

The estimated revenue for the current year from the same sources is £510,000, made up as follows:—

	£
Transfer from Consolidated Fund	35,000
Proceeds of tax on tires and tubes, collected through the Customs Department	175,000
Registration and license fees payable by motor-vehicle owners	300,000
	<u>£510,000</u>

In addition, subsidiary sources of income are estimated to yield £20,000, making a total of £530,000.

At the time of writing this report the total applications for funds submitted in connection with the current year's maintenance appropriations amount to £700,000, to which must be added overhead expenses, interest charges on capital borrowed, as well as expenditure on plant, &c. The indications are that the total cash required from the Revenue Fund will approximate £750,000.

For the year ending 31st March, 1927, the appropriations and expenditure under the Revenue Fund were as follows:—

	Available for Authorization.	Appropriated.	Expenditure.	Percentage of Expenditure to Appropriations.
	£	£	£	
North Island	364,087	364,087	284,594	78·17
South Island	167,220	167,220	154,168	92·19
Administration charges	30,000	30,000	27,118	90·39
Commission paid to Postal Department for collection of motor registration and license fees	21,500	21,500	8,885	41·33
Miscellaneous payments, including recoupment of interest on loans to Consolidated Fund	65,500	65,500	72,325	110·42
Totals	648,307	648,307	547,090	84·38

It will be seen that the total expenditure for the past year from the Board's Revenue Fund has been £547,090. The corresponding figure for the year ending 31st March, 1926, was £321,016. There are three main reasons for this substantial increase in expenditure—(1) The increase in the Board's maintenance subsidy from £1 for £1 to £1 10s. for £1 from the 9th September, 1926; (2) the willingness of local authorities to find a greater amount towards the cost of maintenance of the main-highways system, partly brought about by the Board's improved subsidy; and (3) the alteration by the Board on the 2nd December, 1926, of its definition of "maintenance" to include tar and bituminous sealing or surface treatment.

An analysis of the Board's expenditure and the expenditure by local authorities on actual maintenance, as distinct from interest on loans and other overhead charges, shows the following position:—

	Board's Contribution.	Local Authorities' Contribution.	Total.	Percentage Board's Contribution to Total.	Percentage Local Authorities' Contribution to Total.
	£	£	£		
North Island	284,594	197,691	482,285	59·01	40·99
South Island	154,168	78,658	232,826	66·22	33·78
Totals	438,762	276,349	715,111	61·36	38·64

It will be seen that the local authorities have contributed towards the maintenance of main highways during the past year a total sum of £276,349. The corresponding figure for the year ending 31st March, 1926, was £185,015, so that there has been an increase in twelve months of almost exactly 50 per cent.

When announcing improved maintenance subsidies in the past, the Board has always pointed out that any additional funds thereby becoming available to the local authorities were for the purpose of meeting the additional cost of maintenance brought about by the increased motor traffic, and not for the purpose of reducing the amounts which the local authorities had already been finding towards the cost of maintenance of main highways. The above figures show conclusively that not only have the local authorities met the Board in this direction, but they have increased their annual burden by a very substantial amount. Moreover, the Board is quite satisfied in the cases of certain local authorities that the limit in this direction has been reached. The above figures also disclose that the Board is finding a greater percentage of the cost of maintenance of the main highways of the South Island than it is finding in the case of the North Island, the respective proportions being 1·96 to 1 and 1·44 to 1.