APPENDIX E.

EIGHTH ANNUAL REPORT OF THE MAIN HIGHWAYS BOARD.

The Main Highways Board to the Minister of Public Works, Wellington.

Sir,—

In accordance with the provisions of section 24 of the Main Highways Act, 1922, the Main Highways Board has the honour to submit its eighth annual report for presentation to Parliament through the Hon. the Minister.

The report covers the period from the 1st April, 1931, to the 31st March, 1932, though a number of matters referred to are carried beyond the latter date for convenience and completeness of record.

General.

The total expenditure from both funds for the year amounted to £2,086,029, compared with £2,097,390 for the previous year. The expenditure from the Revenue Fund was £1,701,884, as compared with £1,386,140 for 1930–31 and £1,246,027 for 1929–30. The substantial increases in the expenditure from the Revenue Fund disclosed in the past two years have not been due to any expansion of the Board's activities, but have been brought about by the operation of the various Finance Acts of 1930 and 1931, which imposed a number of extraneous charges on the fund. The money expended from the Revenue Fund on actual maintenance of the roads (including earthquake damage) during the three years in question has shown a substantial reduction, the amounts being £1,049,249 for 1929–30, £872,577 for 1930–31, and £849,734 for 1931–32. The reduction in total expenditure on the maintenance of the highways has been greater than these figures signify, in view of the fact that for the last year the Board's normal subsidy was £3 for £1, whereas for the previous two years it was £2 for £1.

The principal extraneous charges imposed by Parliament were the Government subsidies on rates to local authorities, which for the year under review amounted to £191,206, and the rebate on rates to rural ratepayers granted under section 45 of the Finance Act, 1931 (No. 4), which amounted to £253,893, or a total of £445,099. As mentioned in last year's report, with the object of enabling certain of the additional charges on the Highway Funds to be met without seriously disorganizing the Board's operations, the Government on 22nd July, 1930, imposed a further Customs tax of 2d. per imperial gallon on motor-spirits.

Operations under the Revenue Fund included the payment of subsidies on the maintenance of 10,846 miles of main highway, of which 6,685 miles are regarded as primary highways and 4,161 miles secondary highways.

The expenditure from the Construction Fund for the year was £384,145, as compared with £711,250 for 1930–31 and £1,071,417 for 1929–30. From these figures it is obvious that construction operations have been most severely curtailed. The expenditure from the Construction Fund resulted in 138 miles 53 chains being formed or widened, 69 miles 15 chains gravelled and metalled, and 172 miles 28 chains surfaced with tar, bituminous materials, or concrete. In addition to this work, bridge-construction to the extent of 4,062 lineal feet has been completed and engineering surveys have been carried out over a length of 218 miles 51 chains of the highway system.

During the year a total sum of £73,946 was expended by the Board in the restoration of earthquake damage in the Nelson and West Coast districts and in the Hawke's Bay area. The total cost to the Board of the Murchison earthquake up to the 31st March, 1932, was £223,393, while the Board's expenditure to the same date in respect of the Hawke's Bay earthquake was £53,224. In addition to the latter sum, the local authorities in the Hawke's Bay area have found £2,798. Practically the whole cost to the Main Highways Board of these disasters has so far been met from revenue and not from borrowed money. Further details concerning earthquake damage appear later in this report.

Legislation.

The legislation passed by Parliament during the financial year contains a number of clauses having a very far-reaching effect on main-highway finance and administration, as may be seen from the extracts appearing in Appendix A to this report.

There is no need to comment on section 2 of the Finance Act (No. 3), 1931, as it was merely a time extension clause and was repealed in the Finance Act, 1932.

Section 45 of the Finance Act (No. 4), 1931, authorized a subsidy to be paid from the Main Highways Revenue Fund to County Councils and Road Boards, to be used by those bodies in giving a rebate on rates to the extent of 2s. 6d. in the £1 to ratepayers. The subsidy applied only to the financial year 1931–32, and the total charge against the Main Highways Revenue Fund as a result of this clause was £253,893.