

FINANCIAL RESULTS

In my last statement a brief summary was given of the financial results for the year ended 31st March, 1947, and the audited accounts and balance-sheet for that year were published in parliamentary paper B.-1 [Pt. IV], 1947.

In section 4 of the Finance Act (No. 2), 1947, the separate North and South Island schemes were, for accounting purposes, amalgamated into one scheme so that one statement of financial results now covers the whole of New Zealand.

The following is a summary of the results (unaudited) for the year ended 31st March, 1948. The audited accounts will again appear in B.-1 [Pt. IV] :—

	£	£
Total capital invested	40,608,979	
Works under construction, stocks, &c. ..	12,196,688	
Net operating capital	28,412,291	
Revenue	3,258,647	
Operating costs	1,459,321	
Gross profit	1,799,326	
The capital charges are—		
Interest	1,072,227	
Depreciation	263,054	
	1,335,281	
Leaving a balance of	£464,045	

After paying income and social security taxes (£165,760) assessed for 1946-47, and allowing for net accumulated losses (£106,609), there is £191,676 left to meet the current year's loans redemption charge of £517,533, thus increasing the arrears to £1,166,533 at 31st March, 1948.

NEW WORKS

Good progress has been made with the new works during the year, but the delivery of plant and materials is still subject to long and unpredictable delays. One very disturbing factor is the shortage of supplies of steel for all purposes, and every effort is being made to secure steel from all available sources.

At *Karapiro* the second 30,000 kW. machine went into operation in September, 1947, while the third machine, due to the late arrival of turbine parts, was not ready until May, 1948. The station has been fully loaded on occasions, and has made a great difference to the North Island supply position.

At *Waikaremoana* the first 16,000 kW. unit at Kaitawa was put into temporary operation in April, 1948, thus enabling the full use of the two lower Waikaremoana stations at a time when they were most needed.

The final parts for the Kaitawa turbines have now arrived in New Zealand, and both units should be available in July, 1948.

The work of sealing the flow through the natural barrier is now in hand, but is not expected to be completed before the end of 1949.

Marotai.—The scheduled date for completion still remains at early in 1951, but the attainment of this goal depends upon the working-conditions as well as on the supply of materials, particularly steel.