

Apart from subsidies paid to airline operators, the largest items of expenditure are:—

Telecommunications—						£	
Maintenance .. .. .	..	..	..	..	..	146,790	
Salaries (estimated) .. .. .	..	..	..	..	..	171,798	
Amortization of capital—				£	£		
6 per cent. on .. .. .	..	..	..	15,693	= 942		
3 per cent. on .. .. .	..	..	..	14,307	= 429		
							1,371
				£30,000		£319,959	
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Aerodromes and buildings—						£	
Maintenance .. .. .	..	..	..	..	..	198,946	
Amortization of capital—				£	£		
6 per cent. on .. .. .	..	..	..	3,289,568	= 197,374		
3 per cent. on .. .. .	..	..	..	210,432	= 6,313		
							203,687
				£3,500,000		£402,633	
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The total expenditure, 1949–50, from the vote “ Meteorological Services ” amounted to £210,907. It is considered that one-quarter of this amount—viz., £52,727—would represent a reasonable charge against Civil Aviation, resulting in total recurrent Civil Aviation cost for the past year of £1,505,318.

It should be noted that the major portion of these items is incidental to the operation of scheduled commercial services. Outside of aviation circles it is seldom realized how extensive is the system of ground organization required for the safe and regular operation of scheduled services. If an air service is to be of any use to the travelling public it has to be regular, reliable, and safe. If it is to fulfil these requirements, then a minimum basic administrative organization consisting of inspection, communications, airfields, air traffic control, aids to navigation, and meteorology is unavoidable. Once this basic organization is provided, then, whether five aeroplanes or fifty use these facilities, little if any variation in ground organization or expenditure is necessary or practicable. In view of the expenditure involved, the question inevitably arises as to whether scheduled services should be established on routes that do not possess a reasonably high potential traffic density.

Again, even on those routes where a high potential traffic density exists, the ground organization for scheduled services to be justified must be used to the fullest extent practicable. This aim can only be realized if the cost to the user of air services, including some reasonable payment for ground organization, is sufficiently low to attract an acceptable percentage of the traffic available. On the other hand, the extent to which low-cost air services can be offered to the travelling public is, to some considerable extent, conditioned by the location and suitability of airfields and airfield equipment. If it is accepted that there is a limited percentage of the national income which can be diverted to the development of civil aviation without prejudicing other equally important demands on public funds, then it is obvious that, if over-expansion of scheduled services in advance of adequate ground organization or in advance of the ability of operators to use aircraft and methods resulting in reasonably attractive fares occurs, an undue percentage of available funds is diverted from improving ground organization to supporting uneconomic air services. It is questionable if New Zealand Civil Aviation has not already reached such a situation.