For the financial year ending 31st March, 1923, subsidies, based on relative efficiency of aerodromes, machines, workshops, and staff maintained, were paid to companies as under:—

N.Z. Flying School Canterbury Aviation Company		 	• •		 	1,626	$0 \\ 12$	
N.Z. Aero Transport Company	••	• •	••	••	••	£2,975	18 	
In addition the following payments N.Z. Flying School—ten seapla	ne pilots a	t £90				£ 900	s.	d .
Canterbury Aviation Company Twenty-four landplane pilo			Transport	-	y— 	$\frac{1,800}{£2,700}$		0

LICENSES AND CERTIFICATES.

Licenses and certificates at present in force are as under: Commercial pilots, 1; ground engineers, 5; registration of aircraft, 5; aerodrome licenses, 2.

ACTIVITIES OF CIVIL AVIATION COMPANIES.

The N.Z. Flying School (Walsh Bros. and Dexter (Limited)), Auckland, has been the most active company during the period under review, but its flying returns show a falling-off from those of the previous year. Its machines have visited many centres, including the following: Dargaville, Thames, Paeroa, Tauranga, Hamilton, Rotorua, Wellington, and Nelson, where flights were carried out. This is now the only company operating.

The Canterbury Aviation Company has conducted very few tours, and, with the exception of one machine which visited the Bay of Plenty and Hawke's Bay and Wairarapa, has confined its operations chiefly to Canterbury. During the period June to November inclusive no flying was carried out. The company's property and equipment was taken over by the Department on the 21st June.

The N.Z. Aero Transport Company carried out a small amount of flying during April and May only, and finally went into liquidation on the 27th March, 1923.

During February and March the companies carried out refresher courses for ex Royal Air Force pilots under arrangements with the Defence Department. The Canterbury Aviation Company and the N.Z. Aero Transport Company arranged to combine their respective classes, and conducted all the training with one staff at Sockburn.

There have been no accidents or mishaps involving injury to pilots, passengers, or third parties.

Table showing Civil Flying for Year ended 31st March, 1923.

Company.	Passengers carried.	Total Duration of Flights.	Approximate Machine Mileage,	Number of Flights.	Average Mileage per Flight.
N.Z. Flying School	. 415	Hrs. Min. 133 2 53 38 13 37	10,116 3,835 1,032	893 220 52	11·3 17·4 19·8
Totals	. 2,189	200 17	14,983	1,165	12.8

Note.—Pilots undergoing refresher training at N.Z. Flying School carried out 63 hours 32 minutes flying, and those at Canterbury Aviation Company did 144 hours flying. These times are not included in above.

Table showing Civil Flying for Quarter ended 30th June, 1923.

Company.	Passengers carried.	Total Duration of Flights.	Approximate Machine Mileage.	Number of Flights.	Average Mileage per Flight.
N.Z. Flying-school	 109	Hrs. min. 7 43	573	57	10.0