

The Government quite appreciates the undesirability of creating more local authorities or interfering with the statutory powers of existing local bodies. Until the whole question has been reviewed by the Local Government Commission recently set up there can be no thought of giving Regional Councils overriding authority. They must remain advisory bodies only, but the advice given would always receive the serious consideration of the Government. Ultimately the question of giving Regional Councils executive powers will arise, and the Government's decision in this respect would no doubt be largely influenced by the results of the working of Regional Councils in their present form. No common approach is possible. The problems vary according to the character of each region. In the metropolitan areas there has been a ready response. In the rural areas the response has been slower and further progress must await a much closer study than so far had been possible of information available regarding the natural resources.

It is now really a matter for the local people. If deep-rooted parochial interests were to prevent the setting-up of Regional Councils in certain areas it would be disappointing. The Government itself will in any case from now on plan regionally. It could do nothing else, but I sincerely hope that in this the Government will have the co-operation it desires from local authorities in all parts of New Zealand. In turn, the Government realizes the need to associate centrally those Departments of State most intimately concerned with forward development of the country on a national and regional basis, and is taking the necessary steps in this direction.

The co-ordination of Central and local Government development as it affects town-planning offers an immediate test for such administration, and it is nowhere better illustrated than in Auckland and Wellington, where Government proposals in the works schedules are of such a type and nature as to demand revision of all existing planning and zoning schemes as soon as possible.

The difficulties associated with the granting of subsidies to local bodies engaged on development works is one of those matters concerning which the Ministry of Works, on behalf of the Treasury, has been called upon to investigate on several occasions since the cessation of hostilities. In the past subsidies have in the main been provided for roading and highways on an established basis formulated to suit stable peacetime conditions unaffected by the abnormalities of war years. The demand for new urban and regional development works requires a close examination of the existing basis of payment of Government subsidy, which, in my opinion, does not offer sufficient elasticity. I therefore propose, during the ensuing year, to ask the Commissioner of Works to review the whole question of subsidies, paying particular attention to those for works which are regional in character.

Whilst no general amendment to the Public Works Act has been enacted for some years, there are already indications that attention must shortly be given to reviewing the several existing statutes under which the Ministry of Works is required to function. The only legislation directly affecting the Ministry which was enacted during the past year was contained in :—

- (a) The Soil Conservation and Rivers Control Amendment Act, 1946.
- (b) The Finance Act, 1946, section 23.
- (c) The Finance Act, 1946 (No. 2), section 5.

Reference was made in my statement last year to the setting-up of a Royal Commission to consider what trans-harbour facilities were necessary in the Auckland Metropolitan Area to provide adequately for future traffic requirements of all kinds. The order of reference included also certain subsidiary questions relating thereto. The Commission has submitted its report, and this has received preliminary consideration by Government. Cabinet has generally approved the findings and recommendations of the Commission, and surveys are already in hand to enable a more detailed examination of the various proposals to be made. I desire to express my appreciation to the members of the Commission, especially to the Chairman, Sir Francis Vernon Frazer, K.B., M.A., LL.B., for their careful and painstaking work.