

12. OPERATING-EXPENSES

The following schedule gives a summary of the Board's net operating-expenses :—

Period.	Revenue.	Operating-expenses.	Percentage of Operating-expenses to Revenue.
	£	£	
Up to 31st March, 1945	3,478,643	54,569	1·57
1st April, 1945, to 31st March, 1946	11,269,753	154,591	1·37
1st April, 1946, to 31st March, 1947	11,071,365	264,571	2·39
1st April, 1947, to 31st March, 1948	5,431,361	165,305	3·04
Totals	31,251,122	639,036	2·04

13. BUILDINGS

(a) GENERAL

Although the activities of the Buildings Section are declining the year resulted in the highest turnover since the inception of the Board. Receipts from the sale of buildings were almost double those of the previous year.

The exceptionally high return is largely due to the disposal of most of the major buildings comprising groups of store buildings, hospitals, &c., which have been taken over by the Public Works Department for general Government purposes. The value of these is approximately £1,400,000, so that, even excluding these, the revenue has been quite substantial.

This bulk transfer of buildings does not dispose of all the major buildings held by the Board. Negotiations are now in progress for the disposal of others valued at about a third of a million pounds, and credit for these should be received during the current financial year.

The policy adopted is briefly as follows, the items being in order of priority :—

- (1) Conversion of buildings on camp-sites into permanent housing for the married personnel of the establishment.
- (2) Conversion *in situ* for departmental use and transit housing.
- (3) Use of buildings on air stations for civil aviation purposes.
- (4) Removal of buildings for use by Government Departments, Hospital and Education Boards, and transit housing.
- (5) Sale of any balance by public tender.

(b) TRANSIT HOUSING

There was little activity in respect of transit housing last year. The Te Kuiti, Patea, and Hawera Borough Councils, referred to in last report under the heading of "negotiations proceeding," did not continue with their proposals. Up to date the transfers of buildings sufficient for the construction of 1,116 housing units have been effected.

(c) LINEN-FLAX FACTORIES

During the year the Blenheim and Finegand factories were sold as complete units to manufacturing industries.

All buildings at other sites have been sold with the exception of two cottages, one of which is to be sold with the land and the other is under offer to the occupier.