

Council. Several Boards had already been set up prior to the appointment of the Commission, and in several other cases negotiations had been commenced to set up further Boards, but for one cause and another these negotiations had not been brought to finality. Consequently, during the year under review, the Soil Conservation and Rivers Control Council proposed to the Local Government Commission that three further catchment districts should be established.

The legislation being what it is—namely, that catchment control should be exercised by Boards, which would derive their revenue from rates, and to some extent from Government subsidy payable through the Soil Conservation and Rivers Control Council—our function in these cases was to determine—

(a) Whether problems of flooding and erosion occur in the area under consideration :

(b) What area should be included in the Catchment District.

The answer to these questions is determined largely on the basis of the catchments of the rivers concerned, plus the community of interest of the various authorities to the districts involved.

Having decided that there were catchment problems, the function of the Commission was to define the area of the catchment district. In view of the legislation, it was not the function of the Commission to discuss whether or not flood-control and prevention of erosion was a national problem.

There is one point in connection with catchment districts to which we desire to direct attention. The urgency for positive work is not the same in every part of a catchment district. In some areas, regulatory control over land use, burning, and such-like operations is all that is necessary. In other parts of the district positive and possibly costly river works are needed. There is some lack of appreciation throughout the Dominion of the responsibility of ratepayers in a catchment district for the expenses of a Catchment Board. The only uniform rating to which all ratepayers are liable is that for administrative purposes. This is limited to $\frac{1}{8}$ d. in the pound on capital value and has no relation at all to the costs of specific works that are undertaken. Where a specific work is required, the Catchment Board is required to prepare a classification scheme for the lands to be benefited, such scheme classifying lands according to the degrees of benefit which various parts of the area will receive. Only those persons immediately benefiting from any work are required to pay the works rate, and this is then paid on a classification basis. For instance, for work required in the lower Clutha River only the residents of the Lower Clutha district will contribute. Ratepayers in Dunedin will not contribute to the cost of these works. As far as this particular instance is concerned, Dunedin will, unless specific works are undertaken in the vicinity of Dunedin, pay only the administrative rate, which, as has been stated above, is a maximum of $\frac{1}{8}$ d. in the pound on rateable capital value. We feel that misconceptions on this point have clouded the issue on several occasions.

(1) *Otago Catchment District*

For a considerable time negotiations had been under way between the Soil Conservation and Rivers Control Council and the local authorities in the basin of the Clutha River relative to the establishment of a Catchment Board to control the area. These negotiations had not reached any finality, the local authorities in the district maintaining that Dunedin should be included in the Clutha Catchment District since economically Dunedin was the business and transport centre for the area.

On the appointment of the Commission, the question of the establishment of a catchment district covering this area was referred to it, the Soil Conservation and Rivers Control Council indicating at the same time that at a later date they proposed to recommend the establishment of a catchment district to cover the remainder of Otago, including the City of Dunedin. A public inquiry was held in Dunedin on the 24th September and the succeeding days at which the Soil Conservation and Rivers Control Council and all the local authorities of the district were represented. In addition, numerous institutions such as the Federated Farmers of New Zealand (Incorporated) were also represented.