

An analysis of the Board's expenditure and the expenditure by local authorities, for the year 1935-36, under the Construction Fund shows the following position :—

| —                  | Board's Contribution. | Local Authorities' Contribution. | Total.  | Percentage of Board's Contribution to Total. | Percentage of Local Authorities' Contribution to Total. |
|--------------------|-----------------------|----------------------------------|---------|----------------------------------------------|---------------------------------------------------------|
|                    | £                     | £                                | £       |                                              |                                                         |
| North Island .. .. | 235,755               | 58,134                           | 293,889 | 80·22                                        | 19·78                                                   |
| South Island .. .. | 192,269               | 20,129                           | 212,458 | 90·53                                        | 9·47                                                    |
| Totals .. ..       | 428,024               | 78,263                           | 506,347 | 84·54                                        | 15·46                                                   |

The following tabulation shows the amounts which have been provided by the Board and the local authorities on both maintenance and construction during the last ten years :—

| —                                 | 1926-27.  | 1927-28.  | 1928-29.  | 1929-30.  | 1930-31.  | 1931-32.  | 1932-33.  | 1933-34.  | 1934-35.  | 1935-36.  |
|-----------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|                                   | £         | £         | £         | £         | £         | £         | £         | £         | £         | £         |
| Maintenance by Board ..           | 438,762   | 523,581   | 756,399   | 1,049,249 | 872,577   | 849,734   | 600,324   | 674,026   | 932,675   | 1,190,179 |
| Maintenance by local authorities  | 276,349   | 269,065   | 284,526   | 375,849   | 317,839   | 215,568   | 168,466   | 187,735   | 226,554   | 284,423   |
| Construction by Board ..          | 540,362   | 449,904   | 936,148   | 1,007,957 | 667,902   | 361,969   | 159,323   | 198,295   | 325,483   | 428,084   |
| Construction by local authorities | 255,860   | 262,538   | 214,155   | 203,148   | 150,984   | 94,973    | 43,181    | 55,997    | 57,975    | 78,263    |
| Totals .. ..                      | 1,511,333 | 1,505,088 | 2,191,228 | 2,636,203 | 2,009,302 | 1,522,244 | 971,294   | 1,116,053 | 1,542,687 | 1,980,949 |
| <i>Percentages.</i>               | Per Cent. | Per Cent. | Per Cent. | Per Cent. | Per Cent. | Per Cent. | Per Cent. | Per Cent. | Per Cent. | Per Cent. |
| Maintenance by Board ..           | 61·4      | 66·0      | 72·7      | 73·6      | 73·3      | 79·8      | 78·1      | 78·2      | 80·5      | 80·7      |
| Maintenance by local authorities  | 38·6      | 34·0      | 27·3      | 26·4      | 26·7      | 20·2      | 21·9      | 21·8      | 19·5      | 19·3      |
| Construction by Board ..          | 67·9      | 63·1      | 81·4      | 83·3      | 81·6      | 79·2      | 77·6      | 77·0      | 84·9      | 84·5      |
| Construction by local authorities | 32·1      | 36·9      | 18·6      | 16·7      | 18·4      | 20·8      | 22·4      | 23·0      | 15·1      | 15·5      |

The maintenance figures in the above tabulation exclude indirect charges such as supervision, interest, &c., but include the cost of earthquake and flood damage restoration.

It will be noticed that under both maintenance and construction expenditure the figures show an increase on the expenditure of recent years.

The following statement shows the total expenditure by the Board in each Island from both Revenue and Construction Funds for the financial year ended 31st March, 1936. The figures include administration charges :—

| —                  | Expenditure on Maintenance. | Expenditure on Construction. | Total Expenditure in each Island. | Percentage of Expenditure in each Island. |
|--------------------|-----------------------------|------------------------------|-----------------------------------|-------------------------------------------|
|                    | £                           | £                            | £                                 |                                           |
| North Island .. .. | 798,328                     | 244,020                      | 1,042,348                         | 62·23                                     |
| South Island .. .. | 433,575                     | 199,072                      | 632,647                           | 37·77                                     |
| Totals .. ..       | 1,231,903                   | 443,092                      | 1,674,995                         | 100·00                                    |

Unfortunately it has not yet been possible for the Government to arrange for all current expenditure on highways works to be met from revenue, but, as the cost of interest and sinking fund payments is already a very large annual charge against revenue, the Board has, on several occasions, made strong representations concerning the use of loan-money for highways purposes.

Quite apart from the consideration as to whether or not the classes of work being carried out should be met from revenue moneys, the position concerning the Board is that the annual charges in respect of loans have steadily increased and a very substantial liability must now be met each year.