is fully alive to the desirability of providing these facilities to the public just as soon as the necessary organization can be implemented.

The revenue accounts for the year disclose a surplus without making any appropriation to reserve. It is the policy of the Corporation to carry its own insurance, and for the current year a considerable portion of the insurable risks is being already carried.

STAFF

This report would not be complete without placing on record the loyal and efficient service rendered by the management and staff of the Corporation. The transitional stage from which the Corporation is now emerging has been accomplished with the utmost harmony and good will, and full credit is due to all the staff concerned. Without this co-operation the development of the Corporation would undoubtedly have been seriously retarded.

LEONARD ISITT, Chairman.

Wellington C. 1, 24th July, 1947.
