

SESSION II.
1921.
NEW ZEALAND.

TOLL-GATES

(REPORT OF COMMITTEE APPOINTED TO INVESTIGATE THE GENERAL QUESTION OF).

Laid on the Table of the House of Representatives by Leave.

Hon. Minister of Public Works, Wellington.

In compliance with Cabinet direction, a Committee consisting of the following officers of this Department—viz., Messrs. G. T. Murray, H. H. Sharp, and T. M. Ball—has investigated the general question of toll-gates, and I forward attached hereto their report and recommendation for your consideration.

F. W. FURKERT, Engineer-in-Chief.

Public Works Office, Wellington, 1st November, 1921.

REPORT.

20th August, 1921.

To the Engineer-in-Chief, Public Works Department, Wellington.

In pursuance of directions issued in May last, we have inquired into, and now report upon, the general question of toll-gates.

In order to obtain the necessary information on all the questions involved your Committee deemed it advisable to hold meetings at New Plymouth, Stratford, Hawera, and Wanganui, and issued notices to the various local bodies in Taranaki and Wanganui districts, in order that all those affected might have opportunities of placing their views before your Committee.

Sittings were accordingly held as under: Tuesday, 26th July, at Borough Chambers, New Plymouth; Wednesday, 27th July, at Courthouse, Stratford; Thursday, 28th July, at Borough Chambers, Hawera; Friday, 29th July, at Borough Chambers, Wanganui.

The following local bodies were represented before your Committee: Taranaki, Stratford, Clifton, Hawera, Eltham, Egmont, Waimate West, Inglewood, Wanganui, and Waitotara County Councils; New Plymouth, Stratford, Eltham, Hawera, and Wanganui Borough Councils; New Plymouth Chamber of Commerce.

At New Plymouth and Hawera full evidence was taken, and at Wanganui your Committee took careful notes, besides, fairly full Press reports were also available.

The present position and attitude of the various local bodies concerned in regard to toll-gates is as follows:—

Taranaki County Council: One gate already in use, three more applied for.

Stratford County Council: One gate already in use, no others applied for.

Clifton County Council: One gate already in use, no others applied for.

Hawera County Council: Two gates already in use, no others applied for.

Eltham County Council: Two gates already in use, no others applied for.

Egmont County Council: None in use, three applied for.

Inglewood County Council: None in use, four applied for (if other applications all granted).

Waimate West County Council: None in use, none applied for (opposed to toll-gates).

Wanganui County Council: None in use, one applied for.

Waitotara County Council: None in use, one applied for.

New Plymouth, Stratford, Eltham, Hawera, and Wanganui Borough Councils, opposed to toll-gates.

New Plymouth Chamber of Commerce, opposed to toll-gates.

Applications for toll-gates have also been received from other local bodies throughout the Dominion as scheduled hereunder; but, in view of the fact that the general principle is practically the same as in the cases already investigated by your Committee, it appears that the additional expenses necessary for such further inquiries were scarcely justified. If, however, it is considered desirable that these claims should also be investigated, your Committee will be pleased to receive further instructions.

			Date of Application.		
Manurewa Town Board	18/11/20	On Great South Road.
Taieri County Council	13/8/17	At Green Island.
Heathcote County Council	10/11/15	At Summit Road.
Rotorua County Council	24/9/20	At three roads around town.
Pelorus Road Board	30/1/17	Nelson-Blenheim Road.
Hawke's Bay County Council	15/5/20	Te Aute and Tepohue.
Waimarino County Council	21/11/17	Karioi Rangiwaia.
Hutt County Council	15/12/20	Day's Bay.

The localities, proceeds, and costs of the gates already in operation, together with names of counties in which situated, are as under:—

County.	Locality.	Estab-lished.	Gross Takings, 1920.	Cost of Collec-tion.	Per-centage.	Distance main-tained.
Taranaki ..	Puniho. Twenty miles south of New Plymouth, on Main South Road	1908	£ 1,912	£ 208	10.88	Miles. 18
Clifton ..	Waihi. Three miles north of Waitara, on Main North Road	1906	1,500	150	10.00	29
Stratford ..	Waipuku. Six miles and a half north of Stratford, on Mountain Road	1915	2,612	244	9.34	9
Eltham ..	Mangatoki. Three miles west of Eltham, on Opunake Road	1908	2,247	254	11.30	} 14
Eltham ..	Riverlea. Fifteen miles west of Eltham, on Opunake Road	1908	685	176	25.69	
Hawera ..	Riversdale. Six miles and a half west of Hawera, on Hawera-Opunake Road*	1909	2,029	203	10.00	6½
Hawera ..	Okaiawa. On Normanby-Hawera Road	1909	300	60	20.00	..
		..	11,285	1,295	11.47	76½

* Seven miles west of Normanby.

These toll-gates are usually placed at the furthest boundaries of the county, in order to partially relieve the ratepayers of that particular county from payment and at the same time to catch foreign traffic.

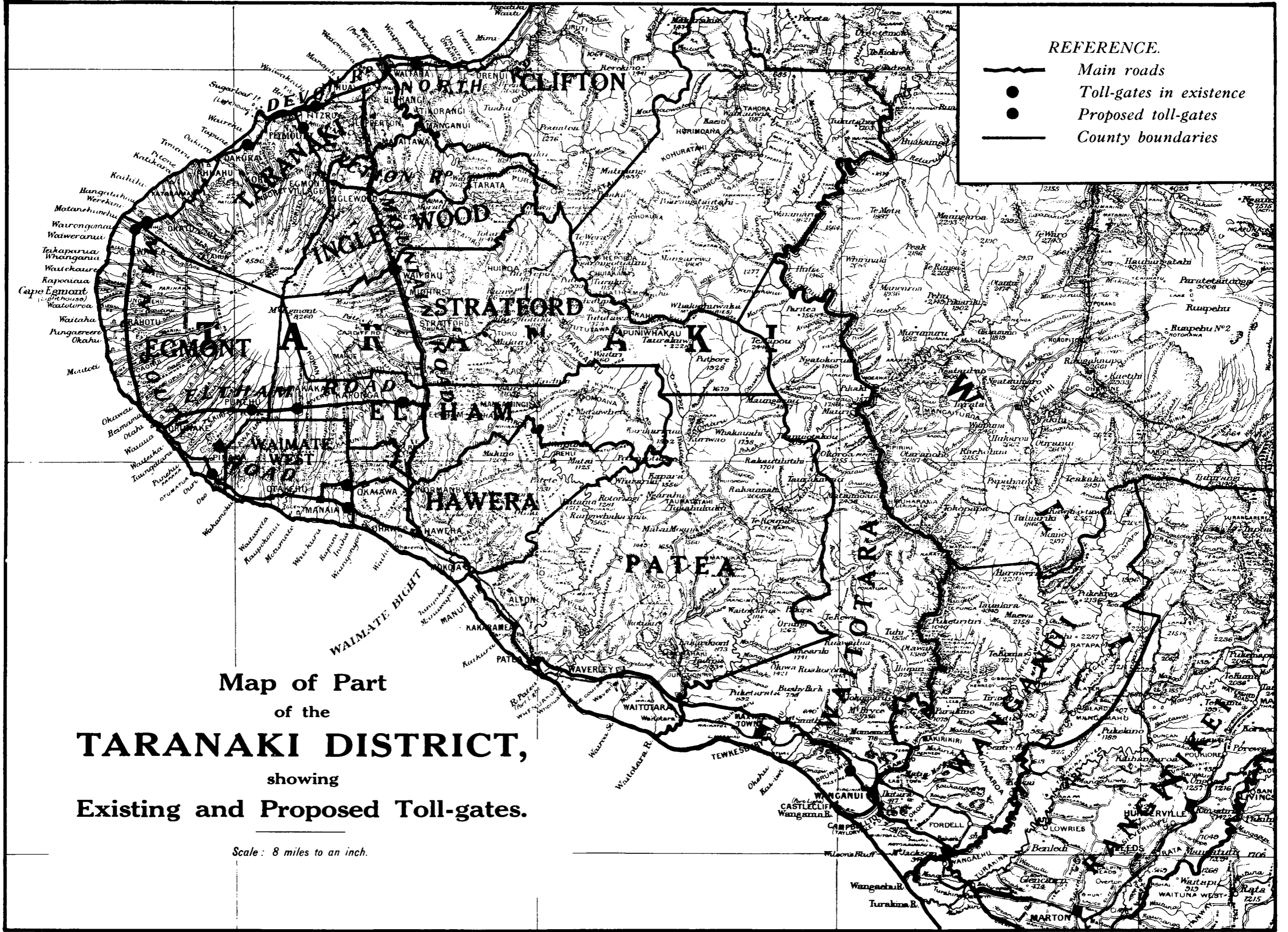
From the above schedule it will be noticed that the proceeds of some of the gates are large and collected at comparatively small percentage-cost, and in most instances the net proceeds are more than sufficient to cover the maintenance-costs of the road on which they are situated. If, however, toll-gates became general it is possible that traffic would diminish, and consequently that the net proceeds per gate would be reduced.

The Taranaki, Egmont, Inglewood, Wanganui, and Waitotara County Councils base their applications for toll-gates on the statements that these areas are already as fully rated as the country will stand; that, with the funds available, it is impossible to maintain these roads; that the advent of motor traffic has rendered better roads essential; that much of this traffic is foreign; that efforts to obtain further financial assistance have proved futile; and that, therefore, much as they dislike the system, the only apparent practicable method for raising funds and making outside traffic pay towards the upkeep of the roads used is to establish further toll-gates. The boroughs, on the other hand, unanimately oppose the system, on the ground that these gates would be detrimental to the various towns as well as to the provincial districts.

It is apparent that the general condition of the principal roads in the district visited by your Committee is distinctly superior to what it was in the days prior to the advent of such traffic, in spite of the fact that modern traffic is more severe on the road-surfaces. This is largely due to the enterprise of several counties who have adopted improved methods of construction and maintenance, with such success that other counties have followed their example.

It was stated that the expense of maintaining suitable surfaces on macadam roads has resulted in those counties still having such roads being compelled to make applications for toll-gates in order to minimize their financial difficulties.

The evidence appeared to indicate that when the traffic was very heavy, and in consequence the deterioration of ordinary macadam very marked (the maintenance-cost approaching £300 per mile per annum), the reconstruction of a macadam road, with tar-sealed surface, effected sufficient saving





in maintenance-costs to cover the interest and sinking-fund charges on loans for such reconstruction. Large loans had to be raised in order to carry out this improved construction, but those counties who had sufficient foresight to borrow accordingly have now the advantage of excellent tarred roads and of low costs of maintenance. On the other hand, those who postponed action and did not borrow still have the ordinary waterbound macadam roads, which are maintained, even in their present condition, only by very heavy annual expenditure. At the same time it is only fair to add that the counties who initiated the improvements were, generally speaking, forced to do so on account of the very high cost of stone and the apparent impossibility of maintaining their road-surfaces.

The cost of construction and maintenance is much greater than formerly, owing to increased rates of labour and prices of material, and higher rates of interest are now necessary. Consequently, counties like Taranaki, Inglewood, Egmont, Waitotara, and Wanganui are faced with a much heavier financial burden to reconstruct and maintain their roads than is the case with counties who adopted a progressive policy some years earlier. The general financial position of the various counties interviewed is as per attached schedule, from which it will be observed that (taking into consideration special rates on loans as well as general rates) the counties concerned have rated themselves as highly as could be reasonably expected if the valuations were up to date, but many of the valuations are so old that the amounts collected are not as great as they should be.

Before the advent of the motor the natural limitation of horse-drawn vehicles militated against any large volume of through or foreign traffic on the roads generally, and almost the whole of the traffic over the county roads was local. Latterly, however, there have been a great number of road-users who pay nothing whatever directly towards the upkeep of the roads which they use. The institution of toll-gates was, therefore, an attempt to ensure that all those who used the roads should contribute towards their upkeep and thus provide the additional revenue.

The local bodies are unanimously of the opinion that the establishment of toll-gates is an undesirable and retrograde step, but they argue that in the absence of any other legal method of apportioning the cost, and in the present state of local-body finance, they have no option.

The alternatives suggested by the counties were :—

- (a.) Increased subsidy on all amounts collected from rates. In most cases up to 10s. in the pound was suggested. This was the subsidy recommended by the conference of counties which met in 1919, and would involve the provision of an amount at least £500,000 in excess of the present subsidy.
- (b.) Tax on tires, collected through the Customs. No special percentage was named, but about £200,000 a year was in places assumed as likely to be available. The distribution of this source of revenue was, however, a matter of difference of opinion; some advocated in proportion to road mileages, others in proportion to number of cars, and others in proportion to rates.

The taking-over of the Wellington-Waitara-Auckland main road will relieve the following counties of the mileages of roads as shown—in all cases excluding lengths within boroughs or town districts :—

County Council.	Miles.
Wanganui Wangaehu River to Wanganui	9
Waitotara Wanganui to Waitotara	20½
Patea Waitotara to Manawapou	26½
Hawera Manawapou to Onewai	12
Eltham Boylan Road to northern boundary	7
Stratford Southern boundary to Waipuku	9
Inglewood Waipuku to Waiongona	10½
Taranaki Waiongona to Waitara	8
Clifton Waitara to Mokau	45

There is no doubt that the financial obligations placed on local bodies are now becoming more difficult to deal with, but the only remedy appears to be to review the whole question of local-body finance, which would apparently involve questions that lie beyond the scope of this Committee.

On the other hand, if the toll-gate principle is carried to its logical conclusion, every county would be entitled to erect at least one or more toll-gates, thus creating a position which would be absolutely intolerable to the travelling public, and would result in increased charges on all merchandise and commercial transactions. A large proportion of these increased charges would fall on the county ratepayer, and would also tend to stifle trade.

After careful consideration your Committee recommends that suitable legislation be introduced, providing—

- (1.) That in future no toll-gates be authorized.
- (2.) That on the coming into operation of the Main Roads Bill or other compensating legislation, as indicated in clause 3 below, all existing toll-gates be abolished.
- (3.) That subsidies at the rate of 5s. in the £1 on all general rates collectable on capital value or on equivalent unimproved value be payable out of Consolidated Fund as from the same date, but only in proportion, as the actual rates levied are to the maximum rate permissible under the Counties Act. As the maximum rate is 3d. in the £1 on the capital value, a county rating 1d. in the £1 would only receive one-third of the subsidy, and other ratings similarly.
- (4.) That a 20 per cent. *ad valorem* tax on all rubber tires, pneumatic or solid, be levied through the Customs Department, paid to Consolidated Fund, and subsidies on rates be paid to County Councils as in terms of recommendation (3) as above, and the balance be devoted to the maintenance of such arterial roads as may from time to time be so declared by Government.

In regard to the suggested method of subsidizing rates, it is found that counties whose rates are low will receive less, while those whose rates are high will receive more than under the present system. Nevertheless, for the whole Dominion it is anticipated that the increase over the present total of £150,000 or thereabouts will not amount to more than £20,000 annually. By this suggested system it is anticipated that the tendency will be to form larger counties with higher standards of organization, and to stimulate progressive counties to still further efforts in the development of their districts and in the improvement of their roads.

Under the proposed Main Roads Bill it would appear that certain counties will be relieved of the maintenance of varying lengths of main roads, and consequently will be in a better position to deal with their remaining roads, while other counties (who will not be similarly relieved) are in positions that equally require financial relief. It is suggested that in order to obviate this apparent inequity all counties who are relieved of maintenance of portions taken over in terms of the Main Roads Bill shall contribute 50 per cent. of the average annual maintenance-costs of the portions so taken over, such average cost being computed from the annual costs of the three years immediately preceding the taking-over, and the Government shall have power to collect this contribution by deduction from the proposed subsidy on rates.

G. T. MURRAY, Inspecting Engineer, Wellington.

H. H. SHARP, Staff Engineer, Wellington.

T. M. BALL, District Engineer, Stratford.

SCHEDULE SHOWING FINANCIAL POSITION OF COUNTIES AFFECTED BY RECOMMENDATIONS.

County.	Area.	Amount of Valuation.	Date of Valuation.	System of Rating.	Loan Charges.	Average General Rate on Capital-value Basis.	Amount collectable.	Government Subsidy, 1920.	Government Subsidy now suggested.	Difference.	Loss by Abolition of Toll-gates.
	sq. m.	£			£	£	£	£	£	£	£
Clifton ..	570	864,014	1911	Capital value	1,239	2.37	8,508	650	1,680	+1,030	1,350
Egmont ..	197	1,711,464	1914	"	3,356	2.41	17,252	1,000	3,465	+2,465	..
Eltham ..	201	1,914,187	1914	"	5,200	1.84	14,668	1,800	2,249	+449	2,502
Hawera ..	195	4,294,250	1919	"	3,661	1.35	24,174	2,341	2,720	+379	2,066
Inglewood ..	156	467,348	1920	Unimproved value	1,447	2.50	9,736	250	2,028	+1,778	..
Stratford ..	368	2,069,867	1920	Ditto ..	7,215	1.31	17,804	1,552	1,944	+392	2,368
Taranaki ..	239	816,629	1913	" ..	3,055	2.80	16,144	998	3,767	+2,769	1,704
Waimate West ..	88	2,086,100	1920	Capital value	3,589	1.46	12,686	1,049	1,543	+494	..
Waitotara ..	476	2,515,951	1916	"	770	1.25	13,104	1,950	1,365	-585	..
Wanganui ..	472	2,823,127	1916	"	2,842	1.72	20,213	2,037	2,897	+860	..
Totals								13,627	23,658	+10,031	9,990

Approximate Cost of Paper.—Preparation, not given; printing 550 copies (including map), £20.

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Price 9d.]