

not adopted the amount charged against revenue becomes merged in the general assets and resources of the Board, and is therefore not available in ready cash when required to buy new plant or repay a loan, as the case may be. When the annual amount is invested as we suggest, a fund of ear-marked cash is available when new plant is required (Plant Depreciation Fund) or a loan falls due (Sinking Fund). These contingencies can then be met to the extent to which these funds exist, without having recourse to further borrowing or without embarrassing the financial period in which the new plant is required.

(27) SOURCES OF REVENUE.

These are not particularly elastic. Wharfage charges, dues on ships, rentals from land, rates for harbour-improvement loans, have been exploited to the fullest extent, and, beyond the natural increase which may be expected from the general development of trade and settlement, it is difficult to see where any further improvement in revenue is to come from. The following is a brief examination of the various sources of revenue.

(28) WHARFAGE (PAYABLE BY EXPORTERS AND IMPORTERS).

The Napier charges are already so high that they compare most unfavourably with Wellington, which is the nearest competing port, and any further advance would not only penalize consignees and consignors, but would tend to drive trade to other shipping-points, and so react most unfavourably on the volume of trade handled at Napier.

(29) A brief comparison illustrates the difference on some of the principal lines:—

					Napier.		Wellington.	
					s.	d.	s.	d.
Outwards—								
Mutton (per ton)	..	..	..	..	..	4 9	0	9
Lamb (per ton)	..	..	..	..	..	4 8	0	9
Wool (per bale)	..	..	..	..	..	1 8	0	7
Tallow (per ton)	..	..	..	..	..	3 9	1	3
Inwards—								
General goods (per ton, including labour)	..			..	..	4 0	4	0

(30) The estimates of harbour revenue for the years ending the 30th September, 1927 and 1928, include the following items as receipts from the Wharfage Department—1927, £58,209; 1928, £64,844—showing an estimated increase of £6,635 for wharfage. These estimates are based on the assumption that the present class of trade will continue at each harbour, and that the new berthage rates will not have the effect of causing certain overseas vessels, which have been in the habit of using the breakwater, to discharge in the roadstead, or to tranship their cargo at other ports. The estimates also anticipate a reasonable increase in the volume of trade.

(31) CHARGES AND DUES (PAYABLE BY SHIPOWNERS).

Changes were made in the berthage rates on the 1st July, 1927. These changes do not appear to produce very much more revenue in the aggregate than formerly, as will be seen from the supplement to Exhibit No. 41; but the result of the incidence of the charge calculated at per ton of cargo is to place the Outer Harbour in a less favourable position than the Inner Harbour from the ship-owners point of view. The relative figures are:—

					Cost per Ton of Cargo landed or shipped.	
					Old Scale.	New Scale.
					d.	d.
Outer Harbour	..	..	..	..	5.24	9.36
Inner Harbour	..	..	..	..	7.94	3.8

In the estimates of harbour revenue referred to in the previous paragraph the following items are included as showing receipts from the Harbour Department—1927, £12,989; 1928, £13,864—showing an estimated increase of £875 for 1928. If this charge is equitably spread over the total number of vessels using the port it does not appear likely to have any great adverse effect.

(32) RENTALS FROM LAND.

There is no doubt that ultimately the Napier Harbour Board will receive a very handsome income from this source. In 1902 the rentals received totalled £1,376, while in 1927 an income of £7,960 is anticipated from the same source. Unfortunately, however, the rental income seems to be comparatively stationary at present, and for the year 1928 is only expected to reach a net amount of about £3,000. Until further areas are reclaimed, subdivided, and leased, only a small increase from this source may be expected. The problem of reclamation will be fully dealt with separately, so that it is not necessary to enlarge upon this subject at present, beyond saying that for some considerable time it is apparent that no great assistance towards the Board's revenue can be reasonably expected from this source.