

ACCOUNTS DIVISION

REPORT OF L. C. SCOTT, ACCOUNTANT

Although the estimated net expenditure for 1945-46 decreased by £91,475 on the 1944-45 estimated requirement, this was not in any way due to reduction of departmental activities. In fact, estimated expenditure amounted to £1,557,951, being an increase of £230,205 on the 1944-45 total of £1,327,745. The distribution of estimated increased expenditure applied to every subdivision of the vote. Two additional subdivisions were included (Rural Development, £10,700, and Milk Marketing, £24,000), but the expenditure effects from these were offset in that £33,000 provided annually in previous years under vote "Agriculture" by way of "Grant to New Zealand School of Agriculture" became a vote "Education" matter. It is thus apparent that the decrease in estimated net expenditure was in expectation of credits-in-aid. The 1944-45 estimate was £177,125; that for 1945-46 was £498,805. The Treasury planned to recover £294,000 in relation to the lime, fertilizer, and farm-produce items of the "Miscellaneous Services" subdivision. The remainder of the increase (£27,680) applied to all subdivisions of the vote by way of relatively normal fluctuations from planned expansions or as envisaged from other primary production trends.

A summarized statement of the vote, with 1944-45 figures in parentheses for comparative purposes, is given below:—

	Expenditure.				Revenue.	
	Appropriated.		Paid out.		Appropriated.	Received.
	£	£	£	£	£	£
Administrative services ..	851,492	(660,616)	818,157	(657,491)	169,055	(148,270)
Miscellaneous advances, &c.	590,727	(558,130)	575,486	(564,788)	327,250	(26,855)
Payments under statutes ..	91,732	(109,000)	93,426	(115,427)	2,500	(2,000)
Milk Marketing Division ..	24,000	(..)	7,994	(..)	..	217
Totals	1,557,951	(1,327,746)	1,495,063	(1,337,706)	498,805	(177,125)
Less credits-in-aid	498,805		427,601			
Net totals	1,059,146		1,067,462			

Since the 1938-39 year, when the vote net expenditure first exceeded £1,000,000, the demands of war have had mainly limiting effects on the progressive development of departmental activities. Except in the years 1940-41 and 1941-42, when heavy superphosphate subsidy charges were borne, the financial provisions in vote "Agriculture" were theoretically only for departmental purposes, but in actual fact the vote has borne substantial war activity overhead. Reabsorption of man-power, previously divorced from normal departmental activities either in "Armed Service" or on duties associated with "Armed Service" requirements, had a tendency to reduce the limitation effects in 1944-45 and still further in 1945-46. The annual vote figures below are a broad background to these remarks:—

Year.	Gross.	Credits.	Net.	Year.	Gross.	Credits.	Net.
	£	£	£		£	£	£
1938-39 ..	1,240,805	162,379	1,078,426	1942-43 ..	1,067,527	171,163	896,364
1939-40 ..	1,121,323	150,986	970,337	1943-44 ..	1,199,753	182,353	1,017,400
1940-41 ..	1,775,443	163,459	1,611,984	1944-45 ..	1,337,706	207,391	1,130,315
1941-42 ..	2,052,497	172,065	1,880,432	1945-46 ..	1,495,063	427,601	1,067,462

By virtue of the Director-General of Agriculture being Primary Industries Controller there have been significant overhead effects from 1938-39 onwards to be borne by vote "Agriculture." It is unlikely that there will be completely informative groupings of figures available in the near future which will in any way fully disclose the financial effects of the activities of the Primary Industries Controller; those given below relate to direct chargings to War Expenses Account and concern only a few of the Controller's operations—mainly cool-storage and canning erections, certain butter and cheese