

Table C.

A Table which I shall lay before you, presents, in a condensed form, the total receipts and disbursements of the year. A large number of transfers, with which the accounts themselves are necessarily burdened, have been omitted in this table. The transfers of the Special and Trust Fund Accounts, necessitated by the Act to which I have just referred are, however, shown, as supplying useful information.

It will be obvious that the change of system under that Act, operating as it did in the middle of the financial year, has prevented the accounts being stated with that simplicity which they will assume at the end of the present year.

The Committee will see, from the tables, that I have adopted a classification which is intended to distinguish the different kinds of revenue. I have divided the Ordinary Revenue into two classes, viz., Revenue raised by taxation, and Revenue received for Departmental Services. The former embraces Customs and Stamps; the latter comprises Railways, Postal, Telegraphic, Judicial, Land Transfer, Registration and other fees, Marine, and Miscellaneous. The Land Transfer now includes Deeds Registry, and all fees come under one heading.

By this system, taxation proper will be distinguished from income from services established for the direct benefit of the public; while Land, which is a diminishing quantity and of the nature of capital, stands by and will compare with itself.

It must be noted that the returns of Revenue and Expenditure, which I have to place before the Committee, represent the *net* totals. It was the practice of former Treasurers to deduct from the expenditure the sums recovered or received for credit of the several votes, and thus to show the net expenditure. But the revenue of the colony has always been stated in the gross—refunds made in respect of that revenue being shown on the opposite side of the account as disbursements. I have, however, deducted from the several items of revenue the refunds made in respect thereof, and shall thus state the net revenue as well as the net expenditure.

Sir, it has been frequently asserted that, from the system of dealing with the liabilities and assets, the accounts of the year never represent the income and expenditure under the several heads. In Victoria, for this reason, the Treasurer has abolished a system corresponding to our own, and adopted the practice of distributing the liabilities among the several votes to which they are appropriate, while the assets are in the same way made part of the estimated revenue under the several heads. Assets and liabilities are thus got rid of, and the accounts, as they are stated in detail, represent the actual transactions of the financial year. I have, however, adhered to the system which has prevailed for many years in this colony, as the question of altering that system is one which requires further consideration, and as I desire to preserve as far as possible the means of comparison.

The detailed statement of the Public Accounts of the financial year 1876-77 will be laid upon the Table in the course of a few days; but these accounts, like those which have preceded them, will probably be regarded as of little interest. To us who are always looking forward, the transactions of two years ago belong almost to a remote past.

I trust I shall be able, in a few weeks, to lay before the House detailed accounts of the transactions of the year just closed. It will be the first time that the accounts in detail have been presented to Parliament in the session following the close of the financial year, and honourable members will thereby be enabled to obtain an intimate knowledge of the transactions of the year, as epitomised in the tables which I shall lay before the Committee as an Appendix to this Statement.

#### EXPENDITURE OF THE YEAR 1877-78.

I shall now bring to the notice of the Committee the estimated expenditure and the actual expenditure for the past financial year. A tabulated statement, which I shall lay before you, shows the comparisons between the different heads of expenditure.

Table D

In referring to the ordinary expenditure and income, I propose to exclude the Provincial Liabilities, which I shall deal with specially further on. The total ordinary expenditure of the year was £3,030,241 12s., against an estimate of