

In accordance with the direction contained in section 21 of the original Act, and following on the Board's resolution passed in May, 1925, an apportionment of the tire duty, registration and license fees for the year ending 31st March, 1932, has been made between the two Islands in proportion to the number of motor-vehicles registered in each Island on that date.

Although no statutory provision exists requiring an apportionment of the proceeds from the petrol-tax between the two Islands, that portion of the tax which is paid into the Main Highways Revenue Fund has been allocated between the two Islands in accordance with the consumption of motor-spirits in each Island. As in previous years, the Board obtained confidential data from oil companies, and these figures showed that during the calendar year 1931 approximately 67 per cent. of the motor-spirit imported was consumed in the North Island and approximately 33 per cent. in the South Island, these ratios being practically the same as for the previous year. Without taking into account the expenditure involved in the rebate on rural rates authorized by section 45 of the Finance Act, 1931 (No. 4), and the metalling of backblock roads from the proceeds of the petrol-tax authorized by the Finance Act, 1931 (No. 3), both of which items are outside of the Board's control, the balances to the credit of the North and South Island respectively on the 31st March, 1932, were £406,808 19s. 5d. and £286,526 1s. 3d.

The following statement shows the manner in which these balances have been obtained :—

NORTH ISLAND.									
<i>Expenditure.</i>					<i>Income.</i>				
	£	s.	d.			£	s.	d.	
Expenditure (general)	529,393	5	9	Balance at 1st April, 1931	193,409	4	3		
Abolition of toll-gates	1,807	0	0	Interest from investments	14,063	16	1		
Interest and expenses of raising loans, &c., and reserve for redemption of securities	129,663	12	4	Motor registration, annual license fees, and tire-tax	291,348	2	5		
Interest on past Public Works grants	46,365	8	0	Motor-spirits tax	824,905	2	9		
Commission on collection of motor fees, &c.	12,470	16	7						
Miscellaneous expenditure	30,662	5	9						
Finance Act, 1927 (No. 2), section 33 (Wellington City Council)	22,245	15	0						
Finance Act, 1930 (subsidy on rates to local authorities)	128,296	13	7						
Relief camps for single men (net)	14,557	9	5						
Combined road and railway bridges	1,454	19	8						
Balance	406,808	19	5						
	<u>£1,323,726</u>	<u>5</u>	<u>6</u>			<u>£1,323,726</u>	<u>5</u>	<u>6</u>	

SOUTH ISLAND.									
<i>Expenditure.</i>					<i>Income.</i>				
	£	s.	d.			£	s.	d.	
Expenditure (general)	320,340	6	5	Balance at 1st April, 1931	190,307	19	10		
Interest and expenses of raising loans, &c., and reserve for redemption of securities	47,062	0	10	Interest from investments	10,337	12	6		
Interest on past Public Works grants	14,934	12	0	Motor registration—Annual license fees, and tire-tax	165,525	4	2		
Commission on collection of motor fees, &c.	7,085	2	5	Motor-spirits tax	406,296	11	3		
Miscellaneous expenditure	18,546	19	5						
Finance Act, 1930 (subsidy on rates to local authorities)	62,909	3	8						
Relief camps for single men (net)	7,143	1	9						
Combined road and railway bridges	7,920	0	0						
Balance	286,526	1	3						
	<u>£772,467</u>	<u>7</u>	<u>9</u>			<u>£772,467</u>	<u>7</u>	<u>9</u>	

From the above statement it will be seen that the total balance unaccounted for is £693,335. This sum has been or is to be entirely devoted to purposes other than highway construction or maintenance, and disposed of in the following manner :—

	£
Rebate on rates to rural ratepayers, 1931–32	253,893
Metalling of backblock roads, 1931–32	45,133
A sum equivalent to the balance of accumulated fund at the 1st April, 1932, to be completely diverted to the Consolidated Fund under authority of section 37 of the Finance Act, 1932	394,309
Total	<u>£693,335</u>

The balances, therefore, standing to the credit of the North and South Islands which are available for highway construction or maintenance and are not earmarked for other purposes are nil.

In the light of the special knowledge which it possesses, the Board is forced to place on record that it does not concur that the whole of the diversions authorized in 1931 and 1932 are wise from a roading standpoint for the following reasons :—

- (1) A substantial portion of the accumulated fund must be ascribed to the non-replacement of wear-and-tear on the highways during the past two years, but this replacement must inevitably be made and finance will be necessary. A year ago the thickness of the metal foundation on the average highway was 33 per cent. less than the thickness to which the roads were originally built, and the position is now worse.