It will be apparent from the foregoing statement that substantial progress has been made in the completion of these new dwellings and as a further step in bringing the scheme into operation the Corporation has provided the necessary staff and organization for the purpose of selecting and allotting the houses to tenants. A considerable amount of work has been involved in investigating the numerous applications for tenancies, which, by the 31st March, 1939, had reached the total of 22,053.

The policy of allotting the houses is to give priority in relation to date of application to those whose needs are most urgent, and where possible special consideration is extended to those with children or other dependants at present living under undesirable conditions.

As the number of houses increases the services of the Corporation will be required to a greater extent, both in relation to the tenancies and the maintenance and supervision of the houses. The Board also had this in view in the reorganization of its branch offices and field staff.

Balance-sheet and Revenue Accounts.

The accounts are presented in a form designed to show the results of various activities under the Housing Act.

In the sectionalized Revenue Accounts the income derived from the assets in each section is assembled with the appropriate charges relative thereto.

In " A " Account there is a net loss of £1,455 0s. 6d., caused by the writing-off of losses arising from reductions granted in terms of the Mortgagors and Lessees Rehabilitation Act, 1936, to purchasers who acquire dwellings under the 1919 scheme.

The local-body loans included in " B " Account are those advanced during the past two years to assist in promoting schemes for the erection of new dwellings. The local authorities have assumed full responsibility for these undertakings, but they have been required to comply with certain conditions laid down by the Corporation and the Housing Construction Branch.

During the year twenty-three loans were granted to local bodies under this section, amounting to £203,000, and the amount paid over during the year was £191,120 on nineteen loans. It will be noted that the total advances outstanding at 31st March, 1939, were £302,173 19s. 2d.

Commitments for loans granted but not paid over at the close of the year amounted in the aggregate to £210,375.

" C " Account relates to the advances made to co-operative dairy companies for the purpose of erecting dwellings for their employees.

Two new loans were granted to dairy companies during the year amounting to £3,000 and the amount paid over was £2,690, bringing the total investment in this heading to £7,093 12s. 10d. at the 31st March, 1939.

" D " Account shows the results obtained from the houses erected under the 1910 and 1919 schemes, and a number of dwellings which were recently taken over from the Department of Lands and Survey, these latter being reverted securities which were originally assets held under the Discharged Soldiers' Settlement Act. Most of the houses in this section are fairly old, and this is the reason for making provision for depreciation of £16,750.

" E " Account covers the transaction for the year in respect of the new rental houses erected since 1936. As the rentals were assessed on the basis of the estimated cost of the dwellings it follows that the outgoings, including reserves to cover accruing charges and contingencies will approximately absorb the gross revenue.

" F " Account supplies similar information in regard to the joinery-factories, the rent from which is sufficient to meet the charges.

The items in the Balance-sheet and Revenue Account do not call for special reference, except perhaps the following :—

Freehold Land (£922,130 3s. 11d.)—This asset comprises the whole of the land which has been purchased, and is now held for housing purposes. Part of the land has already been subdivided and built on, and the value will in due course be allocated under " Dwellings Let " when the exact cost of the various groups of houses has been ascertained.