

As has already been mentioned, the cost of operating air transport has always been high, due to heavy capital requirements for aircraft and spares, skilled personnel with consequential high wages and salaries, and the very thorough system of organization, training, supervision, and maintenance to ensure the widest margin of safety.

The tendency is for general costs to increase, despite the fact that the cost of operating post-war machines is lower than the older types. The future of the air services must, however, be regarded from a long-term viewpoint rather than from the exclusive focus of the initial and formative years, and even taking into account these considerations as well as the further potential outlay in up-to-date aerodromes fully equipped with the latest facilities and the installation of radar and other navigational aids, there can be little doubt that commercial aviation will continue to expand. Unlike the other forms of transport, there is little likelihood of its being superseded, and far-reaching improvements in performance and speeds will be attained.

Development in commercial aviation must obviously be in stages, during which financial provision must be made for writing off and replacing types becoming obsolete in much shorter periods than is customary in the older forms of transport.

The amortization of the multi-types being used by the Corporation, together with large stocks of spares, is a heavy burden on operating-costs, and it seems fairly clear that in turn they will be replaced by new post-war types to cover another stage until the turbo-prop. and jet-engined aircraft are available and fully proven.

SERVICE EXPANSION

New services introduced during the year were daily services each way (excepting Sundays) :—

- (i) Auckland—Hamilton—Rotorua—Palmerston North—Wellington.
- (ii) Freight air service, Auckland—Wellington—Christchurch—Dunedin.

Increased service frequencies were one additional service daily each way (excepting Sundays) :—

Auckland—Wellington—Dunedin—Christchurch—Dunedin.
 Dunedin—Invercargill.
 Gisborne—Wellington.
 Northland service.

SERVICE AND CHARTER MILEAGE, ETC.

The total mileage flown on internal services and charter flights during the year was : Revenue-miles, 4,298,922. This represents an increase in revenue mileage of 23·8 per cent. on the previous year.

Passenger-miles created were 55,690,283, representing an increase of 36·89 per cent. on the previous year.

Passenger-miles flown were 44,323,199, an increase of 31·1 per cent. on the previous year.

The passenger load factor dropped from 83·1 per cent. in 1947-48 to 79·58 per cent. in 1948-49.

ESTABLISHMENT EXPANSION

Offices opened during the year were as under :—

Wellington City office.
 Auckland City office.
 Gisborne.
 Hamilton.
 Rotorua.