

(5) PASSENGER-SERVICE LICENSES IN FORCE.

At the end of March, 1939, there were 774 passenger services licensed in the four licensing districts, and 74 in the four metropolitan areas, making a total of 848 passenger services licensed under the Transport Act in the Dominion.

(6) REVIEW OF LICENSES.

During the year a careful survey was made of passenger fares, parcel rates, and finances of all passenger-services with a view to ensuring that the public was receiving its proper share of the benefits that accrue from the licensing system.

Following on this review the fares on a number of services were considered by the Licensing Authorities resulting in fares being reduced in several instances. Further reviews of this nature are in train, and it is hoped that during 1939 all the services requiring review will have been considered.

(7) INSPECTION OF ACCOUNTS AND RECORDS.

The normal routine work of the accountant inspectors attached to the district offices of the Department includes the inspection of the accounts and records of operators, partly to maintain a check on their operations, but mainly to give them whatever advice is necessary to help the licensees to keep reliable figures.

During the year 67 services were inspected.

(8) FINANCES AND STATISTICS, 1937-38.

Tables No. 13 to 19 set out the position of passenger-services licensed under the Transport Licensing Act (excluding those licensed by the four Metropolitan Licensing Authorities) for the year ended 31st March, 1938.

It will be remembered that it was not possible to publish these figures in the 1938 report owing to the report being required earlier than was usual. A similar set of circumstances makes it impossible for the figures for 1938-39 to be included in this report, and arrangements will again be made to publish them at a later date.

Before being included in the statistics all returns have been carefully checked and certain adjustments made. The most important of these are in respect of depreciation, drawings in lieu of wages, and overhead. Depreciation has been allowed at rates varying from 10 per cent. to 20 per cent., according to the annual mileage run and type of service and vehicles involved. Drawings in lieu of wages have in every case been adjusted so that the operator is credited with a reward equivalent to award wages (at 1937-38 rates) for the work he does. An allowance for management has been included in the overhead charges. Any amount shown for interest has been omitted, whether actually paid or not. Thus the net surplus shown is the gross return on the total capital invested and is independent of the method of financing the business. Other minor adjustments have been made where it was considered that the figures as returned did not represent the normal cost of carrying on the business.

Revenue derived from activities outside those of operating a passenger-service has been excluded as far as possible. It is difficult, however, to do this with complete accuracy. Returns which show a large amount of "other revenue" or revenue earned mainly in respect of goods carting have been omitted from Table No. 17, though they are included in the "unclassified" group in Table No. 16.

(a) *Classification of Services.*

For the purpose of arriving at representative average figures the services have been divided into groups of services which operate under more or less similar working-conditions and whose operating expenses and revenue are more or less comparable. The basis of this classification is as follows:—

(i) *Services operated by Private Enterprise:—*

Group 1: Buses used in borough and suburban services.

Group 2: Buses and mixed fleets running between local centres and surrounding districts.

Group 3: Service cars, deriving most of their revenue from passenger fares and operating over a medium distance.

Group 4: Service cars whose revenue from passenger fares does not exceed 50 per cent. of their total revenue (chiefly rural mail contractors).

Group 5: Buses, service coaches, and mixed fleets running between main towns.

(ii) *Services Operated by the State and by Local Authorities:—*

Group 6: Services operated by local bodies.

Group 7: Services operated by the New Zealand Railways Road Services.

Unclassified: Services not coming within the above classification (*e.g.*, school buses, passenger-trucks, baby cars, &c.), returns which appear to be inaccurate, incomplete returns, returns including revenue or expenses due to other operations in cases where no reliable apportionment can be made.