

operate it as part of the Government system. The loans from which the Board's works have been built had been guaranteed by the State, and as this year the right existed to renew these loans on more favourable terms it appeared, if the change in ownership were desirable, that it should be effected without further delay, so that any advantages that might be obtained by getting the Government to itself arrange the new loan should be secured. Negotiations with the Board with this object in view have been in hand for some time.

ELECTRIC-SUPPLY AUTHORITIES.

Power generated in bulk is in the main sold to local authorities for distribution to the actual consumers. The local authorities are thus really partners with the Department in the complete business of giving supply to consumers, and their action and administration thus has a very considerable influence on the success of the undertaking. In fact, as the Government receives on the average only 0·34d. for each unit sold, and as the consumer pays on the average 1·25d. per unit purchased, it can readily be seen that these supply authorities can have a very considerable influence on success or otherwise of the whole business. On the whole I think it can be said that the general result is good, as there is considerable evidence to prove that the cost and general availability of electricity in New Zealand, particularly in rural areas, compares quite favourably with other places. I have not yet had opportunity to go as fully into the matter as I intend, but there are undoubtedly one or two aspects of distribution and of the relation between the generating authority and the distributing authority which are not quite perfect. There undoubtedly appears in some cases to be lack of co-operation between different owners of generating-plant. It is difficult under any contract to be sure that our available resources are being worked in the way best suited to the national interest. This particular problem has been considered in other places, and there certainly seems to be quite a decided consensus of opinion among power authorities that there should be some centralized control of generating-plants.

ELECTRICAL-SUPPLY AND ELECTRICAL-WIRING REGULATIONS.

The Electrical-supply Regulations and Electrical-wiring Regulations, which were issued in 1927, and have been under review by the Regulations Advisory Committee since 1931, were finalized during the past year, and complete new editions were gazetted in September, 1935.

GENERAL.

The capital invested in the electric-supply systems operating throughout the Dominion totals £33,181,503, which includes £13,095,382 of Government expenditure, and the gross revenue received for the year was £4,823,324. After paying working-costs, interest, sinking fund, and depreciation charges, the net profit for the year under review was £554,154, as compared with £449,499 for 1935, which indicates that the electric-supply business as a whole is in a healthy condition.

It is gratifying to notice there is distinct evidence of expansion of business among the electric-supply authorities. An analysis and summary of the operating results and other statistics furnished by each electric-supply authority reveals the fact that there has been an increased consumption of electrical energy amounting in the aggregate to approximately 8·25 per cent. over that of 1935.

The statistics also indicate that during the past year new consumers have been connected at an average rate of approximately 1,100 per month, and the completed figures for the year show that the ratio of number of consumers of electricity to the total population of the Dominion (1,573,482) is 22·7 per cent., or 24·35 per cent. of population in areas supplied with electricity.

The statistical data relative to each electric-supply authority will be found in the series of tables accompanying the report of the Chief Electrical Engineer.