

The net surplus in this subdivision for 1947-48 is £37,671. Out of this surplus, however, it is necessary to provide for capital expenditure, particularly on buildings and cafeteria amenities. Details of buildings expenditure are given in Section (b)—Buildings Fund. Cafeteria amenities are incorporated in all assembly halls erected by the Commission. To assist in the provision of such amenities at main and some secondary ports, the Commission has assumed the financial responsibility for supplying cafeteria plant, fittings, and equipment in buildings provided by Harbour Boards at main ports. As mentioned in Subdivision (v) Summary—amounts of £15,000 each for Buildings and Cafeteria Plant Purchase Reserves have been set aside for 1947-48 out of the net surplus of this subdivision, leaving a net balance of £7,671, or 5.04 per cent., of income.

As from 30th June, 1947, when daily and weekly minimum payments came into operation at Oamaru, the Commission also established a waterfront central pay office for that port. This completes the Commission's coverage of all main and secondary ports in New Zealand. Agents also act as partial central pay office organizations on behalf of the Commission at six minor ports—namely, Patea (annual and statutory holidays only), Awanui, Whangarei, Whakatane, Opotiki, and Tokomaru Bay (guaranteed weekly wage payments only).

(v) *Summary*.—This is the first full year's income on the basis of the revised National Administration Fund levy provided for in Order No. 11 of the Commission, which operated from 10th March, 1947. A substantial increase in such income was therefore anticipated in order to provide for such additional expenditure as daily and weekly minima and provision of cafeteria amenities on the waterfront. Total income for 1947-48 was £455,641, an increase of £207,281 on 1946-47. Of this income, £303,441, or two-thirds, was for holiday and minimum payments, and one-third, or £152,198, was for office administration, &c. Total expenditure of £360,435 for 1947-48 also shows the substantial increase of £136,728 as compared with 1946-47. Of this amount, £245,908, or, again, approximately two-thirds, was for holiday and minimum payments, and the remaining one-third, or £114,527, for office administration, &c.

As mentioned earlier in these notes, the Commission has decided to make provision from the 1947-48 net surplus of £95,206 in National Administration Fund for additions of £15,000 and £50,000 respectively to Buildings and Guaranteed Wage Reserves and to establish a new Cafeteria Plant Purchase Reserve of £15,000, making a total of £80,000 appropriated to reserves for the year. This leaves a net balance of £15,206 to be added to Accumulated Funds Account, which totals £49,530 as at 31st March, 1948. While the Commission considers that it is preferable to maintain a stable rate of levy and utilize surpluses in abnormal years to offset deficiencies in subnormal years, and that the present rate of levy is soundly related to average conditions, in view of the present exceptional circumstances, it is proposed to make a reduction in levies and assessments to operate from 4th October, 1948—that is, for the latter half of the 1948-49 financial year.

In so far as the Balance-sheet as at 31st March, 1948, is concerned, there is a substantial increase of £15,151 in balance of unclaimed moneys as compared with 1946-47. While this is partly due to balance-day adjustments on account of the large volume of waterfront work which coincided with the close of the financial year, the increase is chiefly due to further annual additions of non-union holiday pay, to which, as from the beginning of 1947-48 has been added quarterly amounts of non-union profit distributions.

The cash surpluses, after allowance for unclaimed moneys and creditors, have been utilized to finance the cash deficiencies in Co-operative Contracts Fund for advances of wages against contracts, &c. (see Section (d)).