

An analysis of the Board's expenditure and the expenditure by local authorities for the year 1938-39 on **improvements and construction** shows the following position in respect of main and State highways :—

|                    | Board's Contribution. | Local Authorities' Contribution. | Total.    | Percentage of Board's Contribution to Total. | Percentage of Local Authorities' Contribution to Total. |
|--------------------|-----------------------|----------------------------------|-----------|----------------------------------------------|---------------------------------------------------------|
|                    | £                     | £                                | £         |                                              |                                                         |
| North Island .. .. | 1,750,155             | 85,556                           | 1,835,711 | 95·34                                        | 4·66                                                    |
| South Island .. .. | 1,128,153             | 30,141                           | 1,158,294 | 97·4                                         | 2·6                                                     |
| Totals .. ..       | 2,878,308             | 115,697                          | 2,994,005 | 96·14                                        | 3·86                                                    |

The following tabulation shows the amounts which have been provided by the Board and the local authorities on maintenance, renewals, and construction during the last ten years in respect of the complete highways system :

|                                   | 1929-30.  | 1930-31.  | 1931-32.  | 1932-33.  | 1933-34   | 1934-35.  | 1935-36.  | 1936-37.   | 1937-38.   | 1938-39.   |
|-----------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|
|                                   | £         | £         | £         | £         | £         | £         | £         | £          | £          | £          |
| Maintenance by Board ..           | 1,049,249 | 872,577   | 849,734   | 600,324   | 674,026   | 932,675   | 1,190,179 | 900,731*   | 1,074,112* | 1,311,340* |
| Maintenance by local authorities  | 375,849   | 317,839   | 215,568   | 168,466   | 187,735   | 226,554   | 284,423   | 196,023*   | 153,443*   | 152,730*   |
| Construction by Board ..          | 1,007,957 | 667,902   | 361,969   | 159,323   | 198,295   | 325,483   | 428,084   | 1,501,261† | 2,318,600† | 3,058,346† |
| Construction by local authorities | 203,148   | 150,984   | 94,973    | 43,181    | 55,997    | 57,975    | 78,263    | 103,260†   | 108,225†   | 134,359†   |
| Totals .. ..                      | 2,636,203 | 2,009,302 | 1,522,244 | 971,294   | 1,116,053 | 1,542,687 | 1,980,949 | 2,701,275  | 3,654,380  | 4,656,775  |
| <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 ..           | 73·6      | 73·3      | 79·8      | 78·1      | 78·2      | 80·5      | 80·7      | 82·1       | 87·5       | 89·6       |
| Maintenance by local authorities  | 26·4      | 26·7      | 20·2      | 21·9      | 21·8      | 19·5      | 19·3      | 17·9       | 12·5       | 10·4       |
| Construction by Board ..          | 83·3      | 81·6      | 79·2      | 77·6      | 77·0      | 84·9      | 84·5      | 93·6†      | 95·5†      | 95·8†      |
| Construction by local authorities | 16·7      | 18·4      | 20·8      | 22·4      | 23·0      | 15·1      | 15·5      | 6·4†       | 4·5†       | 4·2†       |

\*These figures represent true maintenance expenditure, whereas in preceding years expenditure under the Revenue Account was shown.

†These figures and percentages relate to renewals and construction; previously renewals have been absorbed in both maintenance and construction.

The maintenance figure in the above tabulation excludes indirect charges such as supervision and interest, but includes the cost of flood-damage restoration. It will be noted that expenditure on constructional work was approximately £750,000 greater than in the previous year, and, further, that the proportion found by local authorities still continues to diminish.

The following statement shows the total expenditure by the Board in each Island on both maintenance and construction for the financial year ended 31st March, 1939, the latter including renewals. The figures take into account administration charges, but exclude interest on highways loans :—

|                    | Expenditure on Maintenance. | Expenditure on Renewals and Construction. | Total Expenditure in each Island. | Percentage of Expenditure in each Island. |
|--------------------|-----------------------------|-------------------------------------------|-----------------------------------|-------------------------------------------|
|                    | £                           | £                                         | £                                 |                                           |
| North Island .. .. | 943,082                     | 1,969,229                                 | 2,912,311                         | 65·51                                     |
| South Island .. .. | 418,544                     | 1,206,395                                 | 1,624,939                         | 34·49                                     |
| Totals .. ..       | 1,361,626                   | 3,175,624                                 | 4,537,250                         | 100·00                                    |

#### MAINTENANCE.

The total maintenance expenditure by the Board and by local authorities amounted to £1,464,070, as against £1,227,555 the previous year.

The increase is therefore £236,515, and the average cost per mile has risen from £101·2 in 1937-38 to £119·9 in the year under review. This is mainly accounted for by extraordinary flood damage, the repair of which came to charge almost entirely during the period.