

I therefore award the sum of £12,591 12s. 10d., the total price of the transmitting equipment (exclusive of towers, &c.) at the Wellington station.

*Towers.*—As to the towers at each of these four stations, the position is that there has been an increase by the makers in the price of these towers as compared with the price when the Company purchased them. If there had been a reduction in the cost price of towers the Department would have been entitled to the benefit of this reduction, and, in like manner, it is proper when considering their present value to treat the original cost as appreciated if the price was higher at the date the Department took possession. So far as concerns certain items in the schedule of furniture, the position is that the market price of such had fallen at the time the company delivered possession to the Department, and the Department (quite properly in my opinion) claimed that such reduced price was the basis on which depreciation should be calculated. In the case of steel towers the price has been increased, and it is equally proper, in my opinion, to take this increased price as the basis for calculating depreciation, and thus arriving at the price to be paid by the Department for these towers. A table detailing the cost of each of these towers on the basis of such increased cost was prepared by the company and put in evidence. The correctness of the figuring in these tables is not questioned. This table also includes the amount paid for erection, and although the costs of erection were questioned by the Department and countered by the production of expert evidence as to what they estimated the towers would have cost to erect, I see no reason to question the truth of the actual evidence of cost produced by the company. These figures show what was actually paid. The Department's figures indicate what in the opinion of their witnesses ought to have been paid, but on cross-examination I was satisfied that in making these estimates the Department's witnesses entirely overlooked many factors of cost which ought to have been considered. Moreover, the company also produced evidence of expert witnesses which confirmed the reasonableness of the company's figures. The work in the erection of these towers was not undertaken by contract, but was arranged and supervised by Harris and Co. Added to the cost of each tower is a charge of 11 per cent. on cost, which was Harris and Co.'s standard charge for supervising and generally carrying out the work. I have already dealt with the propriety of allowing this item when discussing the cost of transmitting-plant, and my remarks thereon apply equally to the cost of towers.

The matter of depreciation on towers is in a somewhat different category to depreciation on broadcasting equipment. The art of tower-building is more or less stable, its ambits are limited, and it is not the subject-matter of intensive research. Consequently, therefore, there have been no changes in design and the towers if erected new to-day would be identical with those already erected. The only factor of depreciation is their age. For this purpose, although some have been erected longer than others, all four sets of towers may fairly enough be treated as in the same category, and I shall assume five years as a fair average age for each tower. The company asks me to assume a life of forty years, and there was evidence that such a life might well be expected, the steel of which they are composed being very heavily galvanized. The engineers called for the Department asked me to assume a life of only sixteen years. There was evidence before me that towers erected some twenty-five years ago are still in as good condition as when erected. A reasonably minded buyer would certainly assume a longer life than that suggested by the Department. I shall assume a life of thirty-three years, which calls for an annual depreciation of 3 per cent., and on this basis the proper depreciation allowable against the company would be 15 per cent. on the total cost of each set of towers at January prices.

Tables were produced setting out the purchase and erection costs of these towers (the purchase cost being calculated on January's price instead of upon the price actually paid at the time of purchase by the company). It is not necessary for me to give details. In each case the payments to Harris and Co. were upon the same basis as for the other plant.

The figures are as follows :—

						£	s.	d.
Auckland towers	..	..	..	..	..	1,181	5	1
Wellington towers	..	..	..	..	..	2,529	16	0
Christchurch towers	..	..	..	..	..	1,293	1	1
Dunedin towers	..	..	..	..	..	1,011	18	8
						6,016	0	10
Deduct from this depreciation at 15 per cent.	..	..	..	..	..	902	8	0
Making total price of towers and erections	..	..	..	..	..	£5,113	12	10

I therefore award that the price to be paid for the towers at the four stations is the sum of £5,113 12s. 10d.

*Additional Broadcasting Equipment.*—At each of the company's stations there is additional equipment included in the schedule of "Machinery, plant, and tools" taken over by the Department, but not covered by the award made by me in respect of transmitting equipment and towers, including erection costs.