

AMENDING LEGISLATION IN RELATION TO POST OFFICE ACCOUNT.

The Post and Telegraph Amendment Act, 1927, provides for the separation from the Treasury of the Post Office accounts as at the 1st April, 1928.

Under the new arrangement the system of advance by way of imprests to meet current expenditure is abolished, and my Department will meet its expenditure out of revenue.

A system of bank orders countersigned by the Controller and Auditor-General has been established, thus bringing my Department into line with other Departments whose accounts are not within the Public Account.

Provision has been made for the determination of the capital liability at the commencement of the new arrangement, and of the rate of interest payable on the loans represented by the capital liability. The creation of depreciation and other reserves and the investment of surplus funds have been authorized. It has been provided that surplus funds paid to the Treasury during the period that the system of commercial accounts has been in operation may either be treated as an investment of Post Office moneys or be applied in reduction of the capital liability of the Post Office in so far as such capital liability consists of borrowed moneys. In future, depreciation and other reserves will be represented by investments or by departmental assets that will be interest-bearing.

DETAILS OF REVENUE, ETC.

Matters of detail with reference to the financial operations and business of the Department will be found at length in the statement and tables which follow.

I have the honour to be,

Your Excellency's most obedient servant,

W. NOSWORTHY,

Postmaster-General.

General Post Office, Wellington.