

The figures for the North Island for the year ended 31st March, 1935, are as follows :—

	1933.	1934.	1935.
Wages, plus drawings by working proprietors in lieu of wages—			
Aggregate £	163,479	160,849	156,825
Per vehicle-mile d.	2·37	2·49	2·53
Per vehicle £	196	209	211

(iv) *Financial Results of Operations, 1934–35.*

The total revenue has increased by £5,230, or 0·9 per cent., while the total expenditure has fallen by £12,067, or 2·1 per cent. The net profit for the North Island has increased from £19,069 to £36,262. The latter figure represents a return of 9·46 per cent. on the operators' capital and reserves employed, as compared with 4·37 per cent. for the previous year.

In view of the fact that operators licensed under the Act may now be regarded as "sheltered," the proportion of the percentage return on capital which should be reserved as compensation for risk undertaken must be regarded as very small. When that factor is considered in conjunction with the present ruling rates of interest the average return of 9·46 per cent. represents a reasonable return on the operators' capital. There are still a number of cases where a reduction of fares is being considered, and it is proposed to make a further examination of existing fare schedules during the current year.

(v) *Financial Condition of the Industry, 1934–35.*

The total assets of the industry in the North Island as at 31st March, 1935, was £566,596, as compared with £648,782 during the previous year. These figures are not completely comparative, however, because, when examining the schedules, in a number of cases a more strict apportionment was made of the assets concerned in the licensed service and those which, while necessary in order to set out the operator's true position, were not thus concerned. Nevertheless the figures are a reasonably reliable guide to the finances of the industry at present, and they also indicate the extent of the improvement during the year.

(vi) *Control of Fares.*

During the year the Department commenced an inspection of the accounts and records of all operators holding licenses. This was done as an adjunct to an examination of fare schedules to ensure that the monopoly powers conferred by the legislation were not being abused. It is considered that the operators have now been allowed sufficient time to rehabilitate and reconstruct their finances and to bring their services to an efficient stage, and that the time has now arrived for the Department to keep in close touch with the fares charged and the standard of service provided. A number of properly qualified officers make periodic inspections of the accounts, records, &c., of the licensed services, and the reports made are submitted for the consideration of the various Licensing Authorities.

The inspections to date have afforded the Department much information which will be invaluable in planning a more systematic and effective control, and several schemes are now under consideration which will assist considerably in this direction and place matters on a sounder basis.

(vii) *Net Result of Operation of the Act.*

The public benefits accruing from the operation of the Transport Licensing Act, 1931, as applied to passenger-services seem to present themselves in a more striking manner each year the annual review is made. These benefits may be summarized briefly as follows :—

- (a) A saving of approximately 10,000,000 vehicle-miles per annum as compared with the figures for the year before the licensing-system came into operation.
- (b) A saving of approximately just over £300,000 per annum in vehicle-operating expenses.
- (c) A substantial saving in wear-and-tear on the roads.
- (d) The freeing of approximately £500,000 capital invested in the industry for use in other avenues of investment.
- (e) Improvement in regularity of services.
- (f) Improvement in standard of vehicles in use, with greater comfort and safety to the travelling public.
- (g) Reduced fares in numerous instances.
- (h) More healthy financial position of passenger-service operators.

(e) *PASSENGER-SERVICE-VEHICLE INSPECTION.*

During the period 1st March, 1934, to 28th February, 1935, 1,969 applications for certificates of fitness or permits were received and dealt with. Of this number 22 vehicles were condemned as unfit for service, and 66 vehicles were withdrawn voluntarily.

In March, 1934, provisions were made whereby passenger-service vehicles, which are licensed for the carriage of passengers for hire under the authority of a local-body by-law, were exempt from requirements as to a certificate of fitness when used as passenger-service vehicles under the authority of a temporary passenger-service license.