

Groups No. 3 (medium distance service cars) and No. 4 (chiefly mail-services) have the lowest operating-costs per mile. This is mainly due to the fact that smaller vehicles are used and a considerable annual mileage is run. It will be noted that though the operating-costs for mail-services (Group 4) are lower than those for service cars carrying a larger proportion of passengers total revenue is not sufficient to return a profit.

Table No. 19, setting out the assets and liabilities of the various types of services, indicates the method of financing adopted by various types of services. Municipal services (Group 6) make the greatest use of specific borrowing. The hire-purchase system is of most importance to mail-services (Group 4).

With the exception of the New Zealand Railways Road Services (Class 7), which are a special case, privately-operated local and suburban services (Class 1) have the highest proportion of "own capital" to total liabilities and are in the strongest financial position.

The average fare paid per passenger-journey is shown in Table 16.

In general it may be said that the figures show that the industry has reached a position of stability, is earning good profits, has been able to improve its financial position, and is receiving a constantly increasing measure of support from the public.

B. GOODS-SERVICES.

(1) APPLICATIONS DEALT WITH.

Table No. 20 sets out the number of applications for licenses, &c., dealt with by the four District Licensing Authorities for 1938-39.

The number of temporary licenses issued are not shown in the above table. There were 10,694 such licenses issued, 5,026 in the No. 1 Licensing District, 3,130 in No. 2, 2,150 in No. 3, and 1,388 in No. 4. In the previous year, 10,970 temporary licenses were issued.

(2) LICENSES IN FORCE AND VEHICLES IN USE.

At the end of the year there were 3,161 goods-services licensed, against 2,959 at the end of the previous year. The number of licenses and the number of vehicles authorized by the licenses are set out in the following table for each licensing district:—

District.			Number of Licenses.	Distribution of Vehicle Authorities.				
				General Goods and Miscellaneous Cartage.	Public-works and Local-body Cartage.	Mail Contracts.	Cream Contracts.	Total Vehicle Authorities.
No. 1	..	..	1,334	1,834	386	76	66	2,362
No. 2	..	..	835	1,190	320	67	34	1,611
No. 3	..	..	527	735	212	62	6	1,015
No. 4	..	..	465	536	185	42	39	802
Total	..	..	3,161	4,295	1,103	247	145	5,790

In reading this table it must be understood that while the vehicles shown under "Public works, &c.," and "Mail contracts" and "Cream contracts" are licensed solely for the particular class of work mentioned, there are quite a large number under the "General goods and miscellaneous" group engaged part time on work coming under the other three headings.

(3) INSPECTION OF OPERATORS' ACCOUNTS AND RECORDS.

For the year ending 31st March the officers engaged on this work inspected the accounts and records of 1,347 operators.

(4) REVIEW OF OPERATORS' FINANCES, ETC.

The public interest requires the same protection in the goods-transport industry as in the passenger-transport industry, and, although the grounds for the review of licenses may vary somewhat, steps are being taken in the coming year to carefully consider the operations of goods operators on exactly similar lines to that adopted for the review of passenger-services.

Particular matters to which attention will be paid include inefficiency of operation, financial ability to carry on the service, and excessive profits.

(5) RATES-FIXATION.

Following on the statement of policy made in February, 1938, outlined in the annual report for that year, the Licensing Authorities have proceeded to fix rates in those areas where it has been considered advisable in the public interest to do so.