

	£	s.	d.		£	s.	d.
Outstanding liability for sinking fund ..	51,251	0	0	Balance brought down ..	277,950	14	6
Amount expended on construction (see explanation below) ..	181,605	0	0				
Net balance ..	45,094	14	6				
	<u>£277,950</u>	<u>14</u>	<u>6</u>		<u>£277,950</u>	<u>14</u>	<u>6</u>

SOUTH ISLAND.

	£	s.	d.		£	s.	d.
Expenditure (general) ..	176,618	13	8	Balance at 1st April, 1927 ..	324,920	0	3
Interest and expenses of raising loans, &c. ..	4,591	16	8	Interest from investments—			
Commission on collection motor fees ..	4,545	11	0	Consolidated Fund ..	338	8	1
Miscellaneous expenditure ..	8,530	18	5	Revenue Fund ..	14,658	0	4
Balance ..	362,472	5	10	Motor Registration—Annual license fees and tire-tax ..	197,942	16	11
				Transfer from Consolidated Fund ..	18,900	0	0
	<u>£556,759</u>	<u>5</u>	<u>7</u>		<u>£556,759</u>	<u>5</u>	<u>7</u>

	£	s.	d.		£	s.	d.
Outstanding liability for sinking fund ..	8,697	0	0	Balance brought down ..	362,472	5	10
Amount expended on construction (see explanation below) ..	30,011	0	0				
Net balance ..	323,764	5	10				
	<u>£362,472</u>	<u>5</u>	<u>10</u>		<u>£362,472</u>	<u>5</u>	<u>10</u>

It is expressly pointed out that the total of the above two balances does not represent the total accumulated fund to the credit of the Revenue Account at the 31st March, 1928, the difference being the sum of £130,461, representing the proceeds from motor-spirits taxation collected up to the end of the financial year.

As explained in detail in the previous year's report, in view of the fact that the Government loan schedule did not, in terms of section 12 of the Main Highways Act, 1922, provide any loan-moneys for the Board's use for the financial year 1927–28, it was found necessary during the year to exercise the powers contained in subsection (2) of section 15 of the original Act. The section in question gives the Board authority to transfer moneys not required for the Revenue Fund to the Construction Fund, and accordingly the sum of £300,000 was transferred. In some quarters this transfer was regarded with suspicion, particularly in view of the fact that in the original Main Highways Act there was no provision for the reimbursement to the Revenue Fund of moneys so transferred; but a provisional arrangement was made by the Board with the Minister of Finance that this sum be transferred temporarily only, and that it be returned to the Revenue Fund when required. To enable this arrangement to be carried out a machinery clause was inserted in the Main Highways Amendment Act, 1927. In this connection also, as explained in last year's report, in order to retain the allocation of the revenue from tire-tax and annual-license fees between the two Islands in terms of section 21 of the original Act, the following resolution was passed by the Board: "That the moneys temporarily transferred from the Revenue Fund to the Construction Fund shall be allocated according to their use between the North and South Islands on the basis now in force in regard to the distribution of revenue funds received from motor-taxation."

Of the £300,000 transferred, a sum of £211,616 has been actually expended on construction, the amounts in each Island being as follows: North, £181,605; South, £30,011. When this £300,000 is retransferred the foregoing sums will be refunded to the respective Island accounts.

When the outstanding liability for sinking fund has also been provided for, it will be seen that the net balances actually in the Board's hands are as follows: North Island, £45,095; South Island, £323,764. There have been numerous references in the press during the past few months to the Board's accumulated revenue of approximately £1,000,000. When the proceeds of the petrol-tax to 31st March, 1928, are added to the above net balance it will be found that the sum in the Board's hands which had not been spent on roadwork at 31st March amounted to under £500,000, the greater part of which is to the credit of the South Island.

For the year ended 31st March, 1928, the appropriations and expenditure under the Construction Fund were as follows:—

	Available for Authorization.	Appropriated.	Expenditure.	Percentage of Expenditure to Appropriation.
	£	£	£	
North Island ..	527,512	483,405	362,261	74.94
South Island ..	174,692	160,095	87,643	54.74
Administration charges and compensation for accidents to workmen	31,500	31,500	31,181	98.99
Totals ..	733,704	675,000	481,085	71.27