The activities of local bodies being largely curtailed by war conditions has resulted in a limited use of road plant and also a limited amount of assistance with the purchase of plant.

The importance of establishing large, well-equipped workshops in each zone is stressed. repair workshops already established in various localities have provided an excellent service in so far as has been possible with reduced staff and shortages of spare parts. General field inspection is being regularly carried out with the testing of units under operation, and as soon as opportunity permits this service will be expanded so that the efficiency and economical life of the plant may be maintained at a maximum.

The rehabilitation of returned servicemen and disposal of war assets is likely to be an important part of this Branch's activities in the near future, and already assistance is being given to Government Departments most affected.

ZONING SYSTEM OF PLANT CONTROL

The new scheme of dividing the Dominion into three plant zones has now been in operation for approximately eighteen months, and with the increased control and direction of plant there has been a noticeable increase in the total effective working-hours of the plant.

The system involves the rental of all the Department's plant units from one central plant organization to each individual job. All operating costs are borne by the zone, and a fixed rate of hire for actual working-hours is charged up each month. This system permits accurate estimating of the cost of a work.

Along with this added control, a new system of plant recording covering maintenance, plant performance, and plant replacement, has been instituted, which will result in a large amount of very valuable data being available to the Department covering the replacement and operation of its mechanical fleet.

This zoning system enables priority work to be given the greatest possible plant population, and in case of emergency, as in the recent flood disasters in the South Island, the transfer of necessary plant is expedited. This is the result of the exact location, condition, and mobility of all items of plant being known at all times. The system now in operation is similar in many ways to that in use in Australia, and considerable interest has also been shown in the U.S.A. in the control of what is probably the largest mechanical fleet owned by one organization.

The rates have proved to be very reasonable in general, and in some cases it has been possible to reduce them. The result of these fixed rates has been to largely stabilize plant-hire rates throughout the

Dominion.

STAFF

The staff has as usual rendered highly efficient service throughout the year, and I have to thank them for their loyal support. Although our construction programme is lower than it has been for many years, the work is being carried on under greater difficulties than ever, and the resources of the Department have been severely taxed.

Proposals in regard to the reorganization of the Department have added to our difficulties, but

these will be overcome in due course.

I am again pleased to welcome back to the Department a number of the staff who have returned

to the Department after long and arduous service with the Armed Forces.

The surrender of Italy brought to a conclusion a campaign in which many of our staff played a distinguished part, and their work has been recognized by a number of awards and decorations.

I have, &c.,

W. L. NEWNHAM, M.Inst.C.E., Engineer-in-Chief.