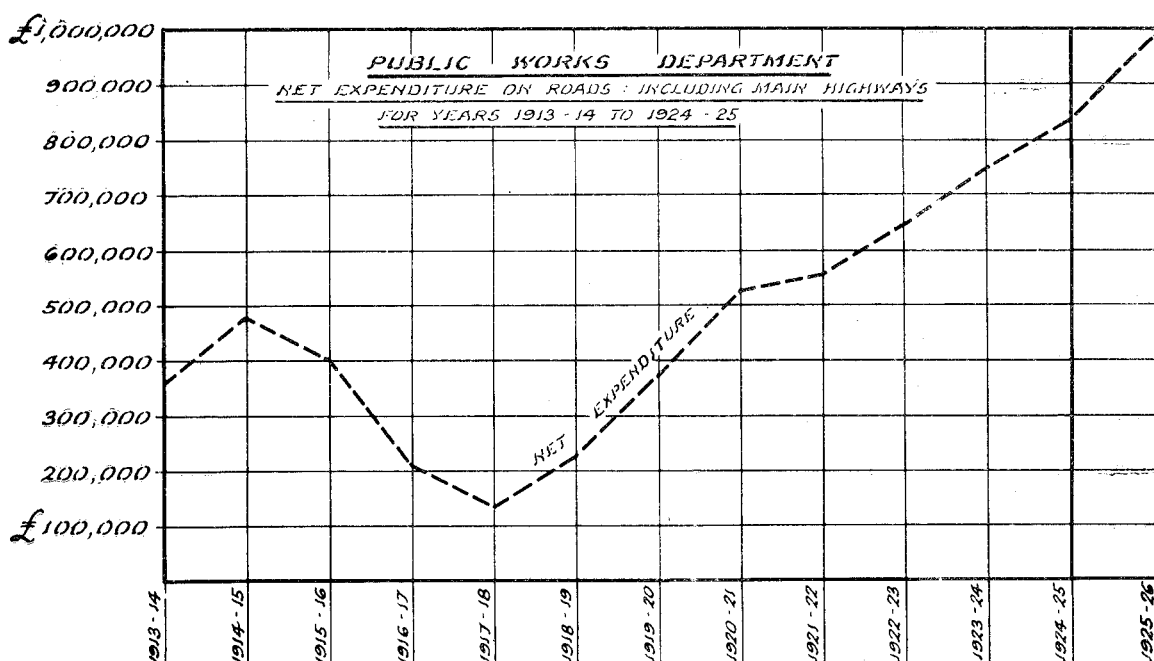


opportunity has been lost of impressing on local bodies generally the urgent necessity of protecting capital expenditure by means of adequate maintenance. It is pleasing to note that local bodies are themselves moving in the right direction so far as this most important question is concerned. As mentioned in my predecessor's Statement covering the previous financial year, the Department has adopted the principle, before giving its approval to any comprehensive metalling scheme, of investigating the ability of the district concerned to bear the subsequent maintenance charges, and local bodies are now required to satisfy the Department, by special resolution, that arrangements have been made to provide and set aside annually sufficient funds to efficiently and effectively maintain the road. Investigations in this direction have in several cases indicated conclusively to the settlers that, although they could possibly finance the original loan for metalling purposes, the subsequent maintenance charges would be quite beyond their financial ability, and consequently they have been advised, pending further settlement and development of their district, to concentrate their efforts on improved upkeep of their existing roading facilities. The annual roads estimates were again prepared in accordance with each district's claims for consideration in respect to area, population, rating, loans for roading, value of undeveloped lands suitable for



settlement, and estimated amount required to fully complete all legal roads. This system is proving particularly satisfactory to both the Department and the local bodies, but it is hoped during the present year to effect certain improvements in the method of arriving at each district's just allocation which will make it still more satisfactory.

The policy under which each District Engineer confers with each local body in his district with a view to arriving at a mutual agreement as to the respective importance and urgency, in relation to the amount of available funds, of the various items for which application for Government financial assistance has been made is proving of considerable assistance to the Department and to the local bodies generally. The total amount applied for by local bodies in the way of financial assistance greatly exceeds the amount of funds that can be made available in any one financial year, and by such discussions between the departmental officers and the counties' representatives items of first importance receive priority.

The expenditure on restoration of roads and bridges damaged by exceptional floods has again been fairly heavy. In very many cases the cost of restoration has been quite beyond the means of the local authorities, and substantial assistance from the Government has been necessary. The granting of Government aid for repair of damage of this nature is very closely controlled, and no assistance is granted unless it is quite apparent that the local body concerned cannot finance