

SOUTH ISLAND SCHEME
Capital outlay, £9,810,194.

| | £ | £ |
|------------------------------|----------|---------|
| Revenue | 964,994 | |
| Operating-costs | 317,697 | |
| Gross profit | ----- | 647,297 |
| The capital charges are— | | |
| Interest | 333,162 | |
| Depreciation | 33,399 | |
| Total | ----- | 366,561 |
| Leaving a balance of | £280,736 | |

The balance has been used to pay income-tax, &c. (£143,693), and loans redemption of £137,043.

Arrears of loans redemption are £176,623, an increase of £1,498 for the year.

The financial position has been adversely affected for the past few years by the heavy payments of taxation and by the extent to which, owing to power-shortages, it has been necessary to operate the comparatively expensive fuel-burning plants, particularly in the North Island. It is hoped that with a return to more normal times we may be able to obtain some relief from each of these difficulties.

NEW WORKS

Throughout the war period, operations in connection with new works and extensions urgently needed to meet ever-increasing demands have been greatly restricted owing to difficulties in materials, man-power, and deliveries of plant from overseas. Every effort has, however, been made to push ahead with the new works at Karapiro and Kaitawa (Waikaremoana) in the North Island, and with Tekapo in the South Island. It is hoped that the first unit at Karapiro will be available before next winter, that two others, each 30,000 kW, will follow at intervals of three to four months, and that the Kaitawa development will also be completed before the end of 1947, and a further unit—21,000 kW.—installed in the existing Arapuni power-house by the end of this year. It is regretted that, owing to staff limitations, it has not been possible to proceed with the construction of a dam which is badly needed in the Cobb scheme to carry over the short periods of low flow which are known to occur in that watershed. It is, however, anticipated that this work will be in hand this year.

On the next big development—the Waikato, at Maraetai—for which generating-plant was ordered last year, work has commenced on roading, buildings, and general preparation of the site. In connection with this job, and others which will follow at adjacent sites on the river, we propose to erect a semi-permanent town at Mangakino, from which workmen can be conveniently transported to work at Maraetai, and at least two further developments. By providing better accommodation and some of the amenities of town life we shall be able to secure and retain a better and more contented class of workman than we would be able to obtain in what otherwise would be an isolated and unattractive area. In this connection, also, I am in negotiation with my colleague the Minister of Lands to secure the co-operation of his Department and the Public Works Department into bringing into production, particularly for milk and vegetables, the adjacent lands at present totally undeveloped, but which, with proper treatment, should be capable of