

ACCOUNTS DIVISION.

REPORT OF L. C. SCOTT, ACCOUNTANT.

In recent years expenditure has been expanding steadily, but 1938-39 is the first year to show a *net* expenditure in excess of £1,000,000. Although budgeted position provided for a net expenditure of £966,113, the actual net figure was £1,078,426. Minor departures from the budgeted position were necessary to meet expanded or reorganized activities, and the only instance of material expenditure in excess of appropriated figures was in connection with the fruit industry. The "overseas" and "local market" guarantees entailed financial assistance beyond the figures in the appropriations to the extent of £43,904 (overseas) and £8,530 (local market) respectively.

As usual, the availability of departmental finance has been a real "limiting" factor in the achievement of agricultural progress, in that restrictive accountancy influence has been applied to the fullest practical extent in regulating activities, whether normal or abnormal, within the planned (or budgeted) financial provisions. The co-operation from executive officers directing expenditure facilitated restrictions necessary to offset financial adjustments to meet minor abnormal requirements and thereby minimized the liability of any irritating effects which restrictive accountancy influence must otherwise engender.

It was expected that the increasing trend of the past few years in railage of lime and fertilizers would be maintained, but this did not eventuate in that the upward trend in lime was of a comparatively minor nature (about 5½ per cent. on the previous year's cost) and the trend in fertilizers receded (about 3 per cent. on the previous year's cost). Taken together, the cost of the railage concessions are almost the same as for the 1937-38 year.

Credits from various sources were budgeted to yield £287,330, but only £162,379 came to hand. The shortage was due almost entirely to the fact that receipts in connection with noxious weeds and assistance to fruit-industry schemes did not materialize.

A summarized statement of the vote follows :—

—				Expenditure appropriated.	Paid out.	Revenue appropriated.	Received.
				£	£	£	£
Administrative services	..	..	..	510,929	501,530	124,080	121,501
Payments under statutes	..	..	..	109,000	102,711	3,000	2,616
Miscellaneous advances, &c.	..	..	..	633,514	636,564	160,250	38,262
Totals	..	..	..	1,253,443	1,240,805	287,330	162,379
Less credits-in-aid	..	..	..	287,330	162,379	..	..
Net totals	..	..	..	966,113	1,078,426	..	..

From the above it will be readily appreciated that the overspent effect of the vote is more apparent than real.

In the examination of receipts (£162,379) and payments (£1,240,805) resulting in the net excess of payments (£1,078,426) it is interesting to note that "Administrative services" called for payments totalling £501,530 and yielded £121,501 credits (net being £380,029); that "Payments under statutes" required £102,711 and yielded credits of £2,616 (net being £100,095); and that "Miscellaneous advances, grants, subsidies, &c.," cost £636,564 with credits of £38,262 (net being £598,302). As usual, the vote outgoings have been, comparatively, much more substantial than incomings. There are, however, other receipts (£110,565) not covered by vote figures (Nauru and Ocean Islands, £35,344; Slaughtering and Inspection Act, £58,884; Dairy Industry Act, £2,370; Orchard and Garden Diseases Act, £8,578; Orchard-tax Act, £2,331; sundry, £3,058).

Administrative Services.—The major expenditure factor is remuneration for personal services (£322,584), and for the efficient functioning of those personal services locomotion (£63,822) is essential. Other working-expenses (£115,124) have not been excessive for the proper maintenance of operations embracing three large farms and many small areas, two extensive laboratories, a seed-testing station, a publication section, numerous grading-services, and a number of research and demonstrational services, together with provision of office accommodation, telephones, stationery, and staff transfers necessary in connection with a staff of 1,015 persons (exclusive of casual labour).

Payments under Statutes.—Compensation for diseased live-stock (£41,748), subsidies for destruction of rabbits (£29,963), subsidies to encourage production of "remounts" (£4,000), and grants for educational purposes (£27,000) give a total of £102,711, which is in rather marked contrast with £115,124 for the working-expenses of the administrative services.