

Post and Telegraph Department

Post Office profits are payable on demand to the Consolidated Fund. In the financial year just ended £1,109,967 was paid over, representing the whole of the profits for 1945-46 and £400,000 on account of 1946-47. This left due to the Consolidated Fund on the 31st March, 1949, £1,655,700, being the balance of 1946-47 profits, £997,928, and 1947-48 profits, £657,772. The £997,928 has since been paid to Public Account. The accounts for 1948-49 have not yet been prepared.

Post Office : Motor-vehicles

The Post and Telegraph Department maintains a fleet of motor-vehicles at its garages at Auckland, Wellington, Christchurch, and Dunedin. Some other Departments have their own vehicles in these cities, but the general policy has been for the Post Office to provide official motor transport there. The transport, besides being used for Post Office purposes, is available on requisition to Departments, Ministers of the Crown, semi-Government bodies, representatives of other Governments, and, in special circumstances, to private individuals such as distinguished visitors. The Post Office submits monthly claims, at prescribed rates, supported by running-sheets, to all Departments for the hire of its vehicles, and each of the four garages is a separate accounting unit. Each garage debits its working account with operating-costs, interest on capital, and depreciation, and obtains credit by the charges it makes to the various branches of the Post Office and to the outside users of the service. The combined garage working account for the year ended 31st March, 1948, shows a loss of £28,835, which indicates that the hiring rates, last fixed in 1946, are too low to cover costs. Investigations carried out by departmental officers disclose that the loading of the accounts with an appropriate portion of the general overhead of the Department would increase the loss for 1947-48 to £43,851. The loss for the year ended 31st March, 1949, is estimated at £64,000. The adjustment of charges between the garages and other Post Office branches is a matter of internal accounting, but any failure to recover full costs from other users of the service results in a loss to the Post Office. It is difficult to apportion the deficiencies with accuracy, but a close approximation, based on the Post Office records of claims rendered and charges to Post Office branches, shows that the loss attributable to the use of vehicles on other than Post Office services amounted in 1947-48 to £14,800 and in 1948-49 to £22,800. The Audit Office understands that the question of increasing hiring rates has been under consideration during the past twelve months, but no decision has yet been reached.

The Department does not insure its vehicles against damage caused by accidents. The number of these and the cost of repairing damage to them and to other property have shown a considerable increase over the past few years. In 1946-47, according to files submitted to Audit, some 230 accidents cost the Department approximately £2,300; in 1947-48, 450 cost £5,100; and in 1948-49, 500 cost £6,300. The number of vehicles in service in 1947 was 1,186; in 1948, 1,247; and in 1949, 1,405, so that the number of accidents has increased out of proportion to the increase in the number of vehicles. This increase is causing the Department some concern, and a committee has been set up to investigate ways and means of reducing it. It is understood, however, that the amount of the loss falling on the Department is still well below what would be required to effect adequate insurance cover.