

LOANS TO LOCAL AUTHORITIES FOR HOUSING SCHEMES

A worth-while contribution towards the solution of the housing problem is being made by some urban local authorities who are taking advantage of loans made by the Corporation from the Housing Account, and it is hoped that this facility may be more widely availed of as the years go by. Loans to local authorities for this purpose bear interest at 3 per cent. and are repayable over terms approved by the Local Government Loans Board, having regard to the life of the asset being created.

HOUSING FOR TIMBER-WORKERS

The housing scheme introduced by Part III of the Finance Act (No. 2), 1946, has been actively operated during the past year.

Subject to the conditions set out in the legislation, the scheme enables the provision to sawmillers of houses, situated adjacent to milling operations, the houses being so constructed as to be transferable as the need arises, for occupation by timber-workers at moderate rentals. The sawmiller is required to maintain and insure the units, and to pay to the Housing Account an amount equal to the rental payable by employees. Full ownership of the units passes to the sawmiller at the end of twenty years. Apart from the rentals payable by the timber-workers, the scheme is primarily financed by means of a levy on all timber (indigenous and exotic) milled in New Zealand, the industry thus being responsible for the ultimate financial success of the scheme.

The scheme is administered by the Corporation, with the assistance of the State Forest Service and the Timber Production Advisory Committee, the Housing Construction Department being responsible for the letting of contracts for construction of the houses.

Up to 31st March, 1948, a total of 386 units (comprising 228 three-bedroom units and 158 two-bedroom units) had been approved by the Board in respect of applications by seventy sawmillers, and there are indications that activity under the scheme will be maintained and probably increased.

It may be said, therefore, that the scheme is a valuable contribution towards the objective of facilitating, in the national interest, the greater production of timber for housing purposes, and in the provision of improved housing for the workers in the industry.

REVENUE ACCOUNT AND BALANCE-SHEET

In the tabulated Revenue and Expenditure Account a profit for the year is shown on the following classes of account:—

	£
(1) Properties Sold under Agreement for Sale and Purchase	1,655
(2) Advances to Local Authorities for Urban Housing	14,357
(3) Advances to Employers	178
(4) Advances to Local Authorities under Rural Housing Act, 1939	1,919
These profits however were more than offset by losses on	
(5) Rented Properties (Old)	1,033
and	
(6) Rented Properties (New)	116,224

The latter account, which comprises dwellings, flats, shops, and garages erected under the Government's new housing scheme, calls for special comment. The rentals receivable for 1947-48 amounted to £1,662,003, as compared with £1,479,662 in 1946-47. Included in the charges against this revenue are the following provisions based on the average expenditure, which it is estimated will be incurred during the life of a dwelling—depreciation at a rate sufficient to write off the construction cost in sixty years; insurance premiums for credit to the Housing Insurance Reserve at the average rate