

Section 36 of the Finance Act, 1932, perpetuates the following statutory provisions for certain financial adjustments which were previously of a temporary nature:—

- (a) The transfer of £35,000 annually from the Consolidated Fund to the Main Highways Revenue Fund to cease.
- (b) The transfer of £200,000 per annum from the Public Works Fund to the Main Highways Construction Fund to cease.
- (c) Interest at the rate of 5 per cent. to be payable from the Main Highways Revenue Fund to the Consolidated Fund in respect of the total sum of £1,226,000 transferred from the Public Works Fund to the Main Highways Construction Fund under the authority of the original Main Highways Act, 1922.
- (d) The annual subsidies granted by the Government on the general rates of local authorities to remain a charge against the Main Highways Revenue Fund, the charge involved being approximately £200,000 per annum.
- (e) There may be appropriated a portion of the Main Highways Revenue Fund for the metalling of backblock roads other than main highways, subject to certain limitations.

Section 37 of the Finance Act, 1932, authorizes the retention in the Consolidated Fund for the financial year ending the 31st March, 1933, of a sum not exceeding £500,000 from the net revenue derived under the Motor-spirits Taxation Act, 1927, which would normally be payable into the Main Highways Revenue Fund.

Section 39 extends the benefits of section 45 of the Finance Act (No. 4), 1931, in the case of those counties into which any Road Board was merged prior to the 31st March, 1931, and also extended the time for paying a subsidy under the said section 45 to ratepayers in counties and road districts.

ANNUAL REVIEW OF MAIN HIGHWAYS.

The provisions of section 11 of the Main Highways Act, 1922, require that an annual review of highways shall be made by District Highways Councils, and, in turn, by the Board. Applications were received from local authorities for additional main highways totalling approximately 1,107 miles, and the Board recommended for declaration a length of 410 miles and for revocation a length of 37 miles. A number of the new declarations were brought about on account of the completion by the Public Works Department of certain through roads which under ordinary circumstances would have been handed to local authorities for maintenance purposes. It was obvious, however, that local authorities in most cases could not have financed reasonable maintenance without assistance from the Main Highways Board.

The adjustments and additions made to the highways system during the year are indicated in Appendix B to this report.

FINANCE.

The actual contributions to the Board's Revenue Fund from external sources for the year 1931–32 amounted to £1,688,075. The tabulation below shows how this amount is made up. The income from similar sources during the previous seven years is also shown:—

—	1924–25.	1925–26.	1926–27.	1927–28.	1928–29.	1929–30.	1930–31.	1931–32.
	£	£	£	£	£	£	£	£
Transfer from Consolidated Fund ..	35,000	35,000	35,000	35,000	35,000	35,000	..	..
Proceeds of tax on tires and tubes collected through the Customs Department	161,986	223,699	188,450	219,658	196,747	155,722	129,188	84,649
Registration and license fees of motor-vehicles	268,178	78,038	283,963	303,861	341,017	378,135	397,139	372,224
Motor-spirits tax	..	..	..	130,461	730,414	873,369	1,219,209	1,231,202
Totals	465,164	336,737	507,413	688,980	1,303,178	1,442,226	1,745,536	1,688,075

It will be noted that the proceeds of the Customs tax on tires and tubes again show a very large reduction. It should be mentioned that the amount shown as motor-spirits tax is actually 92 per cent. of the net proceeds of a tax amounting to 6d. per imperial gallon. The proceeds of the additional 2d. petrol-tax imposed in 1931 are not paid into the Main Highways Revenue Fund.

For the year ending 31st March, 1932, the expenditure under the Revenue Fund was as follows:—

	Expenditure. £
North Island (Maintenance)	529,393
South Island (Maintenance)	320,341
Administration charges	37,965
Commission paid to Post and Telegraph Department for collection of motor-registration and license fees and registration of change of ownership	19,556
Subsidies on rates to local authorities (Finance Act, 1930)	191,206
Rebate on rates to rural ratepayers (Finance Act, 1931 (No. 4))	253,893
Metalling backblock roads (Finance Act, 1931 (No. 3))	45,133
Special relief camps for single men (net cost to Main Highways Board)	21,701
Miscellaneous payments, including recoupment of interest on loans to Consolidated Fund and reserve for redemption of main-highways securities	282,696
Total	<u>£1,701,884</u>