

ACCOUNTS DIVISION.

REPORT OF L. C. SCOTT, ACCOUNTANT.

The availability of departmental finance is only too often a "limiting" factor in the achievement of agricultural progress, whether such progress be on lines normal or abnormal. The normal lines of progress must be foreseen, planned, and budgeted in the early part of each financial year or remain in abeyance until "next year." It is the unenviable duty of the Accounts Division to see that normal progress does not escape this "limiting" factor. Abnormal progress is all too frequently initiated by unfortunate circumstances or conditions calling for special financial provisions. Such provisions generally require to be planned at very short notice, but, when approved, they immediately come within the usual restrictive accountancy influence.

For a year to be successful in the accountancy sense it requires to close without the vote being overspent, or only overspent to the extent authorized to meet the abnormal. The 1937-38 year closed successfully. The net excess of payments over receipts was £845,419, or £31,346 below the authorization of £876,765. This margin was not unexpected, the decision to defer the extension of farm dairy instruction until 1938-39 being one of the main savings. The restrictive influence necessary to ensure the vote being "in balance" requires a full measure of co-operation from the executive officers directing expenditure, otherwise accountancy duties are liable to have rather irritating effects.

In the examination of receipts (£182,713) and payments (£1,028,132) resulting in the net excess of payments (£845,419) it is interesting to note that "Administrative Services" called for payments totalling £407,076 and yielded £106,437 credits (net being £300,639); that "Payments under Statutes" required £100,625 and yielded credits of £3,969 (net being £96,656); and that "Miscellaneous Advances, Grants, Subsidies, &c.," cost £520,431, against which there were credits of £72,307 (net being £448,124). Comparatively, the vote outgoings are much more substantial than incomings. There are, however, other receipts (£100,047) not covered by vote figures (Nauru and Ocean Islands, £35,344; Slaughtering and Inspection Act, £56,243; Dairy Industry Act, £2,455; Orchard and Garden Diseases Act, £1,783; Orchard-tax Act, £2,693; Sundry, £1,529).

Administrative Services.—Eliminate personal services (£279,182) and locomotion expenses (£45,398), and the remaining figure (£82,496) is a most startlingly modest one for working-expenses of three large farms and many small areas, two large laboratories and a seed-testing station, a publications section, numerous grading-stores, offices throughout the Dominion, and the equipment (including telephones, stationery, staff transfers) necessary in connection with a staff of 960 persons (exclusive of casual labour).

Payments under Statutes.—Compensation for diseased live-stock (£45,223), subsidies for destruction of rabbits (£28,402), and a grant for educational purposes (£27,000) are items in rather marked contrast with £82,496 for the working-expenses of the administrative services.

Miscellaneous Advances, Grants, Subsidies, &c.—The payments under this section are also heavy. The main ones are assistance to pig industry (£7,192); assistance to fruit industry (£43,369); noxious-weeds eradication (£87,482); carriage of lime, fertilizers, and farm-produce (£361,561). Apart from these, the sum of £20,827 is required to cover numerous small grants, &c.

Briefly, gross expenditure totalled £1,028,132. Payments under statutes and in connection with advances, grants, subsidies, &c., absorbed £621,056, leaving £407,076 for administrative services. Bearing in mind that out of this £407,076 the sum of £324,580 was paid in salaries and locomotion expenses, one realizes that departmental services to the public is to a large extent intangible, in that much of it is by personal contact. The recent reorganization of *Journal of Agriculture* activities on lines calculated to give the *Journal* a circulation of pre-eminence throughout the Dominion will add a measure of permanence to many of the intangible aspects of departmental service.

Whilst the main volume of the work of the Accounts Division has been in direct relationship to the actual operations of the Department, statistical and investigational problems intimately associated with the primary production of the Dominion have received considerable attention. The data relative to costs of butterfat, compiled in June and July, were utilized by the Committee (authorized by Act) in arriving at the 1937-38 season's guaranteed price. The cost of producing tobacco has been the subject of a comprehensive report. Lime production and distribution has received my attention in co-operation with the Department of Industries and Commerce. I have also been in close association with an officer of the New Zealand Meat Producers' Board in an investigation of many aspects of the freezing industry. Reports on these two last-mentioned activities are in course of preparation.

In conclusion, may I compliment my staff and others with whom I have been associated during the past year. I have received a full measure of hearty co-operation.