

Even under favourable conditions the development of air services from such small beginnings to these capacities would have been a major undertaking, but the Corporation has been faced with many post-war conditions that were the reverse of favourable. As a prerequisite to the operation of these services it was necessary to supplement the aircraft acquired from existing airlines with such suitable types as could be obtained, and which were also adaptable to the maintenance organization available. This involved the purchase of additional Lodestar and Dakota aircraft from the New Zealand Government. The aircraft so acquired were mainly Air Force machines, and, as already indicated, all had to undergo extensive overhaul and rebuilding to convert them to the required civil standards.

Concurrently with the building-up of the air fleet, aircrew and maintenance staffs had to be obtained and trained up to the standard set by the Corporation, and to the satisfaction of Civil Aviation Branch. To carry out the instructions to build up an air service to the extent required, it was thus necessary initially to use the only types of aircraft that were available, and it is only now, after three years of operation, that the Corporation is approaching the position when it can concentrate on the most economical and efficient of these types.

Complete standardization on one type of aircraft has not been and will not be possible for some time to come, mainly on account of aerodrome limitations, including dimensional and licence restrictions. A thorough investigation has been made into the question both of standardization on one type and the possibility of selecting a modern type of recent manufacture, but the Board has been forced to the conclusion that it will probably be some years before any suitable aircraft will be available from the United Kingdom on which the Corporation could standardize. In the meantime, the Board is converting the Douglas airliners to twenty-four-seaters, and with further conversions will place these aircraft on service wherever aerodromes and reasonable capacities will warrant this being done.

The contemplated extension of night flying schedules should add both a new passenger potential and secure greater aircraft utilization. Night flying should also materially assist in maintaining a high standard of daily completion of schedules previously impracticable when flying was restricted to daylight hours.

With the completion of the aircraft conversion programme in 1949 and the culmination of most of the preliminary establishment programme, and having regard to the necessity for improving the unfavourable financial position, a complete reorganization was undertaken throughout the Corporation. This was enthusiastically supported by all concerned, and a consolidation period was entered whereby certain major decisions were taken.

A budgetary system of control was instituted. By the operating budget, which was prepared at the beginning of the year under review, a loss of £358,668 was projected. Mainly as the result of the measures taken to consolidate the position of the Corporation, a substantial reduction of £102,186 on the budgeted expenditure was achieved. While this was, to a large degree, offset by a considerable reduction in revenue below budget expectations due to the adverse effect of accidents, the actual result showed an improvement of £29,993 on the budgeted result.

After the tests of the Marathon aircraft, which proved in its then state of development unsuitable for our requirements, further Douglas conversions were authorized and for the fleet to be converted to twenty-four-seater aircraft.

The Maintenance Department began a survey of its facilities with a view to the adoption of more economic practices without detracting from safety in any direction.

Time-tables were subjected to an investigating committee, and services realigned to traffic potential, which resulted in considerable savings being effected.