The combined service shows a decrease in the revenue per mile of 0·97d. when compared with a combination of the services running last year. This is due mainly to the more frequent service in the Hutt Valley, loss of peak traffic and poor loading on the Ngaio-Khandallah run and low receipts during the period of change-over to the electric rail service. Ordinary revenue increased by £358, school by £196, special trips by £1,162, sightseeing by £308, and miscellaneous receipts by £120.

Expenditure increased by £6,710. Superintendence-costs rose by £1,337, maintenance by £3,113, and running-expenses by £2,888, while fixed charges declined by £628. The rise in superintendence-costs was due to more staff this year, additional rent for office in station building, and an increase in printing and advertising. The increase in the number of vehicles and the payment of higher wages to repair staff and drivers were the chief causes of the rise in maintenance-costs and running-expenses this year.

NAPIER-HASTINGS SERVICES.

	1939.	1938.	Variation.	
	£	£	£	Per Cent.
Revenue	22,058	21,144	+ 914	4·32
Expenditure	18,785	17,741	+ 1,044	5·88
Net revenue	£3,273	£3,403	− £130	3·82
Passenger journeys	587,266	533,301	+53,965	10·12
Mileage	373,924	361,714	+12,210	3·38

Ordinary passenger receipts increased by £501, school by £254, parcels by £116, and other miscellaneous items by £42. The increase in ordinary traffic was distributed throughout the year. The improvement in school receipts is due to a new contract undertaken.

The principal increases in expenditure were superintendence (£138) and running-expenses (£1,504), while fixed charges (£483) and maintenance charges (£115) showed decreases. The increase in running-expenses was due to rise in wages of drivers, increased cost of fuel, and additional mileage run.

CHRISTCHURCH SERVICES.

	1939.	1938.	Variation.	
	£	£	£	Per Cent.
Revenue	39,367	7,596	+ 31,771	418·26
Expenditure	38,280	7,299	+ 30,981	424·46
Net revenue	£1,087	£297	+ £790	265·99
Passenger journeys	134,082	18,049	+116,033	642·88
Mileage	788,048	129,932	+658,116	506·51

In May, 1938, three services were taken over from private operators, which accounts for the large increase in revenue. The inclusion of the additional services resulted in a corresponding increase in mileage. The revenue last year was 14·03d. per mile, while this year it was 11·99d. per mile.

The increase in wages to drivers and higher cost of repairs and maintenance were the main items of increased expenditure.

WESTLAND SERVICES.

	1939.	1938.	Variation.	
	£	£	£	Per Cent.
Revenue	14,558	12,968	+ 1,590	12·26
Expenditure	13,643	10,302	+ 3,341	32·43
Net revenue	£915	£2,666	−£1,751	65·68
Passenger journeys	58,435	44,726	+13,709	30·65
Mileage	172,144	142,596	+29,548	20·72

During the year (30th August, 1938) Harcourt's Hokitika-Okarito passenger service was taken over and co-ordinated with the Department's Hokitika-Weheka service. Ordinary passenger revenue increased by £1,319, mails by £202, and miscellaneous receipts by £69. The inclusion of receipts from Harcourt's service, together with the inclusion of an Easter this year, were the main causes of the increase shown in ordinary passenger traffic. The increase in expenditure was due mainly to the additional mileage run, increase in wages of drivers, higher maintenance charges, and to additional charges for goodwill this year.

DUNEDIN SERVICES.

	1939.	1938.	Variation.	
	£	£	£	Per Cent.
Revenue	53,550	54,252	− 702	1·29
Expenditure	52,410	53,963	− 1,553	2·88
Net revenue	£1,140	£289	+ £851	294·46
Passenger journeys	457,008	468,103	−11,095	2·37
Mileage	1,168,228	1,229,324	−61,096	4·97