

is not practicable, in so far as New Zealand is concerned, for the idea to be put into concrete form at present. The Hawaiian Promotion Committee is in the meantime ascertaining the feeling of Australia, and also collecting necessary information regarding cost, &c., and as soon as there is something tangible to work upon the question will be further considered. The whole matter is, however, in its infancy, but is being kept in view for the furthering of our interests in the near future.

TOWN OF ROTORUA.

The Department has taken over the entire administration of municipal matters in the Town of Rotorua as from the 1st September last, in terms of "The Rotorua Town Act, 1907," and regulations for the purpose of providing for the more effectual carrying-out of the provisions of the Act were made by Order in Council gazetted 16th April, 1908. The Department has, in respect to the town, been created a corporate body, and also a local authority within the meaning of any other Act relating to local authorities.

Mr. L. Birks, the Department's Engineer in Charge at Rotorua, and Chairman of the late Town Council at the time of its dissolution, has been appointed Resident Officer to act under my direction.

The drafting of new municipal by-laws is in hand, and will be completed at an early date.

At the time the Department took over control of the town from the Rotorua Town Council there existed a bank overdraft of £508 11s. 7d.; but this liability was reduced by £18 8s. 8d. standing to the credit of the Cemetery Account.

Owing to the fact that the Department had a complete working and office staff already engaged in extensive undertakings in the town, the Department has been enabled to administer the municipal works economically and more actively than formerly, owing to the greater specialisation that is now possible.

As the change of administration took place in the middle of the year under review, it is impossible to draw any conclusions from the balance-sheet, but a very active works policy has been carried on during both periods, particularly the latter, and an unusual number of public improvements of a permanent nature have been carried out during the year.

The municipal revenue of the Town of Rotorua is derived from two main sources—viz., rent of Crown sections, and a moiety of the fees received from the Rotorua baths. Neither of these revenues are collected directly, but are paid into the Town Account through the Treasury.

The total area within the town boundaries is 4,140 acres, distributed approximately as follows:—

	Acres.
Native lands	101
State Forest Reserve, Lands Department	870
Recreation reserves, Tourist Department	1,020
School reserves, Education Department	121
Railway reserves, Railway Department	45
Municipal reserves	58
Roads and streets	265
Crown sections leased	1,600
Crown lands unleased	160
Total	4,140

There is no freehold land within the town area. Of the above lands, revenue is derived only from the rents of the Crown sections which are leased, amounting to about £2,000 per annum for the 1,600 acres, and constituting 44 per cent. of the total annual revenue of the town. The remainder of the lands bring in no revenue whatever. These Crown sections are leased at a fixed rental for a period of ninety-nine years, of which about eighty years are still to run. As a result the main source of revenue of a rapidly growing town is a fixed amount, and the municipal expenditure has therefore to be administered very carefully in order that it shall not outrun the available revenue. The apparent increase of £659 in this item for the past year—viz., £2,277, as compared with £1,618 for the previous year—and of £327 as compared with the average of the past six years (£1,950) is not due to any permanent increase of revenue from this source, but to a specially heavy instalment that was received from the Treasury on the last day of the year under review.

Next to the rent received from Crown lands the most important source of revenue is the moiety of the bath fees received through the Treasury. This amounted last year to £1,294, or 25 per cent. of the total revenue of the town.

In addition to these the next item in importance is the revenue received from nightsoil fees. This showed a very considerable increase for the year—viz., from £513 to £950. This was due to a very energetic collection of a large number of old accounts extending over several years, and will not recur. In fact, the revenue from this source will fall to a much lower figure than in the past, owing to the introduction of the sewerage system, from which the town will derive no revenue, and the nightsoil system will probably have to be run at a loss (owing to the restriction of its operation to the suburbs) instead of yielding a substantial profit as in the past.

The remaining items of revenue—viz., licenses, library, pound, and dog-registration fees, &c.—show a slight increase for the year—viz., from £508 to £629—due mainly to more energetic collection, and to a certain extent to the growth of the town.