

warrant, as a fire district. The provisions of the existing legislation with respect to metropolitan areas are extended to fire districts constituted under the draft Bill. No local-authority district situated within fifteen miles from the cities of Auckland, Wellington, Christchurch, or Dunedin may be constituted a fire district unless the Minister is satisfied that the fire protection of the district can be carried out with equal or greater efficiency and at no greater cost by independent operation as compared with the alternative of incorporation in a united fire district.

#### FINANCIAL PROVISIONS

24. The proposals for the financing of the Fire Service made to the parliamentary Committee on behalf of the Fire Boards', Underwriters', and Municipal Associations were identical. They recommended that the costs of the Service in fire districts should be contributed in equal shares by underwriters, Government, and local authority; that no more Fire Boards should be formed, except in towns with population exceeding 5,000, and that the underwriters and Government should in equal shares subsidize £1 for £1 the local-authority expenditure on the Service in non-fire-district towns, on a basis depending on population, with a maximum subsidy of £300 per annum. The Committee had before it the basis of contribution in Australia, where in two States the underwriters contribute one-third, in two five-ninths, and in the other two one-half and three-sevenths of the costs. The balance in each case is divided equally between Government and the local authorities. In its report the Committee recommended that in towns having a reticulated water-supply and a fire brigade of approved standard the necessary revenue should be provided on the same basis as in the existing fire districts. It agreed that having regard to the greatly increased amount of Government property, including State housing, the Government contributions should be increased, and recommended that the costs of the Service should be contributed in the proportions: underwriters, 50; local authorities, 30; and Government, 20.

25. When this recommendation was investigated by Treasury it was represented firstly that the property of most trading Departments contributed to the cost of the Fire Service both by way of rates and insurance premiums, secondly that State housing already contributed by way of rates and the appropriate insurance contribution could best be made on a unit basis, and finally that Government property such as schools, post-offices, police-stations, administrative offices, &c., which paid neither rates nor insurance, did not represent more than 5 per cent. of the total property at risk in urban areas. It was conceded that if the Service took over full responsibility for the fire protection of essential Government property such as Trentham Ordnance Stores and the Devonport Naval Base, an appropriate Government contribution should be paid. It was also agreed that the proposals for rural fire protection and emergency operation constituted an extension of the existing Service, towards the costs of which Government might reasonably be asked to contribute. An overall contribution of 15 per cent. of the Fire Service costs was suggested to cover all Government liabilities in respect of insurable property other than State housing. The proposals of the draft Bill follow this suggestion and provide for contributions in the overall proportions: underwriters (including State housing payment), 50; local authorities, 35; Government, 15. The contribution will be made in respect of State housing by including a nominal premium of £2 for each housing unit in the underwriters' return of premium income referred to in paragraph 27.

26. Provision is made in the draft Bill that the estimates of the Council shall be approved by the Minister and that the Council in turn shall approve the estimates of the Fire Boards and other local authorities controlling brigades. The financial provisions of the Fire Brigades Act, including the repayment to the local authority of the valuation of fire-fighting equipment, will not apply in fire districts constituted under the draft Bill, except in the case where a united fire district is formed. An alternative provision has been made to meet the fact that the legislation has been delayed since