

Since that date such rates as have been collected have not always been applied in strict accordance with the above-mentioned decision of the Appeal Court. For instance, the balance-sheet of 1912 shows that out of the rate collected in that year the sum of £2,000 was paid to the interest account on a loan of £200,000 raised in 1909 under the authority of the Westport Harbour Board Loan Act, 1908.

For twelve years from the 1st October, 1889, to the 1st September, 1901, this rate was not collected, and therefore lost to the Board. The total coal shipped during that period was 3,169,075 tons, which would have produced to the Board a revenue of £39,163 8s. 9d. if the rate had been collected as required by the statute. The special coal rate has produced to the 31st March, 1913, the sum of £86,348 12s. 7d. Of this amount £18,983 19s. 8d. has been paid to the Treasury on account of the sum of £145,511 12s. 6d., leaving £67,364 12s. 11d. available to be paid on account of interest and sinking fund on the first loan of £500,000.

The sum of £18,983 19s. 8d. above mentioned is lying in a suspense account in the Treasury, and is neither appropriated to the debt nor earning interest. The Board have not taken steps to direct the Treasury to appropriate their payments either to interest or capital, nor have they sought to ascertain the position of the account, nor have they themselves kept an account of this debt.

On the 23rd November, 1889, after the £250,000 mentioned in section 12 had been expended, a letter was written by the Audit Department to the Public Works Department, calling attention to the statutory duty to collect the rate. Again on the 14th January, 1892, Mr. Holmes, Audit Inspector, drew the attention of the Audit Office to the failure to collect the rate; and Mr. J. E. FitzGerald, Controller and Auditor-General, on the 19th January, 1892, brought the matter under the notice of the Government.

The expenditure of the earlier loans, amounting to £650,000, was so remote that little or no detailed evidence was available to us as to whether they were expended in an economical manner.

CHARGES COLLECTED BY RAILWAY DEPARTMENT.

60. The Railway Regulations include, *inter alia*, a charge of 6d. per ton for coal handled by the wharf-cranes, but this charge has never been collected, and the Board in consequence have lost a considerable amount of revenue. The charge in the railway tariff for general goods passed over the wharf either inwards or outwards at Westport is shown as 2s., but in lieu of this amount the Department have collected at the rate of 3s. per ton.

The Harbour Board appears to have taken no steps to draw attention to the action of the Railway Department in deviating from the rates in the tariff approved by the Governor in Council.

ESPLANADE AND CAPE FOULWIND RAILWAY RESERVE.

61. In 1907 the Board passed the following resolution: "That the esplanade from Wakefield Street up the Buller River to the Buller Bridge be constructed as early as possible, and formed from waste quarry material, with a view of preventing and stopping the wearing-away of the river-bank, and also to give facilities for traffic to the houses on the esplanade, which will be necessary when the new siding arrangements of the Railway Department are put into operation." This work was commenced in the latter end of 1907, and continued until December, 1912. The extent of the work is as follows: Length of cut stone wall, 511 ft.; rough stone wall, 242 ft.; total length of road-formation, 2,153 ft.; and average width of same, 33 ft. The Board expended in this work £6,133 6s. 6d. in labour and £110 5s. 8d. in material, a total of £6,243 12s. 2d. The river-bank where this wall is constructed is not subject to erosion in the normal state of the river. In high-flood times there is a little current along the river-bank, but the erosion, if any, is very slight. The necessity for this work as a harbour-work does not appear, and no evidence was given tending to show that it was necessary. Plans of the work were not prepared, nor estimates given as to the probable cost before the work was undertaken. No plans were ever submitted to the Marine Department for approval. The cost of this work does not appear as an item under the head of "Esplanade," but is charged to "Harbour expenses," and therefore not sufficiently disclosed for purposes of audit.