

During the period 1921–22 to 1924–25 the following results have been obtained in so far as payments and receipts are concerned :—

Payments.				Receipts.			
1921–22.	1922–23.	1923–24.	1924–25.	1921–22.	1922–23.	1923–24.	1924–25.
£75,642	£50,303	£44,588	£40,949	£31,412	£44,020	£44,126	£49,566

It will thus be seen that in four years the payments have been decreased from £75,642 to £40,949, and the receipts increased from £31,412 to £49,566, a net betterment of £52,847.

No. 1 Loan of £150,000 matured on the 1st March, 1925. The sinking fund investments held by the Public Debt Sinking Fund Commissioners on account of this loan were more than sufficient to effect repayment. The Marine Department's proportion of the loan (having regard to Marine Department to Railway Department adjustment of capital liabilities) amounted to £88,235, the liquidation of which left the Department with a reserve of a corresponding amount on Westport Harbour Account. As the accumulated debit balance on Revenue Account was £32,475, a similar amount was transferred from Reserve Account in order to clear the Revenue Account.

Taking all charges into consideration, except as is hereinafter qualified, the net profit for the year, on Westport Harbour, amounted to £5,821.

This result, however, is somewhat misleading. It arises, firstly, from a heavy hand on expenditure, and, secondly, from our legal inability, as interpreted by the Audit Department, to pay interest charges which are morally due on temporary loans or advances from Consolidated Fund to Westport Harbour Account. These advances amount to £141,126 17s. 2d. and stand in the same position as bank overdraft to any Harbour Board. It is quite clear that the Harbour Account should pay interest as any Harbour Board would be required to pay. This amount, however, is reducible by £60,000, representing our surplus cash and temporary investments, of which we are not at present legally able to clear the account.

The non-payment by Westport Harbour Account of interest on the net advance of £81,126 17s. 2d. from the Consolidated Fund means in plain words that the general public is contributing some £4,462 to maintain Westport Harbour, and there is no logical reason why it should.

Had interest charges on these advances been debited in the past year's accounts the position would have been that instead of showing a net profit of £5,821 the result would have been a net profit of £1,359.

In considering Westport Harbour finance it must be borne in mind that while operating, maintenance, dredging, and capital charges go on every day, revenues in the shape of coal royalties and charges on shipping are dependent to a very great extent not only on the winning but on the export of coal. Westport coal can be won and exported only to the extent that there is demand for it, and, even if the demand exists, only as coal is available for export. During the 1923–24 year industrial difficulties on the Buller Coalfield practically stopped the export of coal and consequential revenues to the Harbour Account over a period of seventeen weeks. During the past financial year there has, fortunately, been no such interruption.

Furthermore, we must not lose sight of the fact that the demand for steam-coal for ships is being noticeably affected by the increasing use of oil fuel, while the industrial and domestic consumption of coal is also affected by the increasing use of electricity.

I mention these matters to show that, although the account shows a profit for the past financial year, the result has been achieved under conditions of (a) minimum expenditure consistent with maintaining efficient port service; (b) a year's work during which there has been comparatively little interruption in coal export; and (c) freedom from interest charges on accumulated Treasury advances from Consolidated Fund.

The effort of the past year has been to find bed-rock requirements under most favourable conditions. Having ascertained that, we must anticipate a heavier liability in the shape of interest charges on Treasury advances and the repayment thereof, increased expenditure on dredging and dredge overhaul and maintenance, and the possibility, which is always with us, of interruption in the production of coal for export.

With a view to increasing coal-export, approval has been obtained to additional expenditure on (a) deepening by dredging the berthages at the Coal Wharf; (b) dredging out the swinging-basin to a greater depth and width to enable larger ships, coming for bunker coal, to be safely handled; (c) raising at least one of the coal-cranes to enable these ships to be loaded at any state of the tide.

It is also proposed to revise the port charges generally, placing them much on the same basis as Greymouth, with the general intent that ships shall pay exactly according to the use they make of the port.

During the year representations were made to you in Westport by deputation urging the prosecution of works contemplated by the late Board, and in the partial carrying-out of which over £75,000 was expended without any beneficial result. I spent some days in Westport investigating the necessity and financial practicability of these works, but could find no more justification for their prosecution than could the Commission which most exhaustively investigated the whole matter in 1913, and whose report caused the Board itself to suspend the work.