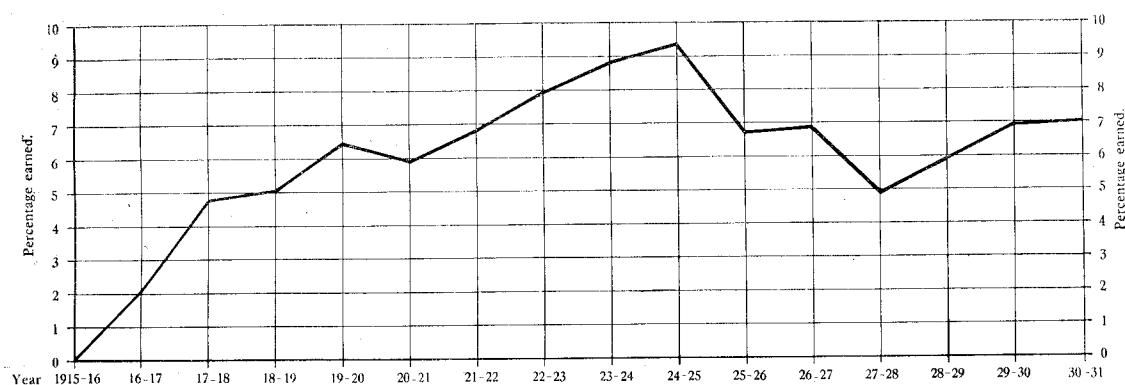


PERCENTAGE EARNED ON OPERATING CAPITAL AFTER PAYING OPERATING EXPENSES.

	Average Operating Capital.	Gross Revenue.	Working Expenses.	Net Profit.	Percentage Net Profit to Operating Capital.
	£	£	£	£	£
Horahora-Arapuni	1,672,621	184,593	101,889	82,704	5.99
Mangahao-Waikaremoana ..	3,388,726	283,017	59,476	223,541	6.60
Lake Coleridge	1,609,604	217,632	57,033	160,599	9.86
Total	6,670,951	685,242	218,398	466,844	7.00

Percentage earned on Operating Capital after paying Net Operating Expenses.

The graph above indicates that despite the adverse year the general average has been well up to that of previous years.

There are indications that the general period of depression is having some effect on the rates of increase in power-demand for bulk supply. On account of the totally different conditions under which we are operating in the Auckland-Waikato area as compared with last year, it is not possible to make any very definite comparisons, but in the Mangahao-Waikaremoana system for the quarter ending June, 1931, there has been an increase of only 5 per cent. as compared with the same quarter of last year, whilst in the Lake Coleridge system there has been a decrease of 3 per cent. as compared with the same quarter of the previous year. Both these figures show very considerable reductions on the large increases which have been usual during the previous two or three years.

ARAPUNI HYDRO-ELECTRIC WORKS.

The report on this scheme submitted by Professor Hornell, which was laid before honourable members last year, was fully considered by the Government and a decision arrived at that work on the re-establishment of the development should proceed, so as to get the plant into operation at the earliest possible date. The Department was accordingly in December last authorized to proceed with the work as outlined in that report, and also to do some further work on stabilizing the section known as the "waterfall" which, in the opinion of the Government, was one of the most important parts. Work on all sections is now well in hand, and it is hoped to again have the plant in operation for the winter of 1932. As this work is of considerable public importance, the attention of honourable members is directed to the detailed report of the Engineer-in-Chief, which will be found in another part of this Statement. I desire to say, however, at this stage, that I am very satisfied with the progress of the work and that the indications are that it will be completed well within the estimate made last year.

By utilizing all existing auxiliary plants in the area, the Department has been able to supply practically the whole demand that has been made for power. The Auckland Power Board, immediately following the breakdown at Arapuni, placed an order for an additional 15,000 kw. set for its King's Wharf Station, and now this is in operation the Board is in a position to supply power back to the Department for use by its other consumers should occasion demand.