

ADVERTISING SERVICE.

	1929.	1928.	Variation.	Per Cent.
	£	£	£	
Revenue	53,984	52,600	+1,384	2·63
Expenditure	50,719	48,921	+1,798	3·68
Net profit	<u>£3,265</u>	<u>£3,679</u>	<u>— £414</u>	<u>11·25</u>

The increase in revenue is mainly due to the increase in new business obtained this year, and to additional miscellaneous work done for other branches and departments.

New business written up during the last three years is as under :—

	1928-29.	1927-28.	1926-27.
	£	£	£
Outdoor advertising	72,230	44,454	66,245
Publications	4,597	2,079	2,551
Printing	2,633	2,802	2,926
Miscellaneous	1,534	1,063	2,045
Buses	1,019	874	..
	<u>£82,013</u>	<u>£51,272</u>	<u>£73,767</u>

It should be noted that the net profit of £3,265 on the operations of the Advertising Service during the year does not represent the whole of the revenue derived by the Department from advertising, but the figures have been shown as above in order that a comparison might be made with last year, when they were shown in the same form. By way of further elucidation of the figures I would mention that, in accordance with the policy that was adopted when the accounts were reorganized, of putting the subsidiary services as nearly as possible on the same basis as independent businesses, the Advertising Service has been debited with charges for the right to display advertisements on railway premises, rent for land and buildings, commission on cash collected by other branches, railage at ordinary tariff rates, and interest on the capital employed in the business, amounting in the aggregate to £15,879. These all represent money earned by the Advertising Branch. The total financial benefits derived from advertising was therefore £19,144, being the balance between actual earnings and actual expenditure of the branch (including depreciation).

The substantial increase in new business written up during the year ended 31st March, 1929, will not, however, be reflected in the revenue of the branch until the advertisements have been erected, and this should show a substantial improvement during the current year.

Some very large contracts were obtained during the year, and in most cases these were from clients who have been using the Department's advertising service for a number of years, indicating satisfaction with the results they are obtaining from railway advertising and the service the Department is rendering. Apart from the outdoor activities of the branch, considerable progress has been made with publication advertising—*Railway Magazine*, *Pocket Guide*, &c.—and for the more efficient handling of this class of business two specialist salesmen were taken on during the year to handle publications exclusively. The art and signwriting studios were kept working at high pressure throughout the whole year, and the indications are that the new financial year will be a very busy one indeed in the branch.

A pleasing feature of the year's operations has been the fewness of the complaints that have been received from the public and local authorities with regard to the erection of our hoardings. This I ascribe to two main factors—namely, the high artistic standard that has been maintained, and the readiness of the Department to meet all reasonable objections. Whenever any local authority or individual has indicated objection to the erection of a particular hoarding we have made a point of discussing the matter in a broad light. It is quite recognized by the Department that every location may not be suitable for the erection of hoardings, and that a generous consideration should be given to all features that tend to render the erection of a hoarding in any particular locality undesirable. This policy will continue to be pursued. I feel that the Department might carry on with its present service with full confidence as to both its success as a revenue-producer, and the favourable light with which the public generally will regard its activities.

DEPARTMENTAL DWELLINGS.

	1929.	1928.	Variation.	Per Cent.
	£	£	£	
Revenue	105,897	93,643	+12,254	13·09
Expenditure	170,073	162,263	+ 7,810	4·81
Net loss	<u>£64,176</u>	<u>£68,620</u>	<u>—£4,444</u>	<u>6·48</u>

The increase in revenue is due to rentals received from houses completed in accordance with the Department's housing scheme and to houses taken over from the Public Works Department. The revenue per dwelling is—1929, £31 10s.; 1928, £29 6s.