

# A REPORT

ON THE

## MANAGEMENT, ACCOUNTS, AND AUDIT OF THE PUBLIC REVENUES

IN THE SEVERAL COLONIES OF

NEW SOUTH WALES,  
VICTORIA,  
QUEENSLAND,  
SOUTH AUSTRALIA,  
TASMANIA, AND  
NEW ZEALAND.

BY

JAMES EDWARD FITZGERALD, C.M.G.,

*Controller and Auditor-General, and late Member of the Executive Council of New Zealand.*

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PRESENTED TO BOTH HOUSES OF THE GENERAL ASSEMBLY BY COMMAND OF  
HIS EXCELLENCY.

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WELLINGTON.

—  
1881.



## ADDENDA AND ERRATA.

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Page 85. In Nelson, insert: "Where land is leased at a rental of 10 per cent. on the assessed value, the freehold passes to the lessee at the end of the lease without further payment."

Page 86. Instead of the words in the sixth and seventh lines, read as follows: "The price of the land is the cash price with 50 per cent. added; and, in the case of auction, the cash price with 50 per cent. added, is the minimum upset price." In the seventh line, for "640 acres" read "320 acres." In the twelfth line, for "seventy-five years" read "fifteen years."





## REPORT ON THE AUDIT OF PUBLIC REVENUES.

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The Hon. the PREMIER to the CONTROLLER and AUDITOR-GENERAL.

Government Buildings,  
Wellington, 3rd September, 1880.

SIR,—

With a view of assisting the inquiry, which it has been arranged will be held next session by the Public Accounts Committee of the House of Representatives into the whole system of keeping and auditing the public accounts of the colony, the Government is desirous that full information shall be obtained upon the subject of the management of public accounts in the Australian Colonies.

I beg therefore to request that you will be good enough to inform me whether you would undertake to proceed to Australia for the purpose of collecting this information, and of making a full report on the management of public moneys in those colonies, especially as regards the audit of accounts.

Such report should comprise full information upon the number of officers employed, and the cost of audit; on the mode in which railway accounts are kept, rendered, and audited; on the management of the public stores; on the practice of voting money by Parliament, and the control exercised over the expenditure; on the relations between the Audit and Ministers; on the subject of imprests; on the audit of the accounts of local governing bodies; and on any other subject connected with the receipt and expenditure of public moneys in those colonies which may arise in the course of the inquiry.

The Government would desire that the report should be a full and exhaustive one upon the whole subject, and that it should be ready for presentation to Parliament at its next meeting.

I have, &c.,

JOHN HALL.

The CONTROLLER and AUDITOR-GENERAL to the Hon. the PREMIER.

SIR,—

Audit Office, January, 1881.

In obedience to the instructions conveyed to me in your letter of the 3rd of September last, I have visited the several Colonies of New South Wales, Queensland, Victoria, South Australia, and Tasmania, and have prosecuted the inquiries I was directed to make with as much expedition as possible. I regret that owing to the distance of Western Australia it was impossible for me to visit that colony within the time at my disposal.

I have now the honor to submit to you the following report:—

“Such report,” you stated, “should comprise full information upon the number of officers employed, and the cost of Audit; and on the mode in which railway accounts are kept, rendered, and audited; on the management of the

“Public Stores; on the practice of voting money by Parliament, and the control exercised over the expenditure; on the relations between the Audit and the Ministers; on the subject of Imprests; on the audit of the accounts of local governing bodies; and on any other subject connected with the receipt and expenditure of public moneys in those colonies which may arise in the course of the inquiry.” You further desired that “the report should be a full and exhaustive one upon the whole subject, and that it should be ready for presentation to Parliament at its next meeting.”

In the prosecution of this work, it soon became apparent that the great variety of the subjects, and the complexity of the details to be investigated, would require a much longer time than that at my disposal, if at least the Report were to be as exhaustive as the Government contemplated, and as I could myself have desired. It is indeed a matter of surprise that so much difference should exist in the modes and forms of dealing with the management of public moneys in communities which have all emanated from a common source, have been guided by common traditions, and have all common objects in view.

Before entering on the subject-matter of this report, I desire first to express in the strongest terms the obligation I owe to the gentlemen in the various departments of the public service of the several colonies, for the uniform kindness and ready courtesy with which one and all assisted me in my inquiries, affording me free access to the books and records of their respective offices, allowing me to occupy much of their time in discussing and explaining the various systems of account and audit, and supplying me with the voluminous printed papers and forms in use, and which accompany this report.

As the information here presented was derived to some extent from verbal conversations, it is possible, notwithstanding that ample notes of such conversations were taken at the time, that errors may be found in minor details, owing to misconception of the explanations afforded. It is, however, believed that the description here given of the various processes and systems of account and audit in force in the several Australian Colonies may be relied on as accurate in all important particulars.

It will probably be found most convenient to arrange the information I have received under the heads of the several subjects to which my inquiries have extended, and under each head to explain the processes which are in use in each colony in order, dealing severally with the Receipt, the Appropriation, the Expenditure, the Audit and Accounts of Public Moneys, and then with special subjects, such as Railways, Stores, Land Funds, &c., which demand a more extended notice. For the purpose of comparing the system in this with those in force in other colonies, I have given a brief description of the mode of dealing with the public moneys in New Zealand under each head.

#### I. OF THE RECEIPT AND CUSTODY OF PUBLIC MONEYS.

NEW SOUTH  
WALES.

By the Audit Act of New South Wales of 1870, “all persons” “charged with the duty of collecting or receiving revenue” are “Public Accountants.” Every “Public Accountant” in Sydney is required to pay weekly, and out of Sydney to transmit or pay monthly, “or at such times as may be otherwise specially appointed, into the Treasury, or into such Bank as the Governor in Council may direct, all sums of money collected or received by him on account of revenue.” Moneys belonging to private persons, required by any Act to be paid into the Treasury, collected by any public officer, are to be paid in in the same manner as public moneys, and “to be placed to the credit of an account to be kept in the Treasury for such purpose, to be called the Trust Fund.” Similar moneys, which are not by law payable into the Treasury, and which come into the hands of any officer by virtue of his office, and have remained in his possession for seven days, are to be paid “into such Bank, at such place, and in such manner as the Treasurer shall from time to time by writing under his hand appoint,” and are to be paid by the officer receiving them “to a public account to be opened by him in such Bank.” After remaining unclaimed for

three months the Collectors are to deal with these as with public moneys, and they are to be paid to the credit of the Trust Fund.

By the 10th section of the Act, "The Treasurer or his Deputy shall from day to day pay into the Bank keeping the Government account all moneys received into the Treasury to an account in such Bank, to be called the Public Account."

The above constitute the provisions of the law as regards the receipt and custody of public moneys. The practical working of the system may be described as follows :—

The Colonial Treasurer is, by virtue of his office, "the Collector of Inland Revenue," and, with certain exceptions, Collectors of Revenue pay their receipts to him. These payments are made, as a rule, weekly; but, where the collections are very small, monthly. Where the Collector has an official account at a Bank he pays his receipts into it, as a rule, daily; and transfers the balance weekly to the account of the Colonial Treasurer at Sydney. He is not permitted to operate on his account for any other purpose. Where he has no local Bank account he sends the money up to the Treasury, weekly, by post, in coin, notes, post office orders, or registered letters, and sometimes in private cheques on a Sydney Bank. In the case of auction sales, in which the deposits are payable on the sale, and the balances within three months afterwards, the Land Agent is required to transmit the deposits to the Treasury immediately after the sale, and the balances as soon as he receives them. Land purchasers may, however, pay their balances into the Treasury at Sydney, if it is more convenient to them to do so.

The Treasurer pays all the money he thus receives, day by day, into the Government Bank, to the credit of the Public Account.

Certain branches of revenue are treated differently. In the case of Customs, Stamp Duties, and Railway Revenue, the Collectors in the country pay their receipts, not to the Treasurer, but to the head office of their own department in Sydney, whence the money is paid daily into the Public Account without passing through the Treasurer's hands.

The Government Bank at present is the Bank of New South Wales; but moneys are placed sometimes on fixed deposit in other Banks. At the end of 1879 the aggregate of the sums thus deposited with nine of the Banks in Sydney amounted to £1,725,000.

In Victoria the provisions of the Audit Act are similar to those in New South Wales, with the differences to be now noted. The Victorian Act, however, was that upon which those of most of the other colonies were drafted.

VICTORIA.

The clauses already quoted from the New South Wales Act are copied from the Act of Victoria; except that, in the latter, Receivers of Revenue, instead of paying their collections into the Treasury or such Bank as the Governor in Council directs (leaving it to be inferred that the moneys so paid into the Bank are to be transferred to the Public Account at the seat of Government), are required to pay their collections into such Bank as the Governor in Council appoints, "to the credit of an account to be called the Public Account;" thereby making the Public Account ubiquitous throughout the colony. Moneys payable into the Treasury belonging to private persons, and similar moneys coming into the hands of officers, though not by law payable into the Treasury, are dealt with in precisely the same manner as in New South Wales.

The Victorian Act differs from that of the older colony also in this respect: no moneys in Victoria are paid "into the Treasury," or "to the Treasurer;" the Colonial Treasurer is not a Receiver of Revenue. All moneys are paid directly into a "Public Account." Under the Victorian Act there are two classes of officers for the collection of revenue, "Collectors of Imposts" and "Receivers." The former are the officers into whose hands the money is first paid by the public; the latter are superior officials to whom the Collectors pay their collections in

each district. This plan was adopted at a time when there were few branch Banks in the colony, and it was thought undesirable to leave moneys in the hands of local Collectors longer than was necessary. The colony was therefore divided into districts, in each of which a more responsible office was created, to which all Collectors should account, and into which all collections should be paid before being passed into the Public Account. The office of Receiver had indeed, before the passing of the Audit Act, been, to some extent, called into existence for the collection of the Gold Revenue on the several gold fields.

Collectors of Imposts pay their collections to the Receiver of the district weekly, and the Receiver pays his receipts into the Public Account daily.

The system thus established by the Audit Act has become somewhat modified in practice, so far that the distinction between the Collector and Receiver is gradually disappearing. There are still Collectors of Imposts who are not Receivers, but all Receivers are now Collectors, and indeed Paymasters as well, in their districts; and a great part of the Inland Revenue comes into the Receivers' hands directly. In account, however, he has, as Collector, to account to himself as Receiver.

Where Registrars of Births, Deaths, and Marriages are allowed to keep their fees as remuneration for their services, they render no account, and the fees are not brought on charge as revenue.

In Victoria the Government deals with ten Banks, called the Associated Banks, amongst which the public moneys are divided as equally as is found to be possible. In Melbourne all the Banks receive and pay moneys on the Public Account; but in country towns it is the custom to deal with only one Bank as the Government Bank. As returns are made daily from all the branch Banks to the Bank at the seat of Government, and so to the Treasury, the Treasury is in a position to instruct the Receiver and Paymaster in Melbourne, day by day to pay in his collections to, and to draw his cheques upon, such of the Banks in Melbourne as will maintain, on the whole, a fair equality of the balances of the Public Moneys in each banking establishment: and this is the practice observed.

By the last agreement with the Associated Banks, the latter allow interest at the rate of 3 per cent. per annum on the daily current balance of the Consolidated Fund, so long as such balance in the aggregate is not less than fifty thousand pounds; but when such aggregate balance is below the sum named no interest is to be allowed thereon. No interest is to be allowed upon any of the departmental accounts. The Banks are to receive and transmit moneys on the public and departmental accounts between their branches in Victoria free of exchange; and the agreement is terminable by twelve months' notice on either side, dating from January, 1880.

There is besides a special agreement with the Associated Banks in respect to the Loan of Five Millions to be raised on behalf of the Government. This agreement provides for the drafts which the Government may draw against the loan prior to its being floated; that the proceeds of the Government drafts shall be lodged with each of the Banks in equal shares to the credit of the Railway Loan Account, and shall bear interest at the rate of 4 per cent. per annum, and shall not be withdrawn except for the purposes for which the loan is raised. The proceeds of the loan are to be divided equally between the Banks, and to bear interest at 1 per cent. under the Bank of England minimum rate of discount, but not to exceed 4 per cent. Overdrafts in London to bear interest at 1 per cent. above the Bank of England minimum rate of discount, but not less than 4 per cent. In negotiating the loan the Banks to be paid ten shillings per cent., together with customary brokerage, postage, advertising, and other incidental expenses. For payment of debentures, five shillings per cent. commission, together with exchange and brokerage. For payment of coupons, ten shillings per cent., and exchange on drafts. Drafts on London at sixty days' sight to be issued to the Government at the Banks' selling rate of exchange to the public, together with stamp duty.

The provisions of the Queensland Audit Act for payment of the public moneys into the chest are nearly in the same words as in the corresponding clauses in the New South Wales Act. There are, however, some important differences. Collectors in Brisbane are required to pay in their collections *daily*, and out of Brisbane *weekly*, which, however, is modified by the provision, "or at such times as may be otherwise specially appointed." The payments are to be made to the Treasury, or into such Bank or to such officer as the Governor in Council may direct. The provisions as regards deposits and trust moneys are the same as in New South Wales and Victoria; and the Treasurer is to pay all his receipts daily into the Bank at which the Government Account is kept, to the credit of the "Public Account." In practice the Treasury Account and the Public Account are one, and moneys required to be paid into the Treasury are paid directly into the Public Account.

Every Receiver of Revenue in Queensland has an official account at the local Bank, into which he pays his collections day by day. From the country branches the money is transmitted monthly to the Public Account in Brisbane; and from the official accounts of the Receivers in Brisbane the money is paid as a rule weekly, but in some cases monthly. The country balances are transmitted by wire, in order to bring the month's collections into the month's account. The Customs duties are paid in fortnightly. With one exception, that of the pastoral rents, the Treasurer does not act as a Receiver of Revenue directly.

The Government of Queensland deals with only one Bank, the Queensland National Bank, under a written agreement, by which the Bank undertakes to make advances to the Government to the extent of £100,000, or further advances if necessary, at a rate of interest 1 per cent. above the current rate offered to the public for deposits fixed for twelve months, but not less than 6 per cent. per annum; and to advance in London, upon security of debentures pending sale, to 75 per cent. of their nominal value, to the extent of £250,000, at a rate of interest equal to 1 per cent. above the Bank of England rate of discount. The Bank is to pay interest on the average weekly balance in London, at the rate of 1 per cent. below the minimum rate of the Bank of England on three months' bills, not to exceed 5 per cent., and on the average weekly balance in the colony, interest at the rate of  $1\frac{1}{2}$  per cent. under the current rate offered to the public for fixed deposits for three months; on fixed deposits in the colony, fixed for three, six, or twelve months, the current rates up to £150,000, and, beyond that,  $\frac{1}{2}$  per cent. under such current rates. The Bank undertakes to remit moneys from London, by drafts at sixty days' sight, at par; and to London at  $\frac{1}{2}$  per cent. below the current rate, but not below par. Remittances within the colony are to be made without charge, and the Bank is to arrange without charge to render Government cheques on Brisbane negotiable at par at any Bank in the colony. For payments in London and Australia of the half-yearly interest on the debt, the charge is to be  $\frac{1}{4}$  per cent., including commission and exchange; and for remittances to the Australian Colonies of sums of magnitude, not coming within the definition of ordinary Government business,  $\frac{1}{8}$  per cent., including commission and exchange.

The Bank is not obliged to hold at interest more than £400,000, and the Government may place anything above that amount elsewhere.

The Bank is to negotiate all Government securities for a commission of  $\frac{3}{8}$  per cent. on the gross proceeds, with  $\frac{1}{4}$  per cent. brokerage when brokers are actually employed, and incidental expenses.

This agreement is to continue in force for three years, and then to be terminated by six months' notice.

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In South Australia the Audit Act contains no provisions as to the receipt or payment of public money, but empowers the Governor in Council to make Regulations in that behalf. Under such Regulations, where the average weekly receipts are less than £10, the amount collected is to be paid into the Treasury on the last day of the month, or as soon after as practicable. Where the weekly receipts are

QUEENSLAND.

SOUTH  
AUSTRALIA.

more than £10 the collections are to be paid in weekly, and the balance on the last day of the month; or, by country Collectors, by the first post thereafter.

There is no Public Account, apart from the Treasurer's Account, at the Bank, and all revenue is paid to the Colonial Treasurer. Much of the revenue collected in Adelaide is paid in cash over the counter in the Treasury to an officer who is called Receiver of Revenue, and the rest is paid into any one of the eight Banks in which the Treasurer's Account is kept, the Bank receipt being paid into the Treasury as cash. The cash received in the Treasury is banked every day. The collections of country Accountants are sent up to the Treasury by post, in cash, post office orders, registered letters, and private cheques. The latter are always taken as cash, and paid into the Bank for collection. In case of a cheque being dishonored, the Bank returns it to the Treasury, which takes it up and recovers the money from the drawer; but such cases are very rare. In some cases, country Collectors have official accounts at the local branches, into which they pay their collections, transferring the balances weekly to the Treasurer's Account at Adelaide. The Collectors of Customs at the outports pay their receipts to the head office at Port Adelaide, and the Collector at Adelaide pays his collections into each of the five Banks in Port Adelaide, month about in turn, and transfers his balance to the Treasury twice a week.

Receivers of Revenue having local official accounts are not restricted from operating on such accounts, and in certain cases do so; as, in the Customs, for the payment of drawbacks and refunds, and in the Law Courts, for the payment of bailiffs' fees and part penalties to informers.

Auctioneers are not required to pay the proceeds of auction sales to the Treasury until fourteen days after a sale.

For all moneys paid into the Treasury, as a rule, receipts are given; but these receipts are not given to the payer, but are sent to the Audit. The persons paying in the money do not appear to keep any receipt as a discharge. With all remittances from the country, advice notes are sent; but for much of the cash paid in over the counter no remittance note is required, but the particulars are entered in a rough book, which is signed by the person making the lodgment.

The Government of South Australia deals with eight Banks. There is no written agreement, and the Banks are not associated, as in the case of Victoria, in a contract with the Government.

A contract was made with the Banks for floating the loan of two millions in 1879, and for placing the money by drafts in the colony, and for lodging the proceeds on fixed deposit; the prices of exchange and interest being settled, each Bank taking an equal share. No interest is paid by the Banks on current balances in their hands, but moneys are transmitted within the colony without charge. The Government equalizes the deposits in the Banks by dealing with each Bank both for lodgments and withdrawals for a month at a time in succession.

#### TASMANIA.

In Tasmania the Customs receipts are paid by the outports to the Collector of Customs either at Hobart or Launceston. The Collector at Launceston pays daily into the Account of the Colonial Treasurer at the Bank, whence the Treasury draws the balances into the Bank at Hobart. The Collector at the seat of Government pays daily into the Treasury.

The land revenue from out-districts is in some cases paid by cheque sent to the Land Office, and by it forwarded to the Treasury; in some cases it is paid directly into the Treasurer's Account at the Bank. Pastoral rentals, and instalments on land sold on deferred payments, are paid to the Treasury direct.

Other Collectors, such as clerks to the petty Courts, send up their receipts directly to the Treasury; moneys are so sent by post, mostly in registered letters; private cheques when marked are taken, but not brought to account till paid.

The receipts from the only Government railway, the Launceston and Western line, are paid to the Manager at Launceston, and drawn for by the Treasury, as in the case of the Customs.

The Treasury pays all its collections daily into the Bank in gross, excepting only in the case of refunds of over-collections, commissions on sales, and share of penalties paid to informers. The Colonial Treasurer is considered to be the Collector of Internal Revenue.

The Government of Tasmania deals with three Banks; but the accounts in two are very small: the principal account is with the Commercial Bank. The Customs are paid into the Commercial Bank and the Bank of Van Diemen's Land month and month about. The dealings with the Union Bank are confined to those of one district only, the account being replenished by periodical cheques on the other Banks.

There is no regular agreement with the Banks; and no interest is paid on the current balance. In the case of advances, a special agreement is made in each case.

Since the Public Revenues Act of 1867, and by that of 1878, now in force, all public moneys in New Zealand are payable into the Public Account in the Government Bank by the officer receiving them, day by day; and only in cases where this cannot conveniently be done, the Treasury is empowered to direct in what manner the Collector shall pay his collections into the Public Account. In practice, nearly the whole of the public moneys are lodged in the several branches of the Government Bank—the Bank of New Zealand—daily; and are transmitted, as required by the Act, weekly to the Bank at the seat of Government. The Railway receipts are dealt with in the same manner, except where there is no local Bank, in which case the money is transmitted in bags to the nearest branch Bank. Where an officer is allowed to retain fees in lieu of salary, a voucher to the amount of the fees is periodically passed to credit of the officer as salary, and paid into the Public Account as revenue.

NEW  
ZEALAND.

The exceptions to this rule are as follows:—

The Postal revenue is accounted for by the Postmasters, along with their Money Order and Savings Bank receipts, to the Postmaster-General, who pays in the estimated revenue collected in his department, every week, to the Public Account, and the correct balance at the end of the month. The Telegraph Department having been recently united with that of the Post Office, the Telegraph receipts are now dealt with in the same manner; and certain other small branches of revenue, such as license fees, which are collected by Postmasters, are subjected to the same rule.

What are called “trust moneys” in other colonies, are in New Zealand paid into the Public Trust Office, and not into the Public Account; and the Public Trustee accounts separately to Parliament. The Government Insurance moneys, similarly, are not paid into the Public Account, but to the account of the Commissioner of Government Insurance, who accounts separately to Parliament. The same is the case with the Sinking Funds which are paid to the Commissioners of the Public Debt Sinking Funds.

By agreement with the Bank of New Zealand made last April, the Government is to deposit all moneys with that Bank, having the right to place any sum in excess of a balance of £300,000 on fixed deposit with other Banks or in other securities. For remittances within the colony the Bank is to be paid one shilling for every hundred pounds, and to make all payments within the colony, including those of debentures and coupons, without other charge. The Bank allows interest on the daily balance, when on the whole less than £80,000, 4 per cent.; when above that amount, 3 per cent.;—on the daily balances in London,  $1\frac{1}{2}$  per cent. under the Bank of England rate, but not exceeding 5 per cent., and on no deposits in excess of £400,000;—on fixed deposits in the colony, at rates to be agreed on; and on fixed deposits in England, at 3 per cent. for six months and 4 per cent. for twelve months, up to £300,000. The Bank is to make advances on securities

to the extent of £200,000 a month; on Treasury or deficiency bills, to the extent of £100,000; on debentures quoted on the Stock Exchange, to the extent of £300,000—in the colony at 6 per cent.; in London at 5 per cent., or 1 per cent. above the Bank of England rate.

The Bank is to sell its drafts on London to the Government at one hundred and twenty days' sight at par; at other currencies, at  $\frac{1}{4}$  per cent. less than the rates offered to the public, but not below par or less than sixty days' sight; drafts on the colony at  $\frac{1}{4}$  per cent. less than the rate charged to the public.

GENERAL  
REMARKS ON  
RECEIPTS.

From the above description it will be observed that in most of the colonies the Colonial Treasurer is still considered to be an accountant to the Crown, and is so treated in the public accounts. That was the position he occupied as the Treasurer of a Crown colony, where he was removable from office only by the Crown itself; but it may be doubted if such a position is compatible with that of a Responsible Minister, liable to removal at any time from political causes. In the latter case the Treasurer is a Finance Minister; and the officers who actually receive the money are the proper accountants. By the first Audit Act of Queensland, the Auditor-General was directed to surcharge the Treasurer with deficiencies; and, although in the Act of 1874, now in force, this provision was omitted, yet the Auditor-General is still required, by the latter Act, to give the Treasurer a discharge if his account is correct, a provision which implies that he is still an accountable officer personally. By the Audit Act of Tasmania the Treasurer is still liable to be personally surcharged with all deficiencies in receipts. By the Act of Victoria he is to be surcharged for illegal payments made by his order, but nothing is said as to deficiencies of receipts. In New Zealand the practice has always been to surcharge Collectors of Revenue directly with deficiencies in their collections, but not the Treasurer. In none of the colonies is any machinery provided for enforcing a surcharge. Where the surcharge by the Auditor against the Treasurer is to be enforced by the Government, as is the case in most of the colonies, it is of course a dead-letter.

In comparing the relative merits of the different modes by which public moneys are made to flow from the pockets of the taxpayers into the public chest, it may be stated, as a general rule, that that system is the best which provides that the money shall remain for the shortest possible time in the hands of the collecting officers, that it shall pass through as few hands as possible, and shall be lodged in the Treasury with the greatest expedition. By adherence to these rules, not only does the Government obtain command of the public moneys as soon as possible for expenditure, or for investment at interest, but the temptation to make a wrong use of such moneys is removed from those through whose hands it passes.

It may be gathered, from what has been said above, that four modes of paying in collections to the public chest are in force in these colonies—

- (1.) Where the Collectors pay their collections daily into the Public Account at the Bank, which is ubiquitous throughout the country:
- (2.) Where they pay their collections to a personal official account at a local Bank, and thence transfer it to the Public Account at the seat of Government:
- (3.) Where they pay their collections to another officer by whom it is paid to the Treasury:
- (4.) Where they send the money up to the Treasury without passing through a Bank.

I think it will be admitted that the first system, which is that of New Zealand, most fully satisfies the conditions stated above as those which should determine the relative advantages of different systems of paying in the revenues to the public chest; and that even that might be improved, if the branch Banks were required to transmit the balances to the Wellington Bank by every mail, instead of weekly as at present.

The following table gives the result of the arrangements between each of the colonies and the Banks for the custody and transmission of the public moneys:—



	NEW SOUTH WALES.	VICTORIA.	QUEENSLAND.	SOUTH AUSTRALIA.	TASMANIA.	NEW ZEALAND.
1. Cost of transmitting money within the colony	2s. 6d. per cent. ...	Nil ...	Nil ...	Some Banks, nil; other Banks, $\frac{1}{4}$ per cent.	Nil ...	One shilling per cent.; if by telegraph, one shilling per cent. additional.
2. Cost of transmitting money to London	2 per cent. by bills of exchange	Ordinary remittances at current selling rates. Different loans at $\frac{1}{4}$ , $\frac{1}{2}$ , and $\frac{3}{4}$ less than current selling rates	$\frac{1}{2}$ per cent. below current rates, but not below par	Varying with rate of exchange. None transmitted for many years	By Bank drafts at 60 days' sight, at $\frac{1}{4}$ per cent. less than current rates	By Bank draft at 120 days' sight, at par. Other currencies at $\frac{1}{4}$ per cent. less than rates offered to the public, but not below par. None at less than 60 days' sight.
3. Cost of transmitting money from London	Not known	None transmitted ...	By purchase of Government drafts at 60 days' sight at par	According to competition. Drafts at 30, 60, or 90 days, at rates varying from par and $\frac{1}{4}$ to $\frac{3}{4}$ per cent.	Nil ...	By Bank drafts at $\frac{1}{4}$ per cent. less than rates charged to the public. By Government bills on the colony at 30 days' currency at par; at other dates, at $\frac{1}{4}$ per cent. concession on rates offered to the public.
4. Cost of transmitting money to or between the Australian Colonies	$\frac{1}{2}$ per cent. by bills of exchange	To New South Wales, South Australia, and Tasmania, $\frac{1}{4}$ per cent.; New Zealand and Queensland, $\frac{1}{2}$ per cent.	Ordinary payments at par. Special, such as retirement of Treasury bills, at $\frac{1}{4}$ per cent.	Varies with competition—sometimes at a small premium	By Bank drafts at sight, at $\frac{1}{4}$ per cent. Transactions very small	By Bank drafts at 15 days' sight, at par; on demand, at one-half the rate charged to the public.
5. Interest allowed by the Bank on current daily balances in the colony	3 per cent. on credit balances	On Consolidated Fund, 3 per cent. if not under £50,000; on Railway Loan Account, 4 per cent.	$1\frac{1}{2}$ per cent. under rate to the public for fixed deposits for three months, but no interest on any sum above £400,000 both for fixed and current deposits	Nil ...	Nil ...	Under £80,000, 4 per cent.; over £80,000, 3 per cent. up to £400,000.
6. Interest allowed by the Bank on current daily balances in London	1 per cent. below Bank of England rate.	1 per cent. below Bank of England rate of discount, not to exceed 4 per cent.	1 per cent. below Bank of England rate of discount, not to exceed 5 per cent.	1 per cent. below Bank of England rate of discount	Nil ...	$1\frac{1}{2}$ per cent. less than the Bank of England rate, but not to exceed the rate of 5 per cent. Bank may decline to pay interest on balances in excess of £400,000.
7. Interest on fixed deposits	4 per cent. ...	No fixed deposits ...	Current rates up to £150,000; beyond that $\frac{1}{2}$ per cent. below current rates	In the colony, 4 per cent. ...	In the colony, by special agreement; in London, 1 per cent. below Bank discount rate	In the colony, by special agreement; in London, 3 per cent. for six months, 4 per cent. for twelve months, up to £300,000.
8. Interest paid for advances in the colony	5 per cent. on debit balances	6 per cent. on Consolidated Fund, so long as there is an equal balance to credit of the Railway Loan Account	1 per cent. above the current rate for fixed deposits for twelve months, but not less than 6 per cent.	By arrangement if required ...	6 per cent. ...	6 per cent.
9. Interest paid for advances in London	5 per cent., or 1 per cent. above Bank of England rate on debit balances	1 per cent. above Bank of England rate, but not less than 4 per cent.	1 per cent. above Bank of England rate on security of debentures to the extent of £250,000	1 per cent. above Bank of England rate	1 per cent. above Bank of England rate	At 5 per cent.; or, in case the Bank of England rate is in excess of 4 per cent., then 1 per cent. above the Bank of England rate.

The receipts and expenditure of public money from loans or otherwise, beyond the colony, are brought on charge in the public accounts, in all the colonies alike, as soon as the accounts are received in the Treasury.

## II. OF THE APPROPRIATION OF PUBLIC MONEYS.

NEW SOUTH  
WALES.

In New South Wales the financial year ends on the 31st of December. Parliament usually meets in the fall of the year; but many months elapse before the Appropriation Act is passed: on one occasion it was not passed until the following October.

To provide for the services of the new year, Supply Bills are passed from time to time during the session. But, instead of passing votes in detail on account of the new Estimates in the Committee of Supply, one vote is taken for a total amount, which is equal to one-twelfth part of the Estimates of the past year; and the Act states that the money is "to be expended at the rates which have been sanctioned for the [past] year, subject to any deduction that may hereafter be made in the expenditure for the [present] year." The Bill also appropriates any special sums required which are not included in the past year's appropriations. A similar Supply Bill is resorted to every month during the session until the Appropriation Act is passed.

The obvious inconsistency involved in this practice is, that a sum contained in the former year's appropriations, which are thus temporarily kept in force, may be rejected or diminished when the Estimates come to be passed; and expenditure may have been incurred which must remain excluded from the Appropriation Act, and therefore without legal sanction.

A strange incongruity also appears in the form in which the Appropriation Act is worded. Instead of reciting all the sums previously granted, and only granting the balance required, the New South Wales Appropriation Act grants the whole sum appropriated, including grants already made—in other words, grants a large portion of the year's expenditure twice over—and it is only by a general understanding that such was not the intention of the law, that no advantage is taken of the mistake. A reference to the Imperial Acts, or to those of Victoria or New Zealand, would have suggested that the form is an incorrect one.

The evils arising from the delay in appropriating the public moneys have been urged upon the attention of Parliament by the Auditor-General; and the following remarks from his report to Parliament on the accounts of 1879 are deserving of special attention:—

"Similar delay to that which has attended the passing of the Appropriation Act for several years past is observable in the appropriation of the year 1879. The exigencies of the Public Service were met by monthly Supply Bills up to the month of July, appropriating a total sum of £3,219,493, subject for the most part to any reduction that might be made in the votes under the annual Appropriation Act. The inconveniences arising from the state of uncertainty in which this delay involves the public departments, can only be adequately appreciated by those upon whose shoulders the onus of carrying on the administrative details of the Government is placed. Nor does the evil end here, for the delay is productive of absolute loss. Increase in the expenditure is the natural result of hurried work, and contractors know well how to take advantage of the departments that are pushed to the very last extremity to get their invitations for tenders out and their contracts signed before the expiration of the limited time allowed to them by the Audit Act.

"Were the determination come to, to provide for the wants of the Service before the close of the previous year, it seems to me that the 'Advance' vote to the Treasurer, which has reached the large sum of £100,000, would no longer be required, for its employment is for the most part in the way of advances to meet claims that have received no parliamentary sanction. The advance in the first instance was the offspring of the delay in passing the Appropriation Act, and would naturally shrink to much smaller proportions, if it did not disappear altogether, upon a return to timely supply."

But not only are the Estimates of the past year kept alive for the services of the present year, but they are also permanently extended for the services of the former year. By the Audit Act of 1870, payments for the service of any year may be made during the first three months of the following year; and, where a contract has been entered into under the authority of any vote, payments in fulfilment of such contract may be made at any time thereafter. And even this limit has been found too narrow; for, by a clause in the Appropriation Act of last year, it is provided that "no appropriation included in this Act shall lapse until the 31st day of "December, 1881." The appropriations of the year are thus kept in force until the end of the year following; and it is thought that such will be made a permanent rule.

This system has the obvious disadvantage, that outstanding liabilities exist which Government may have to meet, but which are not disclosed in the Estimates submitted to Parliament, and for which, therefore, Parliament is not asked to make any provision by ways and means.

It is the more singular that this course should be adopted in a new country, because it is merely a recurrence to an obsolete system which prevailed in England, until the complexity which it caused in the accounts induced Parliament many years ago to abolish it, and to limit the finance of each year to the receipts and expenditure paid in and paid out during the year.

The whole system is fatal to simplicity of account, and to the effective control of Parliament over the expenditure. For accounts must be kept against each Supply Bill on the scale of the votes of the past year, which must be adjusted to the new votes when the Appropriation Act is passed. And, again, an account must be kept against all the votes of the past year, which are still kept alive for the payment of liabilities incurred under them, and against the votes of any former year, however remote, for payments made under contracts entered into during that year until the votes are exhausted. And, as a matter of fact, the public accounts for 1879 contain accounts of expenditure on account of each of the years 1874, 1875, 1876, 1877, 1878, and 1879.

The old wording of the English Acts is still retained, and moneys are voted "for the service of the year," instead of, as has now been the form for a long time, for such services "as shall come in the course of payment during the year"—a change which was made, not only to effect a simplification of the public accounts, but also to secure a more complete control over the expenditure, by showing on the Estimates of the year the whole of the liabilities for which Parliament would have to provide.

The unforeseen expenditure, for which a certain margin must always, especially in a new country, be allowed, is provided for in New South Wales by an annual vote taken on the Estimates for an advance of £100,000 to the Colonial Treasurer, "to enable the Treasurer to make advances to public officers and on "account of other Governments, and to pay expenses of an unforeseen nature, "which will afterwards be submitted for parliamentary appropriation. The whole "amount to be adjusted not later than the 31st December, 1881." Supplementary Estimates are passed every year, which provide for this unauthorized expenditure of the former year, both that which has been paid out of the Treasurer's Advance Account, and that which has not yet been paid. No indemnity clause is therefore used.

The weakness of this part of the system consists in the fact that, whether Parliament sanctions the use which the Treasurer has made of his advance, or not, no result follows. It is left to his discretion to deal with this vote, and if Parliament subsequently refuses to pass the expenditure, it must remain unauthorized, except so far as the original vote may be deemed to legalize any use the Treasurer may make of the money. But, if that be so, of what use is the sanction subsequently asked for in the Supplementary Estimates?

The New South Wales form of the monthly Supply Bills is far more consistent with parliamentary control than the system prevailing in New Zealand of Imprest

Supply Bills. In the latter case large sums are placed, for a time at all events, at the absolute disposal of the Ministers of the day. In the former the expenditure of the money granted is limited to specific purposes named in the Bill, and therefore control is so far possible.

In the Appropriation Act the votes are embodied in the clauses instead of being placed in Schedules. The Estimates are not included in the Act, but the votes are taken in great detail. Those of 1880, for example, were 749 in number, besides 183 votes on the Supplementary Estimates for 1879.

Except for moneys belonging to the Trust Funds, all expenditure is voted out of the Consolidated Fund, which includes land revenue. Another Ways and Means Account has been recently created called the Surplus Revenue Account, which consists of the excess of revenue over expenditure, derived mostly from land sales in former years, and which the Government has determined shall be spent on public works and not on current services.

The Loan Acts of late years have been separate and permanent Appropriation Acts, and contain the same clauses as in the Appropriation Act, enabling the Treasurer to issue and pay moneys under the Governor's warrant for the purposes specified in the Act.

The votes are never shown in account as exceeded. Any such excess is provided for out of the Treasurer's Advance Account, and is included, as has been said, in the Supplementary Estimates.

Credits to votes are not allowed. Cash coming in from sales of goods or otherwise is brought to account as Miscellaneous Revenue. The only case in which a vote is credited is where an advance has been made to an officer for the payment of salaries and a portion is refunded.

#### VICTORIA.

The financial year in Victoria ends on the 30th June, and Parliament has usually, of late years, met in May. On one occasion—in 1876—the meeting was delayed till July. The Estimates have usually been laid on the table in July or August, when the Financial Statement is made. In the year 1880, owing to Ministerial changes, the Statement was not made till the 25th of October; and the Estimates were not then before Parliament. The Appropriation Act is not usually passed before December, and it has sometimes not been passed before the following April.

By the Audit Act of 1859, it was provided that the appropriations should expire at the end of the financial year, except for payments coming due under any contract entered into during such year, for which the votes were kept alive for twelve months longer. By an amending Act in 1872, this extension of the Appropriation Act was abolished, and the votes were made to apply only to such services as might come in the course of payment during the year; thus adopting the English system of finance.

This, however, was again altered by an Act recently passed in 1880, which keeps the Appropriation Act alive for services of the year for two months after its close. In practice, this is held to apply only to money earned and due before the end of the year.

The reason which has been given for this recurrence to an obsolete system is that, where the payments are closed on the last day of the financial year, it is open to the Treasurer to include or exclude, at his pleasure, certain expenditure, and so manipulate the finance of the year for political purposes. Thus, in the case of moneys out on imprest, he can charge them as expenditure because issued, or may exclude them as not being accounted for. Apart, however, from the fact that there is no difficulty in defining by law how such imprests shall be charged, as is the case in New Zealand, it is not clear why the same objection may not apply to the 31st of August, or any other day on which the account is finally closed, as to the 30th June. One year with another, the sums excluded from the year's

accounts will be nearly equal if the same rule is always applied, so that a fair comparison may be made of the finance of successive years; whilst the object of paramount importance — that of presenting the accounts to Parliament immediately after the end of the year—can only be attained by promptly closing the accounts.

For the services of the current year, before the passing of the Appropriation Act, Ways and Means Bills are passed for making good the supplies voted in Committee of Supply. But in Victoria a separate vote is taken on account, under each head of service in the Estimates, and not, as elsewhere, only a lump sum, to be distributed by the Government. The vote taken is usually one-sixth part of each vote for the year. The Ways and Means Bill grants the money so appropriated, and directs it to be applied as specified in the votes taken in Committee. So far, the course pursued is analogous to that adopted in England, and the Audit Office is able to exercise an effective control before the Appropriation Act is passed.

The Appropriation Act in Victoria is in the form of the English Act, so far that the grants are dealt with separately from the appropriations. The first clause grants the balance required to make good the supplies voted; and the First Schedule recites all the previous grants made during the session, and that made by the Appropriation Act itself. The second clause then appropriates the whole sum so granted “for the purposes and services expressed in the Second Schedule “annexed hereto.” But the heading to the Schedules in the English Act, specifying that the sums included are only such “as shall come in the course of payment “during the year,” is omitted. The Audit Acts provide for the interpretation to be given to the appropriations.

The Second Schedule is a copy, nearly word for word, of the Estimates as passed by the Committee of Supply. It is divided under the several Ministerial portfolios, not into votes, but into “divisions” and “subdivisions;” and under the latter, when separate items are specified, all divisions, subdivisions, and items are treated as separate votes. Thus, in the Appropriation Act of 1879–80 there were 91 divisions, 170 subdivisions, and upwards of 300 items, making in all upwards of 500 separate votes.

Although there is no express enactment on the subject, credits to the votes are brought to credit, so as to increase the nominal appropriation. Credits to votes, however, are strictly confined to votes of the year, which have been previously charged. Where the charge was made on a vote of a former year, the credit is to Miscellaneous Revenue.

There is no direct provision for unauthorized or unforeseen expenditure, except a small vote which used to be taken for £10,000, but has now been reduced to £6,000. A very unusual and not very intelligible vote is, however, taken every year for the sum of £100,000, “to enable the Treasurer to make “advances to public officers and others,” the same sum being afterwards deducted from the total of the votes, and therefore being excluded from the amount for which ways and means are provided. The issue of money therefore under this vote appears to be without legal authority.

It is not surprising that doubt should arise as to the meaning to be given to this vote. Hence the Audit maintains that it can only be used to make advances for services specified in the Estimates; whilst the Treasury maintains that it may be used for any purposes in excess of or without the appropriation of Parliament, so long as votes are taken in the next session for the services to which the money has been applied. The only objection which can be urged to the view taken by the Audit, which otherwise appears the only consistent interpretation to be put on the Act, is that the vote in that case is unnecessary, as advances confined to the proposed limits can be legally made without any such vote at all. Practically, this vote is used for all purposes where the appropriations fall short. Votes are taken for the expenditure in the following session, and the accounts of such expenditure are not sent up for audit until it has received parliamentary sanction.

The strict rule that the Governor can issue no warrant for expenditure which has not been voted by Parliament is, no doubt, to a certain extent evaded by means of this vote. That a certain sum should be at the disposal of the Government to meet unforeseen emergencies is a necessity recognized in England by the Treasury Chest Fund, and still more necessary in a new and rapidly-developing community. The machinery provided in Victoria is, however, not a convenient one, and compels the Government to act rather by evasion than under provision of the law.

In all the recent Acts for raising loans, although the purpose for which the loan is raised is stated in the Act or in a Schedule, a clause is inserted requiring the Treasurer to lay before Parliament annual accounts of the expenditure; and, before incurring any expenditure or entering into any contract, to lay before Parliament an estimate of the proposed expenditure to "be submitted for the sanction of the Legislative Assembly in the same manner as the Annual Estimates of Expenditure for the Public Service." And in the special Acts passed from time to time for the construction of each work a clause is inserted almost in the same words. In accordance with these provisions special Appropriation Acts are passed from time to time authorizing the issue of money out of the Loan Account to carry out the works thus sanctioned by Parliament. From the wording of these Acts they must be regarded as permanent appropriations not limited to any particular year.

#### QUEENSLAND.

The financial year in Queensland ends on the 30th June, and the House meets in time to pass a temporary supply for carrying on the public service until the Appropriation Act is passed.

By the Audit Act of 1874 the appropriations are kept in force for three months after the end of the financial year for the payment of the services of that year, and are kept in force permanently for payments under contracts entered into in accordance with the appropriations of the year, but before its close or within three months thereafter. These arrangements are the same as those under the Act of New South Wales. They convey no authority to expend money for the service of the current year.

The Supply Bills passed to sanction expenditure for the current year prior to the passing of the Appropriation Act, are called Appropriation Act, No. 1, No. 2, and so on. They simply state "that there shall and may be issued and applied the sum of"—so much—"towards making good the supply granted to Her Majesty for the service of the year," &c. There is no specific appropriation to particular services, and no direction as to how the grant is to be spent. The vote in Committee of Supply is not taken for specific services—that is, for a part of each of the votes printed in the Estimates, as in England—but simply in one lump sum as "supply." Nor does the Act define how the money is to be expended, as the New South Wales Bills do—namely, on the scale of the Estimates of the past year; nor does it provide, as do the New Zealand Acts, that it shall be spent as provided by the Appropriation Bill subsequently to be passed. It is, however, understood, and an undertaking is given to the House by the Government, that the money granted by the temporary Supply Bills shall be spent on the scale of the former year till the final Appropriation Act is passed.

It is therefore a misnomer to call these temporary Bills *Appropriation Bills*. They are not so. They are *Ways and Means Bills*, placing money at the disposal of the Government, but not appropriating it. *Appropriation* is contained in the words of the Appropriation Act proper, which grants the money "towards making good the supplies granted to Her Majesty" "*to be appropriated to the salaries and services following;*" and then follow the specific appropriations, which the Supply Bills want.

The Queensland Bills, however, avoid the error made in the New South Wales Bills of granting the money twice over. The sum granted by the final Appropriation Act is, as it ought to be, only the balance of the sums previously

granted by the temporary Supply Bills which is required to make up the whole sum appropriated.

In Queensland the moneys are granted according to the obsolete form used in England “for the service of the year”—not according to that now for some years adopted, “for such sums as shall come in the course of payment during the year;” and which, as has already been said, was introduced to get rid of the open accounts of past years, and charge the whole payments made during the year upon the revenues out of which it was necessarily to be paid. It is somewhat singular that in this, as in other colonies, the ancient practice should be still in force of voting *the services* in Committee of Supply, and the *grant* to make them good, that is, out of which to pay them, in Committee of Ways and Means; whilst the meaning of these two processes should be entirely lost sight of in the structure of the Acts by which these proceedings of Parliament are reduced to written law.

There is no provision in the Queensland law, as in New Zealand, for unauthorized expenditure, or, as in New South Wales and Victoria, for a temporary advance to the Treasurer to meet unforeseen contingencies. The process adopted in such case is, that when sums are included in the Governor’s warrant for which no provision has been made, or for which the vote has been exhausted, the Auditor-General, whose duty it is to certify to the legality of the proposed issue, formally reports to the Governor that he is unable to certify to such sums, giving his reasons for withholding his certificate. The Governor then, by an Order in Council, directs the payments in question to be made notwithstanding: and they are so made, and are included in the Supplementary Estimates and the Appropriation Act of the following year. But there seems to be no legal obligation that they shall be so included, or shall receive any parliamentary sanction whatever. The only remedy in such case would be a report by the Auditor-General to Parliament.

The proposed expenditure is very minutely detailed in the Estimates, and is abstracted in the Appropriation Act under the heads of the several portfolios, subdivided into services, the whole consisting (in the Appropriation Act for 1879) of 92 votes. These are incorporated into the body of the Act, not placed in Schedules.

Cash accruing from the sale of goods or otherwise out of Consolidated Fund expenditure is not carried to the credit of the votes, but to the credit of Miscellaneous Revenue. When arising out of loan expenditure, it is credited to the account charged with the expenditure. It is not clear upon what principle a distinction is made between the two. Where items have been incorrectly charged to a vote, the vote is credited and the proper vote charged.

There appears to be no Appropriation Act, properly so called, for the appropriation of the Loan Moneys in Queensland. The Act of 1879, for raising a loan of £3,053,000, simply says the Governor may cause debentures to be sold “in order to raise funds for the several purposes hereinafter more particularly expressed, that is to say,” and then follows the several works proposed. The sixth section says, “The appropriation of all sums paid on account of salaries, or to supplement salaries, from moneys received under the authority of this Act, shall be annually sanctioned by the Legislative Assembly;” whence it may be inferred that for all expenditure except on salaries the appropriation under the Loan Act was deemed to be sufficient. Nor has any other Act been passed specially authorizing the issue of money for the construction of any of the works mentioned. It must be admitted the legislation touching the expenditure of such large sums of money is somewhat scanty.

The financial year in South Australia ends on the 30th June. The Parliament meets towards the latter end of that month. The Estimates and Appropriation Act are not passed for some months afterwards.

SOUTH  
AUSTRALIA.

The Appropriation Act only applies to the “General Public Revenues” of

the colony. In the wording of the Act the distinction between grants and appropriations is preserved by the words "there shall be issued and applied the several "sums of money," &c., "the said amounts being appropriated as follows." The grants are made "for defraying the charge of the Colonial Government for the "year ending the 30th June, 18", &c. As there is no statutory limitation of the operation of the Appropriation Act, it has been held that the above words constitute a permanent appropriation to the extent of each vote; and there does not seem to be any legal objection to this view. Consequently the unexpended balances of the votes are brought forward year by year, and, though not placed on the Estimates, are usually taken into account in the Budget speech as liabilities to be provided for. This is, however, considered to be entirely within the discretion of the Colonial Treasurer. He brings forward such balances as he thinks proper, and abandons such as he is not prepared to spend. And in some instances, although having a balance which he might, under the present view of the law, make use of, he prefers to abandon it and place the amount again on the Estimates to be revoted.

The Estimates are presented to Parliament in great detail, but they are not included in the Appropriation Act. In the Act the votes are taken for totals of each department or service: first, for the supplementary expenditure of the expiring year, as in England; secondly, for the service of the current year; thirdly, the Supplementary Estimates for the current year; and, fourthly, the Estimates for the Northern Territory. The third division is clearly unnecessary and cumbersome. The usual method is to embody the Supplementary Estimates of the current year in the ordinary Estimates. In the Act passed in the present year there are *ninety-five* votes, the Supplementary Estimates for the current year containing *twelve*, which might have been absorbed.

In the accounts both in the Treasury and Audit, not only the votes as set forth in the Appropriation Act, but all the subdivisions and items as set forth in the Estimates, are considered equally to be votes, and forbidden to be exceeded.

There is no control over the expenditure, nor any legal provision for unforeseen demands which may require a vote to be exceeded, or money to be spent for which no vote has been taken. The Audit Act of 1862, which is still in force, provides, by the seventh section, that, "in all cases where the expenditure exceeds "the vote, or where any other departure from the regulations is involved, the "signature of the Chief Secretary, 'By command,' shall be requisite as an "approval of the account, in addition to that of the Responsible Minister in "whose department the expenditure arises; and every such departure from the "regulations shall be promptly communicated by the Auditor-General, through "the Chief Secretary, to the Governor, for his sanction in Executive Council."

This seems to contemplate a power to exceed the votes to any required limit; and, as a matter of fact, in all such cases the Governor issues a special warrant by advice of his Executive Council, and the money is paid. But all such payments are subsequently covered by the supplementary votes included in the first part of the 1st section of the Appropriation Act, described above. It is in this manner that the unauthorized expenditure of each year is dealt with, instead of, as elsewhere, by an indemnity clause. The Audit Office is responsible for the account of unauthorized expenditure presented to Parliament being correct.

The appropriations for railways, waterworks, and other public works are not contained in the annual Appropriation Acts, but in the several Acts authorizing the raising of the loans to provide funds for prosecuting such works; the specific works to which the money is to be applied being set forth in the Schedules to each Act. The words, for example, of "The Public Purposes Loan Act, 1880," are: "All sums of money" "shall be applied to the several purposes set forth in "the Schedule hereto, details of which are contained in Parliamentary Paper No. "202 of 1880, and to the extent therein set forth;" "and shall be so applied by "the Treasurer in such amounts and manner as the Governor, by any warrant "under his hand, countersigned by the Chief Secretary, may from time to time



“authorize and direct.” These words constitute, no doubt, a permanent appropriation of the moneys raised by the loan, irrespective of any particular year.

Attention has, however, been called to these permanent appropriations by the Commission on Public Accounts now sitting, and it has been determined that annual estimates of the loan expenditure shall be presented to and voted by Parliament; and that was done in the recent session. But, although the Estimates were adopted by the House, no further steps were taken to give them any legal effect. It will be remembered that the original appropriations for the New Zealand loans were exactly similar to these of South Australia; but, when it was determined by the Government to abolish all permanent appropriations and to vote the supplies for public works annually, all the appropriations made by the Loan Acts were repealed as regarded all future expenditure, and since that time a separate Public Works Appropriation Act has been passed every year, in which only so much money is appropriated as is estimated to be required during the current financial year, at the end of which the Appropriation Acts lapse. In South Australia the Legislature has gone only half-way. The parliamentary authority for the expenditure of the money is still the permanent Loan Acts, while the Estimates must be regarded only as a direction to the Government to limit its operations accordingly, and a compact between the Government and the House that the former will abide by the decision.

Pending the passing of the Appropriation Act the usual plan of temporary Supply Bills is adopted; but their form is less satisfactory than in other colonies. In the first place, they share the fault of the New South Wales Bills, that the temporary grants so made are not alluded to in the grants made by the Appropriation Act, so that the money is, so far, granted twice over. There are no words used “appropriating” the moneys, the expression “there shall be issued and applied” signifying the grant, not the appropriation. The Bill then proceeds: “Provided that no payments for any establishment or service be made in excess of the rates voted for similar establishments or services on the Estimates for the year ended the thirtieth day of June, one thousand eight hundred and eighty”—I am quoting the Supply Bill of the late session—“except so far as such rates are modified by ‘The Civil Service Act, 1874.’”

The limit here imposed is not that of the Estimates of the past year—which are thus not, as elsewhere, kept alive till fresh Estimates are passed—but the votes of the current year, which are not then passed. Nor is the meaning of the last clause intelligible, because any modification in salaries under the operation of the Civil Service Act ought undoubtedly to be included in, and not to modify, the Estimates of the year.

Credits to votes are not permitted in the revenue votes, but are so in the loan expenditure.

Tasmania is the only colony which has placed upon record amongst its statutes the great constitutional principle that the public revenues of any year should be appropriated before its commencement. The first and second clauses of the Instructions contained in the Second Schedule to “The Audit Act, 1877,” and which are a part of the Act, are as follows:—

TASMANIA.

“Annual Estimates of the revenue and expenditure of the colony are to be laid before the Legislature in sufficient time to enable the votes to be taken before the commencement of the year to which the Estimates relate;” “and in like manner Supplementary Estimates are to be prepared of all ascertained or probable excesses upon votes for the current year, and of any new expenditure incurred or likely to be incurred during the year, which had not been previously voted; and the same shall be submitted by the Treasurer to the Governor in Council, and transmitted by message from the Governor to Parliament, at the session holden within the year in which such excesses or new heads or items of expenditure have occurred or can be foreseen, within fourteen days of the opening of the session.”

The above is a fair description of the process by which the public moneys are appropriated in England, and which is followed in this colony alone.

The Supplementary Estimates thus required to be laid before Parliament at the beginning of the session are not included in the ordinary Appropriation Act for the following year, but in a special Appropriation Act drawn in precisely the same words as the ordinary Act, and passed before the end of the year to which it relates.

The financial year ends on the 31st December. Parliament meets in the fall of the year, and, as a rule, passes the Appropriation Act for the incoming year before its commencement, although there have been occasions on which it has failed to do so. Where the latter has been the case, in order to meet the requirements of the Public Service pending the passing of the Appropriation Act, votes have been taken on account of each head of service appearing in the Estimates; and a special Appropriation Act has been passed for the sums so voted, drawn in precisely the same words as the ordinary Appropriation Act. The latter Act, therefore, does not in such cases contain the whole appropriations for the year, but only the balance, after deducting the votes on account already taken.

This plan is, no doubt, somewhat inconvenient as a matter of account; and it is a grave omission that the Acts, excepting the Act appropriating the Supplementary Estimates, do not state either that the appropriations are for the service of a particular year, or for so much as shall come in the course of payment in such years. But, on the other hand, it must be admitted that the system in force in Tasmania is far more in accordance with constitutional usage, and secures to Parliament a far more direct control over the public expenditure, than is the case in any other colony in these seas. The expenditure of all public money has been completely and finally authorized by Parliament, and not as elsewhere only provisionally, before it takes place.

These Appropriation Acts are somewhat differently constructed from those of other colonies. They are worded thus:—"Out of the Consolidated Revenue Fund of the Colony of Tasmania there shall and may be appropriated, issued, and applied in the manner hereinafter provided, for the several purposes hereinafter mentioned, any sums of money, not exceeding in amount respectively the several sums of money herewith specified; that is to say." Then follow the votes, which, for the present year, are 51 in number, but are not numbered, or divided into classes or divisions. They are simply the totals of the items on the Estimates for each department or service. But the peculiarity of the Tasmanian Appropriation Acts is, that, whilst the Supplementary Act states that the services are for the year—naming the year then ending—the annual Appropriation Acts do not state that the votes are for the services of any particular year: hence they would seem to be of the nature of permanent appropriations: but this conclusion must be modified by clauses 23 and 24 of the Instructions in the Second Schedule to the Audit Act of 1877, which states that, "On the 31st December, all votes under which no expenditure has been authorized are to be considered as having lapsed. In order to provide for expenditure authorized before the 31st December a sum equal to such authorized expenditure is to be made available as a credit in the succeeding years, in order that the expenditure of such year may be kept distinct. All such credits not expended are to lapse on the 31st December following." This is equivalent to the system in some other colonies, where the votes lapse, as a rule, at the end of the year, but the unexpended balances are kept alive for another year so far as regards any contracts or engagements made during the past year. It is much the same system as that of the Reserve Accounts adopted some years ago in New Zealand, and, after the experience of two or three years, abandoned as introducing complexity into the accounts with no corresponding result.

Unauthorized expenditure is provided for by the General Regulations in the First Schedule to "The Audit Act, 1877," as follows:—"It shall not be lawful for the Governor in Council to authorize any expenditure of public money for purposes

“not recognized or provided for by Parliament, unless in cases of emergency; but this regulation shall not apply to the cases of excesses in the details of establishments, not being salaries.” And then follows a Regulation in the same words as that already quoted as to the Supplementary Estimates, and which is repeated in the schedule of “Instructions.” The only interpretation to be put on these clauses is, that the Governor in Council may alter the details of the votes, except as regards salaries; and that he may authorize any expenditure, without limit, *in case of emergency*. I think it must be inferred also, from the above, that all the details of the Estimates are to be regarded as separate votes, although not included in the Appropriation Act.

Upon permanent votes, credits to votes are brought to charge, so as to increase the issuing balance of the vote. An annual vote is credited only if it has been debited with the expenditure out of which the credit has arisen; but where the debit has been to a vote of a former year, the current year's vote is not credited, but the receipt brought to account as revenue. This is the practice followed in New Zealand, as provided by the Public Revenues Act.

In New Zealand the financial year until recently ended, as in all the Australian Colonies except New South Wales and Tasmania, on the 30th of June; but by an Act of 1880, it has been altered to the 31st of March.

NEW  
ZEALAND.

Up to the passing of the Public Revenues Act in 1867, the loosest practice prevailed in the appropriation of the public moneys, and though Parliament never passed the Appropriation Act until several months of the financial year had elapsed, the public expenditure was carried on without any temporary Supply Bill or other parliamentary authority. By that Act, however, the Appropriation Acts were made to lapse at the end of the year; and in the year 1868 some form of Imprest Supply Bill became necessary, and that now in use was for the first time adopted. The words used in granting the money are as follows:—

“Out of the Public Account there may be issued and applied towards making good the Supply granted to Her Majesty, by way of Imprest, for the service of the year ending the 31st day of March, 18     ,” “any sums of money not exceeding in the whole £     , to be charged in the manner hereafter to be expressed in any Act or Acts passed in this present session of Parliament for appropriating the Public Revenues of the Colony for the year ending the 31st March, 18     .”

The vote taken in Committee of Supply is merely for one lump sum, and there is consequently no control over the expenditure, except that the total amount named in the Bill must not be exceeded.

The Public Revenues Act of 1878 repeated the provision of the Act of 1867, in the words, “The annual Appropriation Act or Acts shall lapse at the end of the financial year to which they relate, and all liabilities incurred under the authority thereof and unpaid at the end of such year shall be included in the Estimates of the next financial year.”

By the Revenues Act of 1879, and again by the Act of 1880, the above provision was modified in order to suit the decision of the Government that the end of the financial year should be altered from the 30th of June to the 31st of March, Parliament not being required to meet until May or June; that is, two months or more after the year had expired. In order to make provision for this new state of affairs it was enacted that the appropriations of the past year should continue in force for three months after its conclusion upon the scale of the past year for salaries and current services, and to the extent of the unexpended balances of the votes for other services; and it was hoped the Parliament would be able to pass the new Estimates before the three months had come to an end. This hope, however, was disappointed, and the Government had again to recur to the old practice of Imprest Supply Bills, in order to carry on the Public Service pending the passing of the Appropriation Act. As, however, the Act of 1880, like that of 1879, only continues in force till next session, it must be regarded merely as an

experiment: and further legislation is now necessary. As an experiment it may be said to have failed; first, because it did not, as was intended, get rid of the objectionable Imprest Supply Bills; and further, because, whilst formerly the accounts had to be kept against each Supply Bill as a whole, until the passing of the Appropriation Act, an account had this year to be kept first against each vote of the past year's appropriations, which were kept alive for three months; secondly, against each Supply Bill as before; and thirdly, against the appropriations for the year when passed. This complexity of account is however a small evil compared to that by which Parliament practically divests itself of its control over the public expenditure until many months of the year have elapsed, and postpones the consideration of the Estimates until the latter part of the session.

In the present financial year the Appropriation Acts were not passed till September, and several of the votes taken for public works were distributed in a different manner from those of the former year, upon which the expenditure from March to September was carried on; and the adjustments of the latter expenditure to the new votes was not completely effected before the end of March; so that during the whole year there was practically no possibility of limiting the expenditure on some of the votes to the amounts appropriated by Parliament.

In the New Zealand Appropriation Act, the Estimates are not now included in the Act, as was formerly the case, but the totals of each department or branch of a department are included in the Schedule, and numbered as separate votes; the items of which each vote is composed in the Estimates not appearing in the Act, and not therefore being taken any cognizance of in controlling the expenditure. As in most other colonies the votes are arranged in classes, each class comprising the services under a separate Minister.

The appropriation of loan moneys was formerly effected partly by the Loan Acts and partly by Acts for the construction of railways: the appropriations were permanent without reference to years. By "The Public Works Act, 1876," all former appropriations were repealed, and it was enacted by section 7 that "the Minister shall, as soon as conveniently may be after the opening of each session, lay before Parliament full and detailed Estimates of the expenditure proposed to be made upon all Government works during the financial year; and no such works shall be undertaken unless Parliament appropriates money for the execution thereof." Since then separate Estimates and a separate Act, called the Immigration and Public Works Appropriation Act, has been passed every year for the expenditure of the Public Works Fund; a fund which at present comprises only loan moneys, but has sometimes included other moneys which Parliament has directed to be paid into it.

The New Zealand Appropriation Acts are drawn after the model of the English Acts. The First Schedule reciting the several grants of the session, and the Second Schedule containing the appropriation by the votes.

Unforeseen expenditure is provided for by a section in "The Public Revenues Act, 1878," which authorizes the issue of money "in excess of or without the appropriation of Parliament" "to an amount not exceeding £100,000 in any one financial year." An abstract of this expenditure, certified by the Audit Office, is laid before Parliament, and is covered by an indemnity clause in the Appropriation Act, which recites the clauses of the Revenues Act and the sum expended under them, and adds, "Be it enacted that the application of the said sum is hereby sanctioned." Unauthorized expenditure before or during a session of Parliament in any financial year must be included in the Estimates for that year.

The New Zealand law,—in this respect, however, standing alone,—proceeds to deal with the case of expenditure under this provisional authority, which Parliament subsequently refuses to sanction, by providing that "moneys expended as 'unauthorized expenditure' under the provisions of this Act, if not sanctioned by Parliament in the session in which the account of the same is required

“to be rendered, and moneys expended under the authority of any Imprest Supply Bill, if not sanctioned by Parliament in the session in which such Imprest Supply Bill is passed, shall be deemed to be moneys expended without appropriation by Parliament.” All moneys so expended are “deemed to be a debt to the Crown by the persons being members of the Executive Council at the time when such expenditure was incurred.” And the Act contains special provisions for the recovery of such moneys.

After describing the practice of each colony, it may be useful to notice briefly the process which has grown up in the course of time in England, from whose constitutional traditions the principles which guide the proceedings of all her dependencies have been derived.

PRACTICE  
IN ENGLAND.

A distinction is still preserved between “grants” and “appropriations” of public moneys, derived from the fact that the former dates from a period earlier by several centuries than the latter. From the earliest growth of parliamentary government it was the privilege of the Commons to grant money to the Crown for the public service, to supplement the hereditary royal revenues; but it was no part of that privilege to dictate to the Crown how the money should be spent: nor was it until after the Revolution of 1688 that the power of the Commons to appropriate its grants to particular services was engrafted into the Constitution. Having once obtained the latter concession, the practice was soon established not only that the Commons could appropriate grants, but that it would refuse to grant any more money than was needed to make good the supplies it had voted. Three periods may thus be traced: The first, in which money was granted, but not appropriated; the second, in which money was granted, and an account claimed of the manner in which it had been spent; and the third, which has lasted to the present time, in which Parliament first “votes” as much as will provide for the services which it deems necessary to be maintained, and then “grants” only so much as is required to pay for the expenditure thus sanctioned. Hence the existing practice in England of, first, voting the services in Committee of Supply; secondly, voting the grant in Committee of Ways and Means; thirdly, passing a Ways and Means Act granting the money; and, fourth, an Appropriation Act appropriating the grants to the services voted.

Parliament usually meets about six weeks before the end of the financial year on the 31st March. It first votes supplies to supplement the appropriations of the then current year, it being by that time known how far the current supplies will fall short; and it passes a Ways and Means Bill granting to the Crown a sum exactly equal to the Supplementary Supplies.

For the services of the ensuing year the House requires by a Standing Order that the Estimates shall be placed on its table within a few days after the meeting of Parliament; and it proceeds at once to pass votes on account of the several services set forth in the Estimates, and a Ways and Means Bill to make good such votes. And this is invariably done before the 31st March, without which the whole service of the country would come to a standstill, as without it no money could be issued from the Exchequer.

The same process is adopted twice or three times during the session, a fresh Ways and Means Bill being passed as each is exhausted, but such Bill never granting any money in excess of the sums passed in Committee of Supply.

The Appropriation Bill at the end of the session is a Ways and Means Bill and an Appropriation Act in one. It recites in a Schedule the Ways and Means Bills previously passed, and grants the balance required to make up the whole sum to be appropriated; and then proceeds to appropriate the whole, or, in other words, to state in an Act the votes which have been already voted in Committee of Supply during the session.

Thus the great principle is rigidly preserved that not a penny can be expended without the express and prior sanction of Parliament.

It is singular that, whilst in all these colonies the forms of the English parliamentary proceedings are imitated with more or less accuracy, in so many is the principle lost sight of for the sake of enforcing which those forms have grown into shape. In most of the colonies the Parliaments have more or less divested themselves of the power of controlling the public expenditure during the session of Parliament—that is to say, for a period extending from three to six months, and not unfrequently to nine months of the financial year.

PRACTICE  
IN FOREIGN  
COUNTRIES.

It may not be uninteresting on this branch of the subject to inquire what is the practice in other countries in voting public moneys. With this view I have abstracted very briefly the following description from papers by some of the most eminent financial authorities in Europe, which have been published by the Cobden Society :—

*In Austria.*—The Budget for the following year is presented to the Reichsrath (or Parliament) by the Minister of Finance in one of the very first sittings of the session. It is referred to a Committee of 36 out of 360, who form the House. The Committee distributes the Estimates for each department amongst “Reporters,” who examine them and report to the Committee. The Minister for each department defends and explains his Estimates before the Finance Committee, which finally reports the Budget as amended to the House, which usually accepts it. The Committee also examines the accounts of the past year, and reports upon them to the House. When the Reichsrath is not in session there is a permanent Committee or Commission elected from the members of both Houses for the control of the public debt.

*In Belgium.*—The financial year begins on the 1st January, and the Budget is required to be laid before the Chamber of Deputies at least ten months before the commencement of the year. The Budget of 1877 was laid before the House on the 1st March, 1876. There is a Budget for each Ministry, the “personal” being kept separate from the “material;” moneys voted for the latter cannot be applied to salaries. The House is divided at the commencement of the session into six sections, drawn by lot, each of which takes one Budget and nominates one of its members as a “Reporter.” The Reporters form a Central Committee, which appoints one member to draw up a report for the House, which then discusses and settles each item of the whole Budget. The Senate refers the Budget sent up to it to a Commission, which examines it and reports to the Senate, which finally adopts it. The Senate can amend or reject any item in the Budget, but no new expenditure or source of revenue can be proposed in the Upper Chamber.

There is a Court of Accounts (*une Cour des Comptes*), consisting of a President, six Councillors, and a Secretary, nominated by the Chamber for six years to audit and control the expenditure, and no payment can be made by the Treasury without its sanction. It reports all its proceedings to both Houses.

*In Denmark.*—The Budget for the ensuing year is laid before the States-General in September, with an account of the receipts and payments during the last two years. The Lower House divides itself into five sections, elected by ballot, each of which nominates a “Reporter.” The five Reporters draw up a report for the Minister, who replies by another Report defending his proposals. Upon these Reports the House settles the Budget. The same course is pursued in the Upper House. The relative rights of the two Chambers appear to be still unsettled and to be the question of the day. “A Committee of Revision,” composed of four members, two for each House, controls the disbursements, upon whose report to the Chambers quittance is given. One division of the Budget is “for unforeseen contingencies not to exceed 100,000 florins.”

*In France.*—The Estimates for the ensuing year are presented to the Assembly at the beginning of its annual session. Those for 1877 were laid on the table on the 14th March, 1876. The National Assembly elects a Budget Committee of 33 members, which is divided into subdivisions, each of which examines the Estimates of one or two departments. A Reporter nominated by the Committee

presents a Report to the Assembly, after which the Budget is voted item by item. The Senate deals with the Budget in the same way, appointing a Committee of 18 members. The *Cour des Comptes* is composed of eminent Magistrates, who sit as a supreme tribunal, and all expenditure is made subject to its approval.

*In Germany.*—The Estimates are laid before the Reichstag for the Empire, and before the House of Deputies for the Prussian State, before the commencement of the financial year. A special Budget Committee is nominated, consisting of from fourteen to thirty-five members. Formerly the whole Estimates, but at present only special portions requiring sharp scrutiny, are referred to it for discussion. Delegates from the Ministry of Finance attend, and the Committee determine the proposals to be laid before the House, and appoint one or more Reporters for the purpose. Sometimes the President of the Chamber appoints individual members as Commissioners for particular parts of the Estimates, and the Government appoints its own Commissioners, high officials; the former draw from the latter all information desired. The House finally discusses and settles the Budget, before the beginning of the year, or during the first months of it.

*In Holland.*—The Estimates for the year commencing on the 1st January are submitted to the States-General in the September previous, divided into chapters and articles, together with an account of the receipts and expenditure for the last two years. The Lower House is divided into five sections of sixteen members each, each section names a reporter, and the five reporters form a "Commission for the Chapters of the Budget," and report to the Government, which replies in a printed *memoire*, proposing such alterations as it thinks fit. The whole then goes before the House, which votes the Estimates article by article. The Lower Chamber has the right of amendment. The Upper Chamber must accept or reject the whole, but may not alter. There is a Board of Control (the Rekenkamer—*Cour des Comptes*), whose members are appointed for life by the Crown out of a list nominated by the Second Chamber. No expenditure takes place without its approval. A clause for "unforeseen expenditure" is attached to every chapter of the Budget; allowing a margin of about 50,000 florins: and there is besides a general vote of 50,000 florins for the same purpose.

*In Italy.*—Each year within the first fortnight in March the Minister of Finance must bring in his "projected Budget" for the next financial year beginning on the 1st January following. The Budget is in ten parts—one for receipts, nine for expenditure; one for each Ministry. He also lays before Parliament the "Definite Budget" or accounts of the year just ended on the 31st December. The Chamber of Deputies elects a General Budget Committee of thirty members by ballot, which divides itself into sub-committees, each of which takes a separate part of the Budget. The Committee reports to the House, which settles the Budget. The Senate nominates a Committee of fifteen, which examines the Budget without referring it to sub-committees. If the two Houses differ, the matter in dispute is referred back to one or both till a settlement is arrived at. Nothing can be paid by the Treasury without the sanction of the Court of Accounts (*Corte dei Conti*), composed of independent and irremovable Magistrates. Unforeseen expenses are provided for by a clause in the Budget to the amount of £160,000, with £160,000 as a reserve fund.

*In Portugal.*—The Minister of Finance presents his Budget for the current year to the Legislature at the commencement of each session. Committees are elected by both Houses—the Deputies and the Peers—to investigate the proposals, who report to their respective Houses the Budget they recommend. The Government defends its own proposals in both Houses, and the Bill is finally passed by both Houses.

*In Russia.*—Each Ministry prepares its Estimates, and the Minister of Finance presents them in the month of September separately to the Council of the Empire, which is the Supreme Legislative Assembly, composed of members appointed by the Emperor for life. It is divided into permanent Committees, that of "Economy"—consisting of five or six members—deals with matters of finance



and trade, and before it the Estimates are laid. Copies are sent to the Minister of Finance and to the Controller of the Empire. The Committee examines the estimate in the presence of the Controller and the Minister, and if they do not agree, the matter is referred to the "Plenum" or full Council, and is there settled by vote. When all the Estimates have been settled between the Committee of Economy, the Minister of Finance, and the Controller, the Minister of Finance draws up "the State Budget," which is discussed and passed by the Council of the Empire about the middle of December. It is then sanctioned by the Emperor, and becomes law. Supervision of the collection of the revenue and of the expenditure is vested in the "Control of the Empire." It is not an office like the Audit Office in England, nor is it a Court of law, like the *Cour des Comptes* of France. It is a special Ministry, having for its head a Cabinet Minister, called "the Controller of the Empire," with sixty subordinate Chambers of Control throughout the Empire, and constructs full accounts of the receipts and expenditure of the Empire, not from the Treasury accounts, but from original vouchers, and presents its accounts to the Council printed in nine or ten months after the close of the year.

*In Sweden.*—At the opening of each ordinary Riksdag, the Government lays the Estimates for the year beginning the following January before each House. The two Chambers have equal rights, and discuss them separately. The Estimates are first referred to the "Stats Utskottet" or Select Committee of Finance, composed of twenty-four members, half appointed from each Chamber; which reports from time to time to the Chambers on the several items, and towards the end of the session prepares the Bill in accordance with votes passed by the Riksdag. If the two Chambers cannot agree, the votes in each are added together, and the matter settled by the joint majority, which gives a preponderance to the Lower House in finance matters. The accounts of the last year are revised by twelve "Revisors" nominated for the purpose at every Riksdag, each Chamber appointing half the number.

*In the United States.*—At the beginning of each session in December the Secretary to the Treasury submits the Estimates for the next fiscal year, beginning on the 1st July following, to Congress, where they are referred, in the House of Representatives to a standing "Committee on Appropriations," and in the Senate to the "Committee on Finance," who report the Bills authorizing expenditure to their respective Houses. In the Lower House the Committee is appointed by the Speaker, in the Senate by election. Each House also appoints special Committees to investigate the expenditure in the different departments of Government. The Senate can amend the proposed Estimates, but the Lower House must concur. The decisions of the Appropriations Committee are subject to revision by the House, but not by the Executive Government, who have no seats in Congress. Unexpended balances of votes lapse at the end of the fiscal year, and are reappropriated if required. The expenditures are for the most part made under laws which prescribe the pay of officers from the highest to the lowest, and are seldom changed; and it is held that they should not be changed in an Appropriation Bill, but by separate enactment. The Appropriation Bills are first passed in the Lower House, and sent up to the Senate. If they are amended in the latter, and the Lower House does not concur, the questions in dispute are settled by Conference. Although it is forbidden by law for any department to incur any expenditure other than that which is authorized by law, these provisions are almost always in a greater or less degree evaded, and "Deficiency Bills" form a part almost invariably of the Appropriations Acts of each session. The proceedings in voting the public moneys in the several States are, in all their leading features, similar to those in Congress above described.

GENERAL  
REMARKS.

It must surely be admitted, after reading the above very brief account of the procedure of the Continental Legislatures, that, as regards a careful investigation of the requirements of the Public Service and the details of the public expenditure, even the English Parliament by no means takes that precedence which it is popularly supposed to enjoy, whilst the Australian Colonies are far in arrear: nor can it be denied that the regulation of the national cost of government, instead of being



regarded as the first and paramount duty of Parliament, has come to be esteemed, measured at least by the relative time and attention bestowed on it, as a matter of minor importance.

Surely it is not too much to say that to this cause is due the irregular and impulsive action of these Governments, by which the national expenditure is allowed to become progressively and unreasonably inflated, and is then subjected to sudden and violent contraction, inflicting severe hardship if not positive injustice on individuals, and disturbing that element of stability and confidence in the Civil Service, upon which, as in all sound commercial establishments, efficient and economical administration depends. For it is obvious that the work to be done, and the fair value of such work, is the same before as after such an economical crisis, and that, with the constant and vigilant control over the Public Service which Parliament is supposed to exercise, the necessity for such convulsions need not have existed.

It is perhaps, at the same time, not to be wondered at that in these communities, coming, in the prime of a vigorous youth, into the rich inheritance of political liberty and the enjoyment of parliamentary power, with its accompaniment of Responsible Government, the more attractive fruits of their new possession should have first commanded their attention, and that the contests of party and the struggles for office should have occupied so much of the time and energies of the popular assemblies; nor would it be fair to attribute such strife merely to a vulgar greed for place or profit, instead of to that honorable ambition to guide the fortunes of their country, upon the existence of which the whole system of popular government can alone hope to be successful.

To the cause above referred to must be ascribed the fact that the special duties of Parliament as a whole, independently of any section or party whether in or out of office, have not been sufficiently realized. Thus the Estimates for the coming year, which in almost all European countries are required by law to be brought before the Houses at the beginning of the session, and are subjected to severe scrutiny according to fixed rules which provide for their consideration independently of and prior to all other business, are in all these colonies only submitted to the Parliaments at the convenience of the Government, generally accompanying the Budget speech of the Finance Minister; so much so indeed that it has become almost a habit for the Lower House to refuse to consider the Estimates until the Financial Statement has been made; that is to say, to refuse to settle what are the various offices and services required for the country, until it is informed what has been the result of the last year's finance, and what are the proposals of the Government for meeting the expenditure of the coming—or rather, as is generally the case, of the current—year.

Thus the ancient process is reversed; and instead of first determining what is necessary, and then considering how to provide the cost, the first consideration is, what funds will be available, and then how shall they be spent. And yet it will surely be admitted that the great bulk of the services in every country should be determined solely on the grounds of their necessity, and that the cost should be settled on a fair estimate of their market value.

Quite true is it indeed, and not inconsistent with what has been said above, that a part of the expenditure, especially in new countries, and especially that upon public works, must depend upon the prospect of having the means to pay for their execution, or the desirability of raising moneys for the purpose; and such parts of the Estimates may always rightly be left until the scheme of the year's finance has been disclosed. But surely even such contingent services would have a better chance of patient consideration, if Parliament had already disposed of those fixed and annually recurring services which are necessary for the good government of the community, and for which it is indispensable that means should be provided.

When it is said, as we frequently hear, that the House will not enter upon the Estimates until the Financial Statement has been made, and that that Statement cannot be made until the accounts of the previous year are prepared, and so that it

is unavoidable to postpone the passing of the Appropriation Act until many months of the financial year has elapsed, it is sufficient to point out that the necessity asserted in these colonies is not found to exist in England, or in the United States, or in any of the countries of Europe. And it cannot be asserted that the practice adopted in the Australian Colonies has resulted in a more efficient or economical administration of the public moneys than is seen in countries where the revenues are appropriated before the beginning of each financial year. The very fact of the sudden and convulsive efforts from time to time made to curtail the public expenditure can only be justified by the admission that the normal system for its control by Parliament has been eminently unsuccessful.

I hope I shall not be thought to have transgressed the limits of the task assigned to me in submitting these remarks for the consideration of the Government, and in expressing my own strong conviction that the first step in order to secure a uniform, economical, efficient administration of the national income in these colonies must be the resumption by their several Parliaments of the duties and responsibility of which they have to some extent lost sight: I mean the duty of patiently and rigidly scrutinizing the annual expenditure, past and proposed, and putting an end to all dealings with the public moneys until they have been fully and finally appropriated by Parliament.

### III. OF THE PAYMENT OF PUBLIC MONEY.

The public moneys having been traced into the Treasury, and the authority for their expenditure having been obtained from Parliament, it has next to be explained by what process they are issued and applied to the several services to which they have been appropriated. This can be most conveniently done by describing separately—

- (1.) The provisions of the various statutes on the subject;
- (2.) The operation of the warrants of the Governor; and
- (3.) The details of the different methods for making payment in the several colonies.

#### (1.) *Of the Provisions of the Acts in force.*

In the Act of New South Wales the 11th section is as follows:—

NEW SOUTH WALES.  
 “ All moneys paid into such Bank to the Public Account, as hereinbefore directed, shall be deemed and taken to be money lent by Her Majesty to the person or persons to whom such Bank may belong, and such moneys shall be drawn from the said account in the following manner only (that is to say): The Treasurer shall, as often as occasion may require, calculate the amount of money likely to become due and payable out of the said account during a period not exceeding one month next after such calculation, and shall thereupon prepare an instrument in the form contained in the Second Schedule to this Act, and shall set forth therein the said amount, classifying and arranging it (if for the Public Service) under the same divisions and heads that shall have been employed in the appropriation thereof, or stating (if not for the Public Service) the purpose for which it is payable, and after having signed such instrument, shall transmit the same to the said Auditor-General, and such instrument, when countersigned by him in the form contained in the same Schedule, and approved by the Governor as hereinafter directed, but not otherwise, shall be the warrant for the making of the order next hereinafter mentioned.”

The 12th section proceeds as follows:—

“ Before countersigning any such instrument as aforesaid, such Auditor-General shall ascertain that the sums therein mentioned are those legally available for and applicable to the service or purpose mentioned in such instrument, and after countersigning such instrument shall return the same to the Treasurer, who shall thereupon submit it to the Governor for his approval and signature: Provided that in case the said Auditor-General shall find that the sums therein mentioned or any of them are not those legally available or applicable to the

“ services or purposes therein set forth, he shall return the said instrument to the Treasurer for correction, attaching thereto a paper setting forth in writing the sum or sums not found by him to be legally available or applicable as aforesaid.”

And the 13th section proceeds :—

“ When the said warrant shall have been signed by the Governor, the Treasurer, or such officer or officers as he may authorize, may from time to time issue drafts or cheques upon the said Public Account.”

Down to the signature of the instrument by the Governor, the Victorian Act is identical with that of New South Wales; but there the difference in the two systems begins. The Victorian Act provides as follows :—

VICTORIA.

“ When the said warrant shall have been signed as last aforesaid, the Treasurer or his deputy may from time to time, by an order in writing, direct that the drafts or cheques of such Paymasters as shall be named in such order shall be honored at any Bank at which the Public Account is kept. And every such order shall be in the form contained in the Eighth Schedule to this Act, or to the like effect, and shall be signed by the Treasurer or his deputy, and by him transmitted to the said Commissioners; and when countersigned by them, or any one or more of them, in the form contained in the same Schedule, shall be delivered at the Bank to which the same is directed, and shall be sufficient authority to such Bank to honor and pay the drafts or cheques mentioned therein.”

According to the New South Wales system, therefore, whilst the Auditor can withhold his signature, involving impliedly the withholding also the Governor's signature, to an illegal warrant, if the warrant is once signed, and even without any warrant at all, the Treasurer is quite uncontrolled in his operations on the public moneys in the Bank, which has no knowledge of the warrant or of any authority but that of the Treasurer.

In Victoria, on the other hand, the order of the Treasurer on the Bank must be countersigned by a Commissioner of Audit, who can, therefore, stop any issue not within the Governor's warrant, or not authorized by law. It should be noticed in passing that the New South Wales Act speaks, in the 11th section, of the “ order next hereinafter mentioned,” adopting the language of the Victorian Act, from which it was copied, whilst no “ order ” is afterwards mentioned at all; the countersigned “ order ” of the Victorian law, which contains the whole substance of the control, being omitted in the New South Wales system.

The Queensland Act follows the words of the first clause quoted above, except that it avoids the error into which the less careful drafter of the New South Wales Act fell, and ends the clause with the words “ and such instrument ” “ shall be the Treasurer's warrant for making the issues therein enumerated.” Then follow similar clauses to those in the New South Wales law, providing that the Auditor-General shall withhold his signature to an illegal warrant, and shall state in writing his reasons for so doing. But the inference drawn in Queensland from the wording of the Act appears to be different from that in New South Wales; for whilst in the latter no warrants are issued except on the counter-signature of the Auditor-General, in Queensland warrants are issued for unauthorized expenditure without the certificate of the Auditor-General.

QUEENSLAND.

The Audit Act of South Australia is altogether silent on the subject of the issue of public money except in the provision for unauthorized expenditure noticed above.

SOUTH AUSTRALIA.

In Tasmania the 6th section of the Audit Act is nearly identical with the 11th section of the New South Wales Act, quoted above, except that it concludes by saying that “ the warrant, when approved and signed by the Governor, shall be the warrant to the Treasurer for the issue of the sums of money out of the branch of revenue therein mentioned.” And the subsequent sections in the Acts of New South Wales and Queensland are omitted. The practice, however, as to unauthorized expenditure is the same as in Queensland, and unauthorized expenditure is authorized by the Governor in Council.

TASMANIA.

## NEW ZEALAND.

The provisions of the law in New Zealand differ from those in all the other colonies, in order to carry out the system in force in this colony, not only of a control over the issues of public money, which it shares with the Victorian system, but also of a prior audit of the detailed expenditure, in which it stands alone. The New Zealand system is as follows: The vouchers are sent from the departments, in which they are prepared, to the Audit, and when audited they are passed on to the Treasury; they are then thrown into a Requisition daily, which is an account in which the expenditure is detailed under the votes of Parliament. This is signed by the Treasurer, and returned to the Audit with the vouchers supporting it; and when it is passed and signed by the Controller and Auditor-General, the latter issues an order on the Bank, directing the Bank to honor the cheques of the Paymaster-General on its several branches to the several amounts named in the orders; and, in the words of the Public Revenues Act, "such orders, when countersigned by the Treasurer, shall be full authority "to the Bank to pay the cheques of the Paymaster-General to the several amounts "named in such order." By subsequent clauses in the Revenues Act, the Controller and Auditor-General, together with the Ministers, is made personally liable as a debtor to the Crown for any moneys issued without the authority of Parliament or in excess of the Governor's warrants.

It will be observed that the control in Victoria differs from that in New Zealand in this respect, that, in the former, the Audit Office can refuse to issue money except for services authorized by Parliament and included in the Governor's warrant, but has no means, at the time of such issue, of knowing how the money will be spent by the Treasury; whilst in New Zealand, the issues are made only for the payment of claims which have already been passed by the Audit: this, however, applies only to final payments, not to those under imprest.

(2.) *Of Governor's Warrants.*

The provision which has been made in the Constitution of all colonies, that all public moneys shall be issued under the warrant of the Governor, is derived from the ancient prerogative of the Crown by which all issues of money from the Exchequer are made only under the Royal sign-manual. In the Crown colonies, before the establishment of parliamentary government, the warrants of the Governor usually embraced the expenditure, as detailed from time to time in schedules; and occasionally the expenditure was permitted to take place without a prior warrant, and was covered by a warrant issued subsequently. During the earlier years after the introduction of parliamentary government great laxity prevailed in most of the colonies, the personal responsibility of the Governor having been transferred to his Ministers, whilst no adequate provision yet existed for controlling the action of the political Government.

At present, however, due importance is attached to the Governor's warrant in all the colonies of the Australian group; and although in most there is no absolute bar placed on the issue of money without warrant, yet, except only as regards the expenditure beyond the colony, issues are never, or rarely, made without the warrant of the Governor.

NEW SOUTH  
WALES.

In New South Wales the practice is to obtain a warrant at the commencement of each month, upon an estimate of the moneys that will be required in the course of that month. The warrant is accompanied by a schedule setting forth the amount under the general heads of service as appearing in the Appropriation Act; and the certificate of the Auditor-General that the sums specified are within the parliamentary appropriations is requisite before any warrant can be signed by the Governor. A general-warrant ledger, kept in the Audit, which is detailed under the heads of the several votes, each vote being credited with the sum appropriated, and debited with the sum included in each successive warrant, enables the Auditor-General to take care that no warrants shall be issued in excess of the votes.

Until the Appropriation Act is passed, the warrant is made identical with the Supply Bill for the month. The expenditure of the colony in England is made

without prior warrant; but a covering warrant is issued after the accounts are received.

It is obvious that there is nothing in this system which renders the Governor's warrant indispensable to the issue of money. The Treasurer operates directly on the Bank in which the money is kept, and neither the warrant of the Governor nor even the countersignature of the Auditor-General is necessary to give vitality to the Treasurer's orders on the Bank.

On the other hand, in England the Queen's warrant does not run to the Treasury, that is to the political Government, but to the Exchequer, in which the money is kept, and which, therefore, in this respect corresponds to the Bank in the colony, and which is an office wholly independent of the political Government: and the Exchequer can refuse, and has in fact sometimes refused, to act on a Royal warrant issued in excess of parliamentary authority.

There is, therefore, no absolute control whatever in New South Wales over the dealings with the public moneys by the Government of the day. And especially as regards the English expenditure, months elapse before the Audit obtains any information of what has been done.

In Victoria, the Governor's warrants are issued for round sums under each Supply Bill, until the Appropriation Act is passed, after which they include schedules under the principal heads of expenditure, as in New South Wales. As in the older colony also, the Governor can only issue his warrant upon the certificate of two of the Commissioners of Audit that the proposed issue is warranted by law. But in Victoria a substantial control to a certain extent is placed over the Executive by the fact that the operations of the Treasury on the Bank can only be effected by the assistance of the Commissioners of Audit, by one of whom all the orders of the Treasury on the Bank must be countersigned.

VICTORIA.

But the Victorian system is still incomplete as regards the English expenditure. To draw money from the Public Account for the purpose of sending it to England requires the co-operation of the Audit; but as regards moneys raised by loan in England, which have not passed into the Public Account, the check contemplated by the law is inoperative. At the same time, there is nothing in the Audit Act which places the public moneys in England on a different footing from those in the colony. It is silent on the matter; and is therefore, in practice, held not to apply.

In Queensland, also, a Governor's warrant is obtained at the beginning of every month for the month's estimated expenditure; Consolidated Fund, loan moneys, and trust funds being included in separate warrants. The warrants detail the proposed expenditure under the several services, as expressed in the estimates. Pending the passing of the Appropriation Act, the warrants are taken on the scale of the previous year's estimates, although the law imposes no such restriction. As in the other colonies, warrants are taken to cover the English expenditure only after the accounts are received.

QUEENSLAND.

The greatest laxity prevailed in South Australia in the issue of Governor's warrants up to the time when Sir James Fergusson was Governor; since when all expenditure has been covered by warrants. At the present time, however, the warrants are occasionally over-expended, and payments are not delayed until a new warrant can be obtained. The English expenditure is only placed in a covering warrant after the arrival of the accounts. The warrants are usually issued for the estimated expenditure for the month, which is stated in fuller detail than is the custom elsewhere. Warrants for issues from the Consolidated Fund, and for loan moneys, are taken on separate forms. In respect to the latter, the practice is somewhat peculiar. The loans have been raised from time to time under several Acts, each of which specified the purpose to which the proceeds of the loan was to be devoted. These Acts are considered to be permanent Appropriation Acts. The loan moneys are, however, all carried to a common Ways and Means Account, from which transfers are made to the credit of any work or service, to the extent of the sum appropriated to it, but not further. These

SOUTH  
AUSTRALIA.

transfers are included in warrants which are obtained quarterly; but the payments made in pursuance of the appropriation are not considered to require any further warrant. It may be doubted whether this is strictly in accordance with the Constitution, which requires all moneys to be *issued* under warrant.

Excess warrants are issued for unauthorized expenditure, upon which there is no limit whatever imposed.

## NEW ZEALAND.

In New Zealand, since the passing of the Public Revenues Act of 1867, it has been held that no object was gained by retaining the form of warrant in use in other colonies, by which the proposed expenditure is scheduled under the votes; a form which was handed down from the time when the colonies were Crown colonies, and the Governor exercised a personal control over the expenditure. The warrant in New Zealand since that time has been given in a form provided by the Revenues Act, and authorizes the Treasurer to issue out of the Public Account a specified sum, and "to cause the same to be paid to such persons as may become entitled thereto under the authority of any Act or Acts of the General Assembly appropriating such moneys." The Controller and Auditor-General certifies that the proposed issue is according to law. As a matter of convenience, warrants are now taken separately for charges of the public debt and for ordinary expenditure. In New Zealand alone are all the issues from the New Zealand Public Account in London made under warrant in the same manner as issues in the colony. The warrant-book kept in the Audit Office is debited with the amount of each warrant, and credited with the total of each order for the issue of money. The unexpended balance being carried out on each entry, no over-issue in excess of the warrants can occur.

(3.) *Of the Methods of Making Payments.*

Subject to the primary steps for the issue of public moneys provided by the various Acts in that behalf and the Governor's warrants, the practical modes of making payments in the various colonies may be described as follows:—

NEW SOUTH  
WALES.

In New South Wales, for payment of salaries and current contingencies, each head of a department prepares a schedule of the monthly charges, and sends it to the Treasury, accompanied by the vouchers, about three days before the end of each month. When this schedule has been passed by the examiner of accounts in the Treasury, the total sum is issued to the head of the department or other officer who pays the staff, and immediately returns the receipted vouchers to the Treasury, whence they are then sent on, with the schedules, to the Audit. Each advance made is exactly discharged; and if from any cause it proves to be too small, a fresh issue is made to supplement it; if it is in excess, the surplus is at once repaid to the Public Account, and the advance account is closed. These advances, being made for the identical sums payable, and being at once accounted for, are not considered to be imprests. The cases in which the issue is not the exact sum required are very rare. For some few purposes imprests of round sums are issued and are accounted for from time to time, but not at regular stated periods.

In the case of those services in which a part of the expenditure is for the payment of wages, such as the railways, whose staff is paid every fortnight, the same method is adopted; but in these cases the vouchers and schedules are not made out until after the end of the fortnight, and the exact sum due to each claimant is known; the staff are therefore not paid until from a week to ten days after the payment is due.

## VICTORIA.

In Victoria, all payments are made through the Paymasters, the office of Paymaster in each district being held in conjunction with that of Receiver of Revenue.

The vouchers are made out by the head of each office, and are sent up to the Treasury at the end of each month. From these the Treasury prepares a list of the several amounts payable to the officers in each Paymaster's district, and sends it to the Paymaster, together with the vouchers. A corresponding list is sent to

the Bank on which the Paymaster is authorized to operate, setting forth the cheques which the Bank is authorized to pay. The latter is in the form of an order on the Bank, directing it to honor the cheques of the Paymaster on the Public Account in favour of the persons named in the list, and this order is countersigned by one of the Commissioners of Audit. The number which the cheque is to bear is entered by the Treasury on the order, and the Paymaster is required to number his cheques accordingly. As the whole of the cheques are to bear a running consecutive number for the year, irrespective of the district in which they are issued, the cheques in each pay office will not bear consecutive numbers.

On issuing his cheque the Paymaster obtains the receipt of the payee on the voucher, and immediately returns it to the Treasury.

In Queensland, all payments for salaries and contingencies are made through the heads of the several departments, who send to the Treasury monthly, and in some cases at shorter periods, schedules of the vouchers which are prepared and sent to them by the subordinate heads of the several offices in their departments. QUEENSLAND.

The vouchers themselves are not sent to the Treasury, nor has the latter any means of knowing whether the schedules claiming the issue of certain sums of money are correct or not. The Treasury only takes care that the issues are within the votes and the Governor's warrant, and relies on the subsequent audit for security that the payments made are duly authorized. As a general rule, the Treasury issues the money to the heads of departments, who pay the staff. But in many cases in which, owing to distance from the seat of Government or other causes, the sum payable could not be put into voucher and the money drawn without considerable delay, a cash credit is established in favour of a responsible officer, who finds security, and makes the necessary payments by drawing cheques within the amount of his credit on the Government Bank at Brisbane. These cheques are cashed by the local Bank, and, on receipt of the officer's accounts, supported by receipted vouchers, the Treasury pays to the Bank the amount of the cheques cashed at the branch. The cash credit is thus restored to its original amount. These cash credits are arranged for at the commencement of each year, and the Bank is informed of the extent of the overdraft allowed in each case for the current year.

For the payment of English accounts a different system prevails than that in other colonies, where all payments are made by the Agent-General. In Queensland a cash credit is established at the Bank in London to a specified amount for each particular service. Payments are made by the Bank upon a certificate from the Agent-General that the claim presented is on account of the service for which the credit was established, and that the service has been efficiently performed. The vouchers, and, in the case of goods shipped, the bills of lading and invoices, are lodged with the Bank, and are transmitted in support of its monthly account to the colony. For the service of emigration, however, the Agent-General withdraws the money from the Bank in sums of from £2,000 to £3,000 at a time, and sends to the Treasury monthly a separate account of the expenditure upon emigration. He is further allowed a cash credit of £250 a month for small incidental payments, of which he furnishes a separate account.

There are three methods of making payments in South Australia: first, by payments pre-audited; secondly, by payments by imprests—the word imprests having a different meaning to that assigned to it elsewhere; and thirdly, by advances. SOUTH  
AUSTRALIA.

In the first case, the vouchers for salaries and certain classes of contingencies, and for all final payments on contracts, are sent in to the Audit from the departments before the end of each month, and after audit are sent on to the Treasury for payment. In the second case, which involves the largest part of the payments made by the Treasury, the head of a department, or any other officer, is authorized to make payments by giving an order on the Treasury, generally, to a limited extent. These orders are sometimes "to order," but in many cases "to bearer." They are

cashed throughout the country, find their way often into Banks, and finally are presented at the Treasury counter for payment. These are called *Imprests*—a term which does not strictly indicate the nature of the transaction, as no money is really imprested, and no imprestee is brought in debit to the Crown. Neither Audit nor Treasury has any knowledge whatever, at the time that these orders are paid at the counter, whether they are in satisfaction of *bond fide* claims on the Treasury, or, indeed, whether they are genuine. This system is another form of the payments by cash credits in force in Queensland; but in that case the cheques of the officer having a cash credit are drawn on the Bank at Brisbane, and are cashed only at the local Bank; and the claims on the Treasury can only come in through the branch of the Brisbane Bank. In Queensland, moreover, the system is confined to payments which have to be made at a distance from the seat of Government, in order to avoid delay; but in South Australia, departments in Adelaide itself, having imprest accounts, draw these orders and send them into the country in payment of claims coming due at a distance, whence they find their way back to the Treasury. It is however probable that this imprest system is about to be extended to payments of all kinds in this colony.

The third mode of payment, by advances, is that of what are usually called imprests elsewhere—a sum placed in the hands of an accounting officer, with which he is debited, and of which he discharges himself by the accountable receipts of persons to whom he has paid the money on the Public Service. As a rule, all payments, except on contracts for public works, whether for salaries or contingencies, are made monthly.

For the salaries of officers in the country the money is sent to the head of the office, who pays the subordinate staff, and returns the pay-sheets receipted; but he is not debited as an imprestee. In the case of payments for contingencies made in the country, which are made under the imprest system by sending the payee an order on the Treasury, he has to provide his own means of getting the money, which may be paid to his account at a Bank in Adelaide, or to any authorized agent.

In the case of the Post Office, the whole amount for the payments of the staff for a month is paid over by the Treasury to the Post Office.

The payment of the imprest orders, when presented, is made by the Cashier to the Treasury over the counter. He obtains from the Treasurer, every day, a cheque for the amount which he estimates will be required to meet the day's payments; but he is not debited with these sums in the Treasury books: his receipts and payments are only entered in a rough cash-book, of the nature of a memorandum-book, which, however, is audited daily.

#### TASMANIA.

Payments in Tasmania are made, partly, as in the case of fixed salaries and allowances, by heads of departments, to whom the Treasury advances the sum required every month, the money being accounted for by receipted vouchers, and partly by cheque, sent by post in a registered letter to the payee.

In all cases in which payments are required to be made by imprest, a standing imprest is advanced to the head of the department or other officer, which is recouped from time to time, as a rule monthly, by issues to the amount of the receipted vouchers sent in. The total amount of the imprest is refunded at the end of each year.

Where cheques are sent from the Treasury to payees in the country, the receipted voucher is required to be lodged in the Treasury before the cheque is sent—a system to which a variety of objections present themselves.

#### NEW ZEALAND.

Payments in New Zealand are made in two ways: First, by cheque from the Paymaster-General on the nearest branch Bank to the payees; secondly, by imprest. The latter method is used chiefly in the case of the Railway, Armed Constabulary, and Survey staffs, where the exact amount due on the pay-day is not known at the Treasury.



In the case of direct payments, a cheque is sent by the Paymaster-General to the claimant, the voucher going by the same mail to a countersigning officer. The cheque is valueless till countersigned, and the holder of the cheque obtains the countersignature on giving his receipt on the voucher, which is then immediately returned to the Treasury. The total amount of each order on the Bank at the seat of Government, issued by the Controller and Auditor-General, is transferred from the Public Account to a Public Disbursement Account, and is distributed to the several branches to be operated on; and the Treasury sends to the Bank a list of the cheques drawn on each branch, which the Bank distributes to its branches, each branch being thus informed of the cheques it will have to pay, by the same mail which conveys the cheques to the payees and the vouchers to the countersigning officers.

In the case of imprest payments for current monthly services, each advance is closed when the payments are made, and in all cases Imprestees are required to send in an account of their transactions every week, except in special cases where the accounting period is extended by the Treasury to four weeks.

To sum up the subject of payments, there seem to be five modes in which payments of public moneys are made to the creditors of the Government:—

GENERAL  
REMARKS.

Firstly. By cheque of the Treasury to the payee direct, drawn on the Public Account on the nearest Bank to the payee:

Secondly. By advances to the head of an office or a Paymaster, of the exact sum to be paid by him to the staff of his office or district:

Thirdly. By imprest advances of round sums to an Imprestee, to be accounted for by him by receipted vouchers or refunds of balances unexpended:

Fourthly. By cash credits, by which a Paymaster is authorized to operate on the Public Account by cheques on a branch Bank, or on the Bank at the seat of Government negotiable at a branch Bank, or on the Treasury directly:

Fifthly. By cash over the counter in the Treasury.

The first of these systems is in force in New Zealand, the vouchers being audited before payment.

The second is the practice in New South Wales, where the advance is made to the heads of departments; and in Victoria, where it is made to Paymasters of districts. It is also partially in use in Queensland, South Australia, and Tasmania. The audit is after payment, except in South Australia, where the audit is in some cases before payment.

The third is in use in New Zealand for the Departments of Railways, Constabulary, and Surveys, and some other services in which prompt payment of daily wages are necessary. It is used to a limited extent in all the other colonies. In all cases the audit is necessarily after payment.

The fourth plan is largely used in Queensland and in South Australia (under the name of imprests). In most cases the audit is after payment, but some such payments in South Australia are made on audited vouchers.

The fifth case applies to South Australia alone, and only to accounts which have been audited, and to payment of cheques on the Treasury issued under the fourth system mentioned above. It is also generally applied to petty-cash payments.

In order to make a fair comparison of these several modes of payment, we must first determine what are the objects at which any system should aim. It will probably be admitted that the principal requirements are, first, that payment should be made as promptly as possible after it becomes due. Salaries and fixed

charges are paid with nearly equal punctuality under any system ; but in the case of incidental expenditure, and especially in the case of contracts, delays in making payment not only cause great dissatisfaction, but not unfrequently tend to raise the cost of articles supplied to or work done for the Government. The next point of importance is that the money shall be transmitted to the payee with security, passing through as few hands as possible ; and the third, but not least, condition should be, that the payment should be brought to charge in the Treasury books with the greatest expedition possible.

The system in force in Queensland of cash credits at the Bank in favour of the officer incurring the expenditure, and in South Australia of cheques or orders on the Treasury drawn by the same officer, is that which, as it appears to me, most fully satisfies the first condition, namely, promptitude of payment, and must, no doubt, be the most popular. Cheques on the Treasury given by a responsible officer of the Government would operate, to a great extent, as a circulating medium, and might pass through many hands before appearing at the Treasury for payment. The objections to the system are—first, that too great power of operating on the Public Account is placed in the hands of subordinate officers : To which it is replied that no further power is vested in an officer under this system, than is given to an ordinary Imprestee to whom money is intrusted for payment ; and that an officer is not more likely to use his power of drawing cheques on the Treasury for improper purposes, than he would be to pay away for such purposes moneys which have been placed in his hand as an Imprestee. It may also be urged that the South Australian system has this advantage over the imprest system, that the money does not leave the chest, nor, therefore, cease to bear interest, until after the payment is made to the payee, instead of, as in the case of imprests, some time before. A second objection presents itself, namely, that until the cheques come in for payment the expenditure cannot be brought to charge in the Treasury books ; but this difficulty is obviated by requiring the officer drawing cheques to send a daily return to the Treasury of the cheques he issues ; together with the receipted vouchers. These would then be immediately entered in the Treasury accounts as payments, and the accounts balanced at any time when required by an entry of outstanding cheques.

A further objection might be raised, applying however, only to New Zealand, namely, that such a system as that under consideration is incompatible with a pre-audit of vouchers and a control over the public expenditure. To send up the vouchers for audit before payment would militate against that which is the peculiar advantage of the whole scheme, namely, its promptitude. It is a fundamental part of the system that the officer drawing the cheque or order is held absolutely responsible for any payment which may be disallowed by the Government or by the Audit. If this were clearly understood, and the vouchers were sent up to audit as soon as they arrived in the Treasury, the delay for a few days in auditing them would not constitute any very important objection. Nor would the officer concerned incur any greater risk of being surcharged with a wrongful payment than he does at present under the system of ordinary imprest. Upon the whole this method of making payments is deserving of favourable consideration, especially as it seems capable of being worked with less trouble, and probably at less expense than any other in use.

The plan of paying fixed salaries and contingencies by an advance to a Paymaster of the exact sum to be paid away has also much to recommend it ; and this especially, that it is compatible with a prior audit of the vouchers, and with immediate entry in the accounts of the colony ; for it would be quite as correct that accounts should be entered as paid, when the advance to pay them is issued, as that they should be so entered—as they are under the New Zealand system at present—where the individual cheques to each payee are issued.

I cannot but think it well worthy of consideration whether a modification of the present system of drawing all cheques in the Treasury, might not be made in one of the two directions here described, with considerable saving of labour in that department.

The Imprest system is admitted on all hands to be the one most open to objection, not only because it imposes a heavy responsibility on the Imprestee, but because it delays the final entry of the expenditure in the public accounts; and, in New Zealand, violates the principle of a pre-audit of payments. The main object in view, when the system of direct payment from the Treasury was recommended some years ago by a departmental Commission on the public accounts, was to limit the sums in the hands of Imprestees, and to expedite the entries in the public accounts. It must be acknowledged that the first of these objects has not been attained. Since the system was introduced the Railways have opened a new and large branch of expenditure to which the system of direct payment is not applicable. In this department alone the imprests have increased by more than half a million a year; and it is desirable for many reasons that the issues under this system should be curtailed. This might be effected either by the machinery of cash credits, or by sending up all the vouchers for pre-audit, and delaying the payment of wages for a fortnight after their due date. It will be remembered that this was the rule on the railways in the Northern Island till the year 1877, and is the custom in several departments in Australia at present. Where the recipient of wages is quite certain of his money, and is paid at equal periods of time, it would not be felt as a grievance that his wages were a fortnight in arrear.

By either of the systems above described, the imprests which have assumed such large dimensions in this colony might be almost entirely extinguished, a vast amount of labour both in the Audit and Treasury might be saved, and the final entries in the public accounts greatly expedited.

Of the payment at the counter in the Treasury in coin, instead of by cheque on the Bank, not much need be said. Except for petty expenses it is in use not where but in South Australia. Whether it might not be adopted with advantage in the payment of the large staff employed in the Government Buildings in Wellington may be worthy of consideration, though whether the counting out of so much coin would be less trouble than writing so many cheques may be doubted. The saving to the Bank would of course be very appreciable.

If the process of paying claims on the Government is to be reconsidered, the value of a prior audit of the vouchers must necessarily come in question. It has been abundantly proved that where the vouchers are sent in by the departments correctly filled up, no delay occurs in the Audit or Treasury in making the payment. But in cases where the voucher is wrongly charged, or is incorrect or incomplete in other respects, and has to be returned to the department for correction, delay necessarily arises, and the claimant has just cause of complaint that he is kept out of his money, not through fault of his own, but because conditions of which he has no knowledge have not been fulfilled. If a payment is due it is no satisfaction to the claimant to be told that it cannot be paid at once, because a difference of opinion exists amongst the officers of Government as to how the payment is to be charged.

On the other hand, it should be stated that the number of instances in which payment is delayed from this or similar causes is very small as compared with the whole number of vouchers passed. For example, during the year ending on the 31st December, 1879, the number of vouchers sent in for audit was 84,104. The imprests accounted for are included in schedules, a large number of vouchers being often included in one schedule, reckoned in the above as one voucher. If each voucher of the credit schedules were counted as a separate voucher, the number of vouchers audited was estimated to exceed 170,000. But of the vouchers awaiting payment, numbering 84,104, 59,482 were passed or returned to the departments for correction on the day on which they came in; 17,535 were dealt with the day after, 5,102 on the second day after, and 1,985 on the third and following days. Of those not passed on the day of receipt, the majority were salary vouchers, which come in about the middle of the month in vast numbers, sometimes nearly a 1,000 a day, and the delay in passing which is of no consequence so long as they are ready for payment at the end of the month. Hence it is clear

that the number of vouchers the payment of which is delayed by the pre-audit is very small indeed. The only delay, which is a just cause of complaint, occurs when vouchers are rendered incomplete or wrongly charged, and are returned for correction. Had such a voucher been paid by the cheque of the officer on the Treasury, the default in the voucher would be cured subsequently, and the officer surcharged until the requirements of the Audit were satisfied.

So far it may be said that, on the one hand, the complaints against a pre-audit have been greatly exaggerated, and, on the other, that if the pre-audit were abandoned, and the system of cheques on the Treasury adopted, *provided the Audit were armed with sufficient power to enforce immediate attention to its calls for correction in the vouchers*, the control over the details of the expenditure would be little if at all weakened.

The vital objection to this system, however, is, that the Audit Office would no longer have the power which it possesses under the present system, of refusing to issue money at all where the payment is contrary to law. What then has been the real effect of the pre-audit in maintaining this control? I think it must be admitted *that in no instance has any payment proposed to be made by the Government been prevented*. And this for two reasons. First, because so long as the Government has the large margin of the unauthorized vote, £100,000 a year, to fall back on—practically indeed £200,000, because after the end of each financial year a second £100,000 may be operated on—the question whether money shall or shall not be paid always resolves itself into the question whether the payment shall or shall not be charged to “unauthorized.” Secondly, because the 50th section of the Public Revenues Act really abolishes the control of the Audit Office in the very cases in which it might become effective, by enacting that “if the “Audit Office declines to pass any issue or credit requisition on the ground that “the charges therein are not according to law, the matter in dispute shall be “determined by the Governor in Council, having before him the opinion of the “Attorney-General thereon: but the objection of the Audit Office shall, together “with the opinion of the Attorney-General, be laid before Parliament.” If therefore the whole matter is after all to be determined by the Government of the day, of what use, it may well be asked, is the machinery by which a control, based on a pre-audit of payments, is supposed to be maintained? Or, at all events, is the pre-audit of such importance, and the control such a reality, that its preservation in its present form should be allowed to stand in the way of any simpler and more expeditious mode of paying the creditors of the Government than that at present in force?

#### IV. OF AUDIT AND ACCOUNTS.

NEW SOUTH  
WALES.

The office of Auditor-General in New South Wales is established, and his duties are defined, by the Audit Act of 1870. He holds his office under good behaviour, and is removable only on address to the Governor from both Houses of the Legislature. By the 27th section of the Act, “The Auditor-General on “receipt by him of the returns required to be furnished by Public Accountants “receiving or collecting moneys as hereinbefore provided shall examine and “compare the same with the said cash-sheets and with the said vouchers and “documents, and shall allow and discharge every such Public Accountant for all “sums shown to have been by him respectively received or collected and duly “paid into the Treasury or into a Bank as hereinbefore provided, and shall dis- “allow and surcharge such Public Accountant all sums wilfully or negligently “omitted to be received or collected by him which under any law or regulation “it was his duty to receive or collect, and all sums not duly paid in by him to the “credit of the proper head of receipt in the Treasury, and all such unsatisfied “surcharges shall be transmitted by the said Auditor-General to the Treasurer to “be by him enforced against such Public Accountant.” By the 28th section he is required to audit the daily cash-sheet of receipt and expenditure which the Act requires the Treasurer to send to the Audit daily, “to compare the debit and “credit entries with the supporting vouchers and documents forwarded therewith “and examine their correctness as to rates, computations, and castings, and in “the next place examine the supporting vouchers as to whether they bear upon

“ the face of them a correct description of the proper head of receipt or expenditure to which the moneys mentioned therein have been debited or credited respectively, and in the next place ascertain whether the moneys mentioned on the debit side of the said cash-sheet have been duly paid over to the Public Account, and whether the sums mentioned as paid on the credit side of the said cash-sheet have been actually and duly disbursed under competent authority and on the prescribed certificates. And the Auditor-General shall allow and discharge the Treasurer monthly for all receipts which shall be found correct in the particulars hereinbefore mentioned, and for all payments made in pursuance of the warrants under the hand of the Governor,” “ and accompanied by the receipts or acquitances of the respective persons to whom such payments have been so made.”

By the next section the Auditor-General is empowered to make such queries as he thinks necessary to all persons concerned in the receipt or expenditure of the public moneys, and after all explanations have been rendered he “ shall disallow and surcharge all sums disbursed in excess or not duly vouched and authorized, and shall forward to the Treasurer a statement of all such unsatisfied surcharges to be enforced by him against such Public Accountants, officers certifying accounts, or other persons through whose default such surcharges have arisen.” Any officer so surcharged is allowed to appeal to the Governor in Council, who may release any surcharge in whole or in part as appears to him just and reasonable.

By the 35th section the Governor in Council may “ exempt from detailed audit by the Auditor-General, but not from appropriation audit by him, the accounts of receipt and expenditure of any department the peculiar duties, constitution, or circumstances of which may render such exemption expedient;” but such exemption must be reported to Parliament.

By the 36th section the Auditor-General is required to audit the Treasurer’s annual statement of receipt and expenditure, and “ within six months from the receipt thereof prepare and sign a report explaining such statement in full, and showing in what particular such statement agrees with or differs from the accounts of the Treasurer furnished to him;” and this report he is to send to the Legislative Assembly within seven days after signing it, or after the next meeting of Parliament, if it is not then sitting.

By the 39th section he may at any time report to Parliament any suggestions as to the improvement of the public accounts.

The Audit of the Treasury Accounts is based upon the information which the latter is required by law to supply to the Auditor-General. This consists of a cash-sheet sent in daily, showing the total receipts and payments of the previous day under the heads of Consolidated Fund, Loan Moneys, and Trust Funds. It is accompanied by supporting sheets, showing each receipt and payment separately under the proper head of receipt and disbursement to which it is to be charged. This account is supported on the receipt side by the vouchers of the accounting offices which have been sent in to the Treasury along with these remittances, which state on what account the money has been received, but contain no particulars sufficient to enable the account to be audited, that is to say, sufficient to determine whether the moneys received are those required by law to be collected. The expenditure side of the cash-sheet is supported by the receipted vouchers for the money paid.

Every Accounting Officer is required to keep a cash-book and a ledger, and from these he makes up and sends to the Audit an “ attested account ” monthly, but in some cases quarterly. This is supported by a statutory declaration before a Magistrate to the correctness of the account, and is supposed to supply all the information necessary to show that the right sum has in every case been collected. It is admitted, however, that in many cases, as, for example, in the case of fees and fines in the Law Courts, the information is insufficient for the purpose, and the Audit Office is compelled to rely solely upon the statutory declaration of the

Accounting Officer that the statement is correct. The Treasurer's cash-sheets are checked in the Audit Office with the "attested accounts" of the Collecting Officers, which are sent to the Auditor-General direct, and also with the Bank-sheets, which the Bank is also required to send to the Audit Office daily. The latter audit is carried on concurrently with the transactions, being usually not more than four or five days in arrear; whilst the comparison with the "attested accounts" is necessarily delayed by the more lengthened period at which the latter are received. By the second and third sections of the Audit Act these "attested accounts" are required to be sent to the Audit within ten days, in Sydney after the end of each month, and out of Sydney after the end of each quarter.

Although the Auditor-General is required to surcharge an Accountant with errors in his account, or insufficient collections, he has no power to enforce his surcharge: he can do no more than report it to the Treasurer to be put in force. The Treasurer, however, is himself, in his character of Receiver of Inland Revenue, liable to be surcharged. In such a case the power of the Audit and the duty imposed on it is a dead letter. Nor has he any power of compelling officers to reply to his queries, and the result is that, as a matter of fact, months and even years elapse without notice being taken, in some instances, of the Audit queries or demands for further information. Moreover, as there appears to be a rule in force that the Treasury will not enforce any surcharge until the reply of the officer concerned to the query has been received, it would seem that any surcharge may be evaded by neglecting to notice it.

Again, it is not admitted that the Auditor-General has the power of going into any office and inspecting the accounts. In practice the officers of the Audit Office do sometimes make such local inspections. The accounts of the Customs, for instance, are thus in part periodically inspected; but the right to inspect the accounts in the Stamp Office was upon one occasion denied, and the claim for exemption was upheld by the Treasury.

The Inspectors of Local Accounts are, in New South Wales, officers of the Treasury, not, as elsewhere, of the Audit Office. It is generally admitted that no perfect audit of revenue accounts can be effected apart from a local inspection of the books and papers in an office; and that the returns made to the Audit by Collectors are not sufficient to enable a complete audit to be made. Whilst, therefore, the Act requires the Auditor-General to surcharge Collectors with moneys they have neglected to collect, the machinery is wanting which would enable him to carry out the law. That the inspection of local accounts should be conducted by the Treasury instead of the Audit, is a system adopted nowhere but in New South Wales, and the anomaly is the more remarkable in that colony because the Treasurer is himself, as Collector of Inland Revenue, the officer who may be surcharged.

The Audit Office in this, as in all the colonies except New Zealand, is considered to have no control over the Ways and Means, and therefore no power to prevent the Government from obtaining moneys either in excess of, or from other sources than, those provided by Parliament. There is, in short, nothing corresponding to the control exercised by the Exchequer in England. The Audit Office is therefore relieved from the duty of keeping any accounts with the object of showing that the limits of Ways and Means authorized by law are not exceeded, or that other moneys are being obtained by the Government than those placed at its disposal by Parliament.

The principal accounts kept in the Audit Office are the Appropriation Ledgers, occupying five large folios, in which each vote severally is credited with the amount appropriated, and debited with the expenditure. Each account is balanced monthly; the issuing balance, however, is not carried out, but is obtained by inspection when required.

Pending the passing of the Appropriation Act each vote is credited with one-twelfth part of the vote for the previous year upon the passing of each Supply

Bill; and, on the passing of the Appropriation Act, the balance of the sum appropriated, not previously credited, is brought to credit.

No excess on the votes is permitted. Any over-expenditure is paid out of the Treasury Advance Account, and a vote is taken in the Supplementary Estimates of the following year to discharge the advance.

The mode of paying the staff of the Civil Service, by means of advances made to the head of each department, involves the keeping of an Advance Ledger in the Audit. This ledger is not kept against each officer, but against each separate advance made, which is closed when the receipted vouchers come in.

An Imprest Ledger is also kept against each officer receiving an imprest properly so called, which are issued in round sums for special services, usually public works. These imprests are charged against the Treasurer's Advance Account; and as the vouchers supporting payments come in the expenditure is charged on the votes; but the issue is not written off the Treasurer's Advance Account until the whole imprest is accounted for, and the unexpended balance, if any, refunded, and the account closed. There does not appear to be any special times at which Imprestees are required to account, but it is understood that imprest accounts must be closed within the financial year.

The Governor's Warrant Ledger has been spoken of under the head of Governor's Warrants.

A complete record is kept of the Land Fund, especially of the payments annually coming due under the system of conditional selections, which is more particularly described under the head of the Land Funds.

An elaborate account is also kept in the Audit Office of all debentures and coupons issued and paid. All such debentures and coupons are sent out to the colony, and are kept in the Audit Office, but none have yet been cancelled.

The vouchers both for receipts and payments are bound up in volumes, and kept in the Audit Office. Those for receipts occupy twelve thick folio volumes; those for payments about sixty-five volumes of the usual thickness for each year.

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The Audit in Victoria was established by "The Audit Act, 1858," which was repealed and re-enacted in 1859 by the Act at present in force, in which the duties of the Commissioners of Audit are defined. By the 22nd section they are required to report to the Treasurer the name of any person failing to send in his returns of moneys collected, and "shall from time to time generally communicate with the Treasurer upon all matters relating to the collection, receipt, issue, and expenditure of the public and other moneys affected by the provisions of this Act." They, or any two of them, are to countersign the requisitions of the Treasurer for the issue of moneys, after ascertaining that the sums mentioned are then legally available for and applicable to the service mentioned; and one of the Commissioners must sign the order on the Bank for the issue of the money. Similar provisions to those in the New South Wales Act require them to audit the daily cash-sheet of the Treasury with its accompanying vouchers, and to report monthly to the Treasurer the result of such examination, giving him an acquittance for so much of his account as is correct, and surcharging him with deficiencies.

VICTORIA.

But there does not appear to be any power given by the Act enabling the Commissioners to surcharge any Accountant with deficiencies in his collections, or indeed to surcharge any public officer except the Treasurer, and him only for wrongful payments. The section in the Act of New South Wales which empowers the Auditor-General to surcharge Collectors with dues they have neglected to collect is wanting in the Victorian Act, nor is there any corresponding provision.

By the 36th section "the said Commissioners, or one of them, shall, once at least in every year, inspect the books and accounts of every such Receiver, Collector, and Paymaster as aforesaid, and of every other person in the Public



“ Service to whose possession or control any moneys shall have come from or on  
 “ account of the Consolidated Revenue or (by virtue of his office, or employment,  
 “ or of any legal process whatsoever) for or on account or for the use or benefit of  
 “ any other person, and all stores belonging to Her Majesty of whatsoever nature  
 “ or description the same may be, and shall cause stock thereof to be taken; and  
 “ shall also investigate and examine all contracts, accounts, invoices, requisitions,  
 “ books, bills of parcels, and vouchers in any wise relating to or concerning the  
 “ same, and all circumstances affecting or attending the making of any such con-  
 “ tract, and shall ascertain the quantity, description, and price of all stores pur-  
 “ chased on account of Her Majesty, and the quantity, description, and price of  
 “ all stores supplied for the use of every department of the Public Service, and shall  
 “ forthwith make and sign a report of the result of such inspection, investigation,  
 “ examination, and comparison, and as to the manner in which the books, accounts,  
 “ and other papers aforesaid, and stores shall have been kept; and every such  
 “ report shall, within one month after the making and signing thereof, be trans-  
 “ mitted to the Treasurer.”

By the 47th and subsequent clauses the Commissioners are required to audit and report upon the Treasurer's annual statement of receipt and expenditure, and to present such report to Parliament; and by the 51st section to make any suggestions they may think fit for the improvement of the public accounts.

Such are the duties of the Audit Office as defined by the Act. There have been until lately three Commissioners, who have divided the work between them, each taking a separate branch by turn: one inspecting the various offices in Melbourne; another inspecting the offices throughout the country; and the third taking the work in the Audit Office itself. Recently, however, a vacancy has occurred in the office of one of the Commissioners, which has not yet been filled; and it is proposed to limit the Commissioners, if possible, to two in future. Considering, however, that certain acts can only be performed by two Commissioners, requiring the presence of two from time to time in the Audit Office, whilst an important branch of the work consists in the local inspection of the country offices at a distance, it is doubtful whether the present arrangement can be satisfactorily continued without an alteration of the law. Nearly every office in the colony, excepting the railway stations, is inspected once a year; and last year the Commissioner taking the country work states that he inspected 244 offices, travelling 9,749 miles for the purpose.

The basis of the audit is that of the daily cash-sheet of receipts and payments, which is sent by the Treasury to the Audit, and is supported by all the vouchers on both sides of the account, showing all the transactions throughout the colony on the day to which the account relates.

As regards the receipt side, the collections as stated in the account are traced into the Bank by comparison with the Bank-sheet, which is furnished daily by the Bank to the Audit. The vouchers on the receipt side consist of the returns made by several Receivers, supported by the vouchers which each Collector sends with every remittance to the Receiver, containing a full detail of his collections, and which the Receiver attaches as a sub-voucher to the daily account accompanying his remittances to the Treasury. The Collector sends an independent monthly return to the Audit Office showing in one sum the amount of his collections for the month, and his several payments to the Receiver on each day. This is equivalent to the “attested account” of New South Wales, and is supported by a statutory declaration as to its correctness. It serves as a check on the Receiver's accounts which accompany the cash-sheet. It is admitted, however, that the accounts thus furnished are not sufficient to enable a complete audit of the receipts to be made, or to show that the sums due to the revenue have in all cases been collected. It is the opinion of the Commissioners of Audit—an opinion which is shared by all who have practical experience in the audit of Government accounts—that no satisfactory check can be maintained over the receipt of revenue except by a personal inspection of the accounts in the local offices. A register is therefore kept in the Audit Office, called the “Register of Declared Returns,”



in which the sum accounted for monthly by each Collector is entered and checked with the Public Account. When the Commissioner makes his inspection of any office he takes with him a copy of the "Register of Declared Returns," from the date of the last inspection, and checks the cash-book in the office with the accounts so rendered.

A complete set of registers are kept in the Audit Office of the rents due from selectors of land on deferred payment, and also of the rents due by the pastoral tenants, which are nearly identical with the registers kept in the Land Office. The Audit Office, however, does not consider itself responsible for the collection of these rents, nor does it surcharge the Collectors when rents are allowed to fall into arrear. When any case of neglect on the part of a Collector comes under their notice, the Commissioners call the attention of the Treasury to the default; but the responsibility of seeing these dues paid rests with the Treasury and the Land Office. The only object of keeping these registers in the Audit Office is said to be in order to prevent the embezzlement of the money by the Receivers or Collectors; but this seems to be sufficiently provided for by the lists of tenants whose rents are in arrear, which are periodically published in the *Gazette*.

A register is also kept in the Audit of the payments due under the land-tax. The Land-Tax Commissioner's "Classification Sheet," which is published in the *Gazette*, is a complete valuation of the properties on which the tax is payable. Alterations made on appeals are also published in the *Gazette*, and alterations are also made by the Registrar, arising from the changes in ownership of land. The Registrar makes up and publishes in the *Gazette* every six months a statement of the amounts payable by every man under the land-tax, and from this statement the Register in the Audit Office is made up and corrected periodically. The Audit Office has thus full information as to what payments are in arrear; but the Commissioners of Audit do not consider it to be a part of their duty to surcharge any one for deficient collections. If they observe payments falling into arrear they call the attention of the Registrar to the fact, and, should no notice be taken, their ultimate remedy would be to inform Parliament in their annual report.

No detailed audit of the Customs accounts is effected by the Commissioners: this is left for the most part to the Inspector of Customs.

The Commissioners do not interfere with the audit of the Railway receipts. They make a general inspection of the work in the Railway Accountant's Office every year, and also of the Railway store accounts.

An account of the revenue received is kept in daily totals not detailed to the different heads of revenue. The totals are checked with the Bank-sheets rendered by each of the ten Banks daily.

On the payment side, the Audit Office is not considered to have any control over the Ways and Means. Its control is confined to limiting the expenditure to the sums voted by Parliament, without regard to the source from which the funds are derived: that is to say, they would not refuse to sanction expenditure voted, even if the only moneys out of which payment could be made had been obtained without any authority by law. The control over the expenditure is effected by the certificate of two of the Commissioners to the legality of an issue being necessary before the Governor can sign a warrant, and by the countersignature of one being necessary to enable the Bank to issue. In order to effect this control the Commissioners keep a "Warrant-book," detailed under the votes of Parliament, in which each account is credited with the amount of the vote, and debited with each sum passed into warrant against it. The issuing balance of the vote is thus shown. A second book, called the "Order-book," is also kept, in which each account is credited with the amounts passed into warrant, as shown in the Warrant-book, and debited with the orders issued against each vote; the balance showing the unexpended balance of the warrant under each vote.

There is no previous audit of the vouchers before payment, nor have the Commissioners, at the time they countersign the order on the Bank for the issue of money, any means of knowing whether the payments proposed to be made are duly authorized by law. They do not see the vouchers on which claims are made until some time after payment. Their duty consists only in taking care that the proposed issues are within the warrant, and that the warrant is within the vote. There is nothing in the system to prevent a payment, which was described in the order as due under a particular vote, being actually made for a different service altogether; nor could the Audit discover that such had been the case until some time afterwards when the vouchers come up for audit. Nor even then has the Audit any power to rectify the error except by reporting to the Treasury, and if necessary to Parliament. Meanwhile the Order-book of the Commissioner would necessarily show erroneous balances.

When the paid vouchers come up for Audit, they are entered by the examining clerks in ledgers called "Posting-books," under the head of each division, subdivision, and item of the Estimates, for the purpose of providing that no item shall be overdrawn. In case it appears that any item is exceeded, the Commissioners call the attention of the Treasury to the fact, and the overdraft is covered, usually by transferring an unused balance from some other item to the credit of that overdrawn, which is done under the provisions of the Act by an Order in Council. The Audit Office thus keeps a detailed account of the whole expenditure of the colony. But these ledgers are not balanced with the warrant and other books, which show the actual issues made. The accounts of the Audit Office are not kept by double entry.

All debentures are signed by one of the Commissioners of Audit, certifying that they have been registered in the Audit Office. A full and detailed account is kept of every debenture and every coupon issued by the Victorian Government, and of all debentures and coupons paid off. When paid-off debentures and coupons are cancelled and sent out to the colony they are checked with the accounts of such payments rendered by the Banks. The charges of the public debt are paid at the London and Westminster Bank and the London Joint Stock Bank on behalf of the Associated Banks, by whom the ordinary business of the Government is conducted. Lists of outstanding coupons are made out periodically in the Audit Office. The whole of this account is stated to occupy the time of one clerk for seven months in the year. The number of coupons paid annually is about 230,000. No similar account is kept in the Treasury, which relies wholly on the Audit for the accuracy of the accounts submitted by the Banks.

The accounts of the revenue and expenditure of Victoria are kept by an elaborate system of double entry in the Treasury. The books kept are numerous, providing many cross-checks to secure accuracy of account. Experience has no doubt dictated the necessity, or at least the convenience, of the several books, although on a casual inspection the impression is left that the same end might be obtained by a less complicated machinery. The accounts are no doubt rendered more complicated by the fact that the Government deals with ten Banks instead of one.

The receipts are first entered, from the daily summaries of receipts supplied by the Receivers, in two books—one for Consolidated Fund, the other for Loans, divided under the heads of the several Banks, showing the amounts paid into each; and these books are checked with the Bank-sheets required by the Act to be sent daily both to Treasury and Audit. The day's receipts as returned by the Bank-sheets are the receipts for each day on which the lodgments are made in the Bank or branch Banks, not the day on which such lodgments are credited in the Melbourne Bank. The Bank-sheets are, therefore, two days in arrear.

The cash-book required to be kept by the Audit Act is kept in two books for receipts and payment separately. The receipt side is entered from the Receiver's Summaries, which are also entered in a "Record of Summaries," with which, and also with the Bank-sheets, the cash-book is checked daily. The cash-book entries

are then detailed into the "Detailed Ledger of Revenue," showing the receipts under the various heads of revenue.

In dealing with the expenditure the vouchers are first recorded with the date of receipt in the Treasury, and the date of being passed for payment, in a book called the "Register of Accounts." They are next entered in the "Provisional Ledgers," which are detailed under the votes or other parliamentary authorities. The object of these ledgers is to secure that the votes shall not be exceeded. The vouchers are next entered in the Bank orders (which, when countersigned by a Commissioner of Audit, are the orders on the Bank to honor the Paymaster's cheques), and also in the advice-sheet to the Paymasters authorizing them to draw the cheques.

A register is also kept of the Bank orders and of the cheques, each of which are numbered consecutively; and from this register of cheques, the number which each cheque is to bear is entered on the Bank order and on the advice to the Paymasters. A "Record of Summaries" of payments is also kept, corresponding to the record of summaries of receipts. The cash-book is entered from the summaries and paid vouchers.

A book is kept against each Bank of the "Treasurer's Daily Transactions" with the Bank. All receipts and payments are entered daily, and checked off with the Bank-sheets. Every month the totals of the "Daily Transactions" and the Bank-sheets are entered in the "Reconciliation of Cash Balances," and compared, and the differences, outstanding cheques, &c., are entered in detail, and written off as they are cleared.

The cash-book is balanced with the "Record of Summaries" and the "Daily Transactions" daily; and a copy of the cash-book on both receipt and expenditure side is sent daily to the Audit as required by the Act.

The entries in the expenditure cash-book are carried into the detailed ledgers of expenditure.

The Advance Ledger is kept against each Imprestee nominally, showing his debit to the Government; and the Agent-General's accounts are kept in this ledger. Advances are charged against the votes when issued, and, in the case of the Agent-General, when remittances are made. The Agent-General's accounts are sent out by every mail, but the Bank accounts and the general cash accounts are sent from England only quarterly.

From all the subordinate books the whole revenue and expenditure is journalized monthly and posted into the Finance Ledger, from which the general balance-sheet is constructed.

A warrant-book is also kept in the Treasury, similar to that kept in the Audit, in which the issues are entered under all the heads which appear in the Governor's warrants.

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The Auditor-General in Queensland holds his office, under the provisions of the Audit Act of 1874, upon good behaviour. Under this Act his powers and duties are defined, and amongst others he is enabled, like the Controller and Auditor-General in England, "to make orders and rules for the conduct of the internal business of his department, and to promote or suspend any of the officers, clerks, and others employed therein, and to prescribe regulations and forms for the guidance of public accountants in making up and rendering their periodical accounts: Provided always that all such promotions, regulations, and forms shall be approved by the Governor in Council previously to the issue thereof."

The Auditor-General has power of surcharging public accountants both for defalcations and for sums omitted to be collected; but has no power of enforcing the surcharge other than by reporting it to the Treasurer, and the officer has the

right of appeal to the Governor in Council. The Auditor-General has the usual power of calling for persons and papers and of administering oaths, but in default the remedy is not by fine, but the defaulter "shall be liable to be dealt with as in " case of a contempt of Court."

Until the passing of the Act of 1874 the Audit Office was the Accounting Office of the Government. This is altered, and the duty of preparing and publishing the public accounts is imposed on the Treasury, the Audit Office keeping only such books as enable it to audit the accounts.

There is no control properly so called in the Queensland system either of the expenditure or of the ways and means. But the powers of the Auditor-General appear to be far more fully recognized, and the Audit to be more efficient, than in some other colonies. It is mainly conducted by a system of travelling Inspectors, by whom it is provided by the Act that every public Accountant's office shall be thoroughly inspected, and his accounts audited at least once every six months; in some cases the inspection is made much more frequently. The inspecting officers do not hold separate appointments as such, but are all officers of the department, who are sent out, at the discretion of the Auditor-General, to inspect the local offices. Full reports on the state of each office are made to the Auditor-General, and submitted by him to the Treasurer, and by him to the heads of the departments concerned. There are usually three officers travelling at a time, and the Auditor-General himself takes part in the work when he thinks it necessary.

The Customhouses are minutely inspected, there being no Inspector of Customs as in some other colonies. The inspecting officer takes every separate manifest from the date of the last inspection, and traces the goods into bond and until finally cleared, and takes the stock in the bonded stores. The audit of the Customhouse at Brisbane occupies about two months in each year. In the excise of Home-manufactured spirits, the officer of the Treasury checks the stock turned out of the distillery and sees that it is all passed into bonded store. It is there dealt with by the Audit exactly as if it were imported spirits.

The Auditor-General in Queensland, as in Victoria, is specially charged by the Audit Act with the audit of Government stores; and it is a part of the work of the inspecting officers to take the stock in the various stores, and to surcharge deficiencies on the Storekeepers. The paper and stocks of stamps in the Lithographic Office are checked every three months, and the issues are checked into the Post Office and Stamp Office, and the spoiled stamps and paper are destroyed by the Inspector.

The Railway receipt accounts are excluded from the inspection of the Audit Office; but the Act seems to require its inspection of the Railway, as of all other stores.

All printed forms having money value, such as miners' rights, &c., excepting stamps, are kept in and issued from the Audit Office, a system open to grave objection. Although these forms have no value until signed by a Magistrate, Warden, or Commissioner of Crown Lands, who have to account to the Audit for all such forms issued to them, still as the Audit is required to surcharge such officers for any missing forms, it clearly ought not to be in the position of being the original party by whom they were said to be issued, and which may be the point in dispute.

In nothing is the absence of control so conspicuous as in the English expenditure. As this is not included in warrant before it takes place, there is nothing to prevent the Government from ordering any expenditure it thinks fit through the Agent-General without the knowledge of the Auditor-General, who would only become cognizant of what had been done months afterwards when the accounts arrived, whilst in the meantime the votes might be largely over-expended.

The Treasury sends daily to the Audit a statement of the receipts detailed under the proper heads of revenue, supported by the revenue vouchers, and a similar statement of the expenditure charged to the several votes.

Every Receiver of Revenue sends monthly to the Audit an independent account of his collections supported by a statutory declaration as to its correctness. This is equivalent to the attested accounts under the New South Wales system, but in Queensland the attested account contains less information than the vouchers, and is only used to check the Collector's statement of what he has received, with the Treasury statement of what has been paid into the Bank. From the Treasury revenue cash-sheets the Audit Office makes up a statement on a printed form of the total Revenue, detailed under the various heads of receipt, which is checked with a similar account prepared in the Treasury from the Revenue Ledger.

All Public Accountants send monthly to the Audit a statement of the cheques drawn by them during the month against the amount issued to them for expenditure. The Audit Office at the end of every month summarizes, on the double-entry system, all the receipts and expenditure, both in the colony and in England, in a journal, in which are also entered all transactions relating to debentures, Treasury bills, &c., and posts these entries into a ledger, the balances of which are taken out monthly on a printed form, and checked with a similar statement of balances made in the Treasury. These balance-sheets show the balances to debit or credit of each of the Government accounts, and show the whole of its financial transactions. Amongst other balances, it shows the whole public debt of the colony.

The system of accounts in the Treasury may be briefly described as follows: In the "Revenue Cash-book" the whole revenue of the colony is entered from the vouchers, which support the transfer of the Collectors' balances from their official accounts to the Treasury. These vouchers contain full particulars of the revenue received. The cash-book shows the date of receipt, number of voucher, head of revenue, place where and office by whom received, and the amount. It is discharged by lodgments in the Bank. The Revenue Ledger is also entered from the vouchers, showing the receipts under the several heads of revenue, and is balanced with the cash-book at the end of every month. A suspense account shows moneys received, but, from insufficient information, not yet credited to revenue.

The "Individual Ledger" shows the revenue collected by each Receiver severally, his payments to the Treasury, and the balance for which he is liable.

"The "Expenditure Cash-book" contains the issues from the Treasury to heads of departments entered from the schedules, which show the votes or services against which the expenditure is to be charged, but not the individual payments. The latter are not submitted to the Treasury. The Treasury therefore keeps no abstract-books, and has no information of the individual payments made in the departments. For the correctness of the latter it relies wholly on the subsequent audit of the vouchers by the Audit Office. With respect, however, to the departmental expenditure of the Treasury itself, the payments are entered in the cash-book in detail.

The "Day-book" is a book in which the schedules from the heads of departments are entered, showing the payment on account of each vote or service. The clerk making these entries has first to satisfy himself that the items included in the abstract are covered by the Governor's warrant, and then to ascertain from the expenditure ledger whether the unexpended balance of the vote will bear the proposed charge. If it will not do so, the abstract is returned to the department, in order that the necessary authority may be obtained to exceed the vote. The excess when authorized is carried into the Supplementary Estimates of the following year.

The "Expenditure Ledger" containing the expenditure under the head of the votes is posted from the day-book, each account being credited with the vote and debited with the expenditure.

In the "Journal" all the revenue and expenditure is journalized from the

cash-books, the English accounts, the Savings Bank accounts, and all other transactions of the Treasury; and the General Ledger is posted from the Journal.

The ledger balances are taken out monthly on a printed sheet containing the ledger headings. This is sent to the Audit, and is there checked against a similar sheet prepared in the Audit.

SOUTH  
AUSTRALIA.

The position and duties of the Auditor-General are somewhat different in South Australia from those in other colonies. He is appointed under a very short Act passed in 1862, which, assuming that the office already existed, provided that he should receive a commission under the hand of the Governor and the public seal of the province. His office is not held under good behaviour.

His powers are defined to be—to require Government officers to adhere to the regulations made by the Governor in Council under the Act, and to furnish him with explanations of their accounts, and, in failure of compliance, he has to report to the Responsible Minister of the department. In case of a vote being exceeded, or any departure from the regulations involved, he must obtain the signature of the Chief Secretary in addition to that of the Minister of the department, and must obtain, in the latter case, the sanction of the Governor in Council. The Auditor is, however, not only Auditor but the Public Accountant of the colony, and prepares and publishes the periodical statements of the receipts and expenditure of the Government.

The system of account seems to be derived from old instructions to the Governors of Crown Colonies, based on the recommendations of a Committee of the House of Commons, somewhat prior to 1850, directing the mode in which the accounts of colonies should be kept, and sent to England for audit by the Audit Board. They do not appear applicable to the circumstances of a colony under the present system of Government.

Little need be said of the mode in which the accounts of South Australia are kept at the present time, because the system is about to undergo considerable change in compliance with the recommendations of a Commission on the Public Accounts, which has recently published an *ad interim* report containing a very large amount of valuable information bearing on the whole question of public accounts; and it seems probable that the position of the Auditor will be altered, and that the Treasury will here, as in all other colonies, be made responsible for keeping the public accounts, the duty of the Audit Office being confined to certifying to their correctness. It is sufficient to say that at present whilst the Treasury keeps a cash-book, journal, and ledger by double entry, the two latter are not posted from the cash-book, but from monthly abstracts of the receipt and expenditure made up in the Audit Office and sent down to the Treasury for entry. These abstracts are, however, checked with the Treasury cash-book. The result is that the Treasury accounts, for whatever use they may be, are months in arrear, the entries for April, May, and June not being posted in November. Meanwhile the accounts of the colony for the year ending the 30th June have long since been published by the Audit Office.

A further peculiarity of the system is that the Audit accounts treat vouchers which have passed Audit and been sent on for payment, as paid. In the Treasury too these accounts are treated as paid in the general accounts, but are carried into a suspense account; and a very long list of those whose claims are their outstanding is published annually in the *Gazette* as a notice to claimants to apply for their money.

The principal books kept in the Audit are the Warrant and Abstract Ledger, which is entered direct from the vouchers, and serves to show the expenditure under the several heads of the estimates, and to provide that the warrants shall not be exceeded under any head; and the Abstract of Expenditure out of Revenue to provide that the votes shall not be exceeded. Cabinet warrants, however, for excesses on votes being entered as votes, the provisions against excess appear superfluous. The accounts are not kept by double entry.

A monthly account of receipts is rendered by every Collector to the Audit,

which is sufficient to show the proper head or revenue to which each receipt should be carried, but it is not sufficient to afford supposed information to enable the account to be audited.

The English accounts are only brought into the Treasury books from the Audit's monthly abstracts of receipts and payments.

The accounts of the Customs are audited by the Controller of Customs, who certifies to their correctness.

The Treasury journal and ledger are sent yearly to the Audit to be checked, and they also send a monthly schedule of accounts paid, but the object of these returns is not very evident.

None of the certificates are statutory.

The Audit Office checks the Cashier's cash and Bank account frequently.

Under the Audit Act of 1858 the Colonial Auditor holds his office under good behaviour, and under the instructions contained in the Second Schedule to the Audit Act of 1877 his duties are more particularly defined.

TASMANIA.

The power of the Colonial Auditor is enforced by a provision of the Audit Act, which empowers the Supreme Court to declare disobedience to an order for attendance or production of papers by the Colonial Auditor to be a contempt of Court.

The Audit Office takes no cognizance of the ways and means, and keeps no account of the details of revenue. The principal books kept are—the Register of Salaries, by which the salary of every officer is entered monthly; and the Vote-book, in which the expenditure is detailed against the votes and items. No account is kept against the Governor's warrants. If the Auditor perceives by inspection that the amount authorized by the monthly warrant is over-expended as regards any vote, he calls attention to the circumstance, and if it is thought necessary a fresh warrant is procured.

No daily Bank-sheets are furnished by the Bank to the Audit Office as in other colonies. The Bank sends in an account from time to time, with which the Treasury cash-sheets are checked.

The accounts kept in the Treasury are of the simplest description. They consist of a cash-book showing all receipts of inland and territorial revenue, discharged by lodgments in the Bank and by refunds; and a similar cash-book for the Customs revenue. The general cash-book contains all receipts and all payments in order of date; the weekly totals from the first cash-books being brought to debit, and in addition such receipts as from sales of debentures, and deposits on contracts being also included.

The receipts and expenditure are then detailed into two abstract-books, one for each, under the heads, in the case of receipts, of the several branches of revenue, and, in the case of expenditure, under the heads of the Estimates. These books are entered from the vouchers.

The entries in the abstract-books are then abstracted into monthly totals, journalized, and posted into a general ledger by double entry. The ledger balances are included in the printed accounts, and checked with the cash-book.

Ledgers are kept in the Treasury of the holders of land on deferred-payment and of tenants of pastoral lands, showing the payments coming due from each in each month of the year. These ledgers are constructed from returns furnished by the Land Office. Payments in arrear are ascertained by inspection of the ledgers, but no lists of defaulters or of payments coming due are published as is the custom elsewhere. Lists of defaulters are sent from time to time to the Land Office.

The Treasurer sends daily to the Audit Office a cash-sheet, which is a copy of his cash-book of receipts and expenditure, supported by the vouchers. Collectors of Revenue send vouchers of their receipts to the Treasury with every remittance, and send monthly to the Audit attested accounts of their collections. It is

admitted that these accounts are insufficient to enable a complete audit to be made of the Collectors' transactions. The Audit relies in the first instance on the certificates and declarations attached to the account, and subsequently upon the local inspection of the offices, which, with the assistance of one Inspector, the Colonial Auditor is able to make about once a year; but he does not inspect the railway stations or the country post offices. For the audit of the Railway receipts he relies on the Railway Traffic Auditor, who is considered to be an officer of his department, although paid by the railway.

The Treasury renders to the Audit monthly a detailed copy of the Inland Revenue Accounts to be checked against the Collectors' attested returns. This appears to be superfluous, as the local inspection should be sufficient to secure the proper collection of the revenue; if at least it is, as it is understood to be, exhaustive. In the case of the fees and fines in local Courts, every case is checked from the records of the Court into the cash-book, except in Hobart, where the fees are collected by stamps. In the Customs the audit is not so complete. The warrants are all sent to the Audit, but the examination is not based on the manifests, nor is there any Inspector or Controller of Customs as in some other colonies. The bonded stores, however, are periodically inspected, and the contents examined.

The Colonial Auditor is also Auditor of Municipal and Road Trust Accounts. All these accounts are carefully inspected locally once a year, but in addition their annual balance-sheets, supported by vouchers, are sent to the Audit Office, and are passed by the Colonial Auditor before being published. The valuation rolls and rate-books are also examined in detail, in order to secure that the Government subsidies shall not be exceeded. There are, including boroughs, rural municipalities, and road trusts, in all about ninety local bodies.

#### NEW ZEALAND

The form of the Public Revenues Act of New Zealand, which corresponds to the Audit Act of other colonies, differs from them in this, that it is constructed to provide for the audit of the vouchers before payment, and for the payment of all claims by cheque from the Treasury direct, and for a control vested in the Audit Office, not, as in Victoria, only over the issue of money from the Bank for the purpose of making payments, but over the detailed payments themselves.

The Controller and Auditor-General, and the Assistant Controller and Auditor hold their offices upon good behaviour, and their salaries are fixed by the Act. The Act provides that it is their duty "to audit all accounts relating to the receipt, custody, or expenditure of the public moneys; and it shall be the duty of the Receiver-General, the Paymaster-General, and of all Accountants and other persons, to afford all such information as the Audit Office at any time requires, and to answer all such questions as may be addressed to them or any of them by the Audit Office touching any public moneys, on any account thereof, or any other matter which may be necessary to enable the Audit Office to fulfil the duties imposed thereon by this Act." And full powers are given to the Audit Office to recover all moneys which any public officer has refused or neglected to pay into the Public Account, and to sue for the penalties incurred by such default.

The power of surcharging Collectors of Revenue with sums which it was their duty to have collected, is not specifically given by the Act, although it has been the practice of the Audit Office to do so from the first creation of that office in the colony. Such a provision occurs, as has been stated, only in the Act of New South Wales. This power is apparently supposed to be conveyed in New Zealand by the words of the 77th section: "Every person refusing or neglecting to pay any money into the Public Account or into any deposit account which he is required so to pay under the provisions of this Act shall be liable to a penalty of one hundred pounds." It is probable, however, that such words may be held to apply only to moneys which a Collector has actually received, and not to moneys which he has neglected to collect.

The Audit Office in New Zealand exercises a control over the ways and means



as well as over the appropriations. In passing the vouchers for payment it is required to see "that the expenditure is charged upon the voucher against the "proper vote and fund provided by Parliament for the same." Hence, if the vote is spent, or there is no vote, the only way in which the voucher can pass is by charging the expenditure on the "unauthorized" account. In issuing the order to the Bank the Audit is required to see "that there is a sufficient balance in the "public account to the credit of each fund to meet the charges thereon named in "the requisition." As the Government is specially debarred by the Act from obtaining moneys other than those provided by Parliament, the Audit Office could not bring any such moneys to the credit of the Consolidated or Public Works Funds; and in the absence of sufficient balances in these funds could not issue the money

In the Victorian Act the control is exercised by the duty imposed on the Commissioners of Audit of certifying to the Governor, on the warrant, that the moneys proposed to be issued under it "are then legally available for and applicable to the service or purpose mentioned in such instrument." The words "legally available for *and* applicable to," have been treated as both meaning the same thing, namely, appropriated by Parliament. It is, however, contrary to the usual rules of interpretation to treat phrases as useless tautology, if they are capable of separate reasonable interpretation. The word "applicable" means "payable by law," derived from the old expression "shall issue and apply" or "shall issue and pay;" where *issue* relates to the issue from the Exchequer, and *apply* or *pay* to the payment by the Treasury. But the expression "legally available for" must clearly mean that the money is in the chest by process of law, and capable of being used for the services voted. The phraseology of the New Zealand Act has avoided the doubt raised by the older form of words.

The principal books kept in the Audit Office, in addition to the various registers and memoranda for the purpose of checking the salaries, and contract payments, and for showing that the returns of accounting officers are rendered with punctuality, are the Governor's Warrant-book, the Appropriation Ledgers, and the General Ledger. The former is credited with the warrants and debited with the orders issued, the balance being carried out with every entry. In the Appropriation Ledgers, of which there are two, one for the Consolidated and one for the Public Works Fund, each vote is credited with the vote and credits to the vote, and debited with the payments; the balance being carried out with each entry, so as to show the sum available for issue at any moment. The Ways and Means Accounts in the same ledgers are credited with the receipts into the Bank to the credit of the fund, and debited with the total payments out of each, showing the balance available for issue from each fund; but the Audit keeps no detailed account of the revenue under its various heads. The whole of the transactions are carried in totals every week into a general ledger, in which the balances in the two funds are balanced with the moneys in the Bank and in the hands of Imprestees, and the total of the issuing balances on the votes against the outstanding appropriations of Parliament. A nominal Imprest Ledger is also kept, showing the indebtedness of every Imprestee at any moment. Registers of the periodical payments due on agricultural, mining, and other leases enable the Audit to see that such payments are enforced.

The audit of receipts is based upon the copies of their cash-books, which the Collectors of Revenue send to the Treasury weekly, and which are immediately sent on to the Audit after being entered in the Treasury accounts. They contain information in sufficient detail, so far as is possible, to enable the Audit to ascertain that the proper revenue has been collected; and are accompanied by a certificate to the truth of the account, which has the force of a statutory declaration. Whether all the revenue has been brought on charge can, however, as has been said above, be only ascertained by local inspection. For this purpose five travelling Inspectors are attached to the Audit Office, by whom all offices throughout the colony are visited once a year, many of them oftener, and all railway stations three or four times in each year; and the result of each inspection is made the subject of a separate report to the Audit Office.

In New Zealand the control and pre-audit of issues is extended to the English expenditure. All issues in London are made only on the Controller's order to the Bank, either to the Crown Agents or others for the payment of the charges of the public debt, or to the Agent-General for all other expenditure. In the latter case the money is imprested to the Agent-General, and all cheques on his imprest account are countersigned by an officer of the Audit Department resident in London, to whom copies of all requisitions are sent to enable him to see that the moneys are applied only to the purposes for which they have been issued. The same officer audits all the receipts and payments in England; and checks the cancelled coupons and debentures when paid, before being transmitted to the colony. New Zealand is the only colony in which the expenditure in London is included in the Governor's Warrants before being issued.

Besides the transactions in the Public Account, those of the Postmaster-General's Account, of the Government Insurance Office, of the Public Trust Office, and of the Commissioners of Public Debt Sinking Funds, are all submitted to the Audit Office; and all cheques on the four last-named accounts are countersigned by the Controller and Auditor-General.

Stores are not subject to the inspection of the Audit Department, but the Inspectors have sometimes assisted in taking stock in the Railway Stores.

The accounts of local bodies have not hitherto been subject to the Audit Office. Five officers called Provincial District Auditors are employed in the inspection of those accounts.

In the accounts of the Treasury the receipts are brought to charge in the Receiver-General's Office from the cash-books of the Receivers of Revenue all over the colony, which the latter furnish to the Treasury every Monday morning for the previous week; and from the abstract-books the entries are carried into the daily revenue account furnished by the Treasury to the Audit. This daily revenue account is not, as in Victoria, an account of the revenue received throughout the colony in any one day, but an account of the revenue brought to charge in the Treasury books on each day. All receipts into the Bank at the seat of Government are first carried into a Suspense or "Undistributed" Account, and thence to the Revenue Account. The balance in the undistributed account at the close of each day consists of moneys of which the accounts have not yet arrived at the Treasury, or of which more have arrived than the Treasury could enter in the day, or as to which the information is not yet sufficient to determine the exact head of revenue to which they should be charged. On the payment side the vouchers are entered in the Paymaster-General's Office in similar abstract-books as soon as they arrive in the Treasury from the Audit, each payment being charged to the proper vote and item in the Estimates; and they are at the same time carried into the requisitions sent to the Audit, one or more of which constitute the expenditure account for each day.

In the Accountant's Office are kept a Register of Receipts, which is a transcript of the Revenue Account sent to the Audit; and a Register of Payments, which is a similar transcript of the requisitions; the Revenue Ledger showing the revenue under all its heads, which is posted from the Register of Receipts; and the Appropriation Ledger, which shows the votes and credit to votes, the expenditure against each, and the unexpended balance of each vote. There is also kept a "Local Bodies Ledger" for the purpose of showing the revenue received on account of and paid over to the boroughs, counties, &c. The General Ledger, showing the whole transactions of the Treasury, is posted from the Registers of Receipt and Payment, which latter are kept in a form which enables them to take the place of a journal.

A Register of the deferred payments for land is kept in the Receiver-General's Office which is balanced against the abstract-books, but it does not show the amounts in arrear due by each individual purchaser; nor is any similar account kept of the pastoral rents, nor of payments under agricultural and mining leases, miscellaneous rents, &c. The several departments concerned and the

Audit Office are supposed to be responsible for the collection of the dues payable by law in each case. The Treasury is supposed to be responsible only for the revenue actually received. An Imprest Ledger is also kept similar to that kept in the Audit, showing the sums issued to and accounted for by each Imprestee and his indebtedness to the Crown at any moment.

Imprests are charged when issued against the votes as expenditure for the purpose of preventing an over-expenditure of a vote; but when accounted for the issue is re-credited to the vote charged, and the proper vote charged. But at any accounting period the outstanding imprests unaccounted for are carried into the balance in hand, and are thus shown in the published accounts.

The transactions beyond the colony are brought into the Treasury books as soon as the accounts arrive in the Treasury. The receipts are shown in the Receiver-General's revenue account. The expenditure is charged at the time the orders on the London Bank are sent Home, as imprests to the Agent-General, and are charged as all other imprests against the votes, which are again re-credited and charged with the final expenditure as soon as the accounts arrive.

In charges of the Public Debt, however, the orders on the London Bank are dated the day before the payments come due in London, and are charged in the colony on the day on which the orders mature.

#### *Period of Publishing the Public Accounts.*

It is worth while comparing the accounts of the several colonies in order to see the periods at which the accounts of the financial year are completed and finally audited. Taking the published accounts for the year 1879, the following facts appear:—

The financial year in New South Wales ends on the 31st December. The accounts were forwarded to the Audit Office on the 30th March, 1880; and the Auditor-General's report, on the completion of the audit, was dated the 6th July, 1880, and laid before Parliament on the same day.

In Victoria the year ends on the 30th June. The revenue portion of the accounts were submitted for audit on the 23rd July, and the audit was completed on the 16th September. The expenditure portion was sent in on the 5th September, but was rearranged and not finally completed till the 16th October. The report by the Commissioners of Audit is dated the 22nd October. The accounts were laid before Parliament on the 28th October.

In Queensland the year also ends on the 30th June. The Auditor's Report on the accounts of the year 1878–79 is dated the 9th July, 1880. It was laid on the table of the House on the 15th July, 1880; but is accompanied by a summary of the Treasury receipts and disbursements for the year ending the 30th June, 1880, which the Auditor-General states he is able to submit in consequence of Parliament meeting later than usual.

The financial year in South Australia likewise ends on the 30th June. The late Auditor-General, in his report on the accounts of the year 1878–79, claims for his department the credit of being "incomparably the earliest issuer of audited particulars and balance-sheets of Revenue and Loan Fund Accounts." It must be recollected, however, that the Audit Office in this colony is the accounting office, and prepares the public accounts for publication; and the Auditor-General states that he forwarded the accounts in manuscript to the Colonial Treasurer on the 21st July. His report, however, is dated the 9th September. The date of its being laid before Parliament is not stated.

In Tasmania, as in New South Wales, the financial year ends on the 31st December. The accounts for 1879 were laid on the table and ordered to be printed on the 10th August, 1880. The Auditor's report is dated on the 9th July, and states that the accounts were certified and returned to the Treasury on the 30th June. It is not stated when the account was completed by the Treasury.

The New Zealand financial year now ends on the 31st March. Till 1879 it ended on the 30th June. The accounts for the year ending on the 30th June, 1879, were submitted for audit on the 26th July, and were returned audited on the 28th July. The account for the nine months ending on the 31st March, 1880, was delayed, from exceptional circumstances, till the 1st June, when it was sent up for audit, and was returned on the following day certified. As a rule the year's accounts are audited in a few hours.

### *Of the Published Accounts.*

A brief notice of the accounts published by each colony may not be uninteresting. All, except those of New Zealand, are accompanied by a report made to Parliament by the Auditor-General; and I have taken those of the years ending on the 30th June and the 31st December, 1879, as the last published at the time of this inquiry. There are certain general features of resemblance in all. Thus, in all, there is a general balance-sheet and an account, more or less detailed, of the particulars of the revenue and expenditure under the various heads. But the principle of constructing the balance-sheet is different in the different colonies, and the entries in the detailed accounts vary in important particulars.

#### NEW SOUTH WALES.

Thus, the balance-sheet of New South Wales is a simple statement of the totals under a few heads of—"The credit balances on the 31st December, 1878," and "The receipts in the year 1879"; balanced against the "Payments in the year 1879," and the "Credit balances on the 31st December, 1879." But this is not a general balance-sheet of all the accounts such as is published in some of the other colonies. It takes no notice of the public debt, the sinking funds held against that debt, or the balance of stores in hand.

This is followed by a separate statement showing the "distribution of the balances on the 31st December, 1879," which states these balances to be "in the Bank of New South Wales," "the hands of the Receivers," "in fixed deposit" in nine Banks, and "in securities," in which part of the public moneys, chiefly trust funds, are invested. The amounts both of receipt and expenditure are swelled by advances and repayments of advances between the Consolidated Fund and the Loans Account.

The detailed statement of expenditure contains a separate account under all the votes and items for each of the six years, 1874, 1875, 1876, 1877, 1878, and 1879. There appears to be an entry of £225,000 in one sum for the purchase of railway stores: it is not probable that such an exact sum was paid for the purchase of stores; but there is nothing in the account to show whether the money was issued by way of advance to be accounted for.

The expenditure shows in separate columns the cost of "establishments," subdivided into "salaries" and "contingencies;" and, in a third column, the cost of "other services."

There is no Appropriation Account attached to the Auditor-General's report, showing the saving and excesses on votes. As has been explained above, no excesses on votes appear at all in the account; all such payments being made out of the Treasurer's advance of £100,000, and included in a Supplementary Estimate the following year.

#### VICTORIA.

The accounts of Victoria commence with the balance-sheet in the usual form of debit and credit balances brought forward, transactions, and balances at the end of the year, under about forty separate heads of account. It includes the total of the transactions on the loans, divided into "credit account" and "expenditure account," i.e., the total receipts and expenditure of the loans. It also includes the balances due by or to other Governments, but does not include either securities or stores. The Finance Account is an account of the total receipts and disbursements, with the balances brought and carried forward; and is followed by statements of the same in detail. The receipts under the heads—

Receipts.	Refunds.	Net Revenue.	Refunds unclaimed on 30th June, 1879, included in second column.
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The detailed account of the expenditure under the heads—

Salaries and Wages.	Contingencies.	All other Expenditure.	Total Expenditure.	Appropriations.	Amount Un-expended.	Advances unadjusted, and Accounts unpaid on 30th June, 1879, included in Expenditure.
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Hence it appears that advances outstanding at the end of the year are charged on the votes, and that accounts in the Treasury, but still unpaid, are also included in the expenditure. This statement is the Finance Account and Appropriation Account in one. A number of statements follow, giving the details of various branches of expenditure, amongst which is the account of the loan expenditure showing the expenditure up to the current year and during the current year separately. There is nothing in the accounts to show how stores are charged.

The accounts of Queensland attached to the Auditor-General's Report for QUEENSLAND. 1878-79, commence with a balance-sheet, the title of each account being in the middle column, the "transactions," debit and credit, on the left hand, and the balances; debit and credit, on the right hand of the page. The form has this disadvantage, that the commencing balances are apparently included in the transactions, as they are not shown separately. The number of accounts is 65. The totals of public debt and debenture accounts are included, as well as the securities both for Sinking Fund and Savings Banks, but not the balances of stores in hand.

The "Account Current of the Consolidated Fund" shows the revenue and expenditure in one total for each of the four quarters of the year, and the commencing and concluding balances of the year; but to the expenditure side is added "expenditure from the 1st July to 30th September, 1879;" that is, for three months after the end of the year, upon the votes of that year. The detailed account of the revenue follows, and then that of the expenditure. In the latter the form is as follows :—

Appropriation for the Year.	Title of Account.	Expenditure.	Balances.	
			Lapsed.	Forward.

The votes are not shown as over-expended, I presume, because, before the account is made up, the unauthorized expenditure had been voted and added to the appropriations. The balances of the votes carried forward are for the fulfilment of engagements entered into during the year.

In the detailed account of the loan expenditure no appropriation is stated, only the expenditure and balance on each work. It must be concluded that the sum of the two added to the total expenditure during former years would give the appropriation.

Appended to the Auditor-General's report on the accounts of the years 1878-79 are some accounts of the years 1879-80, and amongst them a very elaborate account of the loan receipts and expenditure, showing the total appropriations for each work; the expenditure from 30th June, 1860, up to the 30th June, 1879, and that during the year 1879-80, and the balance on each work.

The accounts of South Australia have been hitherto prepared and presented to Parliament by the Audit Department. They begin, not, as usual, with a balance-sheet, but with a comparative statement of the estimated and actual revenue and expenditure. The expenditure account is in the form of an appropriation account, showing the total appropriations under balances of former years, and under Acts of the year, and the actual expenditure with the excesses and unexpended balances of votes. This is followed by "A General Abstract of Revenue and Expenditure,"

SOUTH AUSTRALIA.

which is a simple balance-sheet for the year, balancing the commencing balance and total receipts against the expenditure and concluding balance. Two additional balance-sheets appear in these accounts, one called “A Balance-sheet of South Australia on the 30th June, 1879,” which gives simply the debit and credit balances on the accounts at that date; the second is called “An Abstract of the Entries in the Public Accounts,” and is printed in this form:—

DR.				CR.		
Balances 30th June, 1878.	Total Debits 1878-79.	Balances 30th June, 1879.	Title of Account.	Balances 30th June, 1878.	Total Credits, 1878-79.	Balances 30th June, 1879.

As the last column on the credit and debit sides are identical with the “Balance-sheet” above spoken of, the former is unnecessary.

The store transactions and balance of stores in hand are included in these accounts, and also the sum due to sinking fund on loans; but the latter is not stated to be invested in any securities. The total of the public debt does not form part of the balance-sheet.

## TASMANIA.

The Tasmanian accounts commence with a balance-sheet, which is in some respects the most complete of any published in the colonies. It is in the usual form of debit and credit commencing balances, transactions, and concluding balances under each head of account. But it is balanced from the transactions of the former year dealt with in the current year, and the balance is brought down to the transactions of the current year. It is again balanced for the ordinary expenditure of the Consolidated Fund, and the balance is carried down, and followed by the balances on special accounts in number seventy-five, including the Public Debt and Debenture Accounts, the transactions under the several Loan Acts and Public Works Acts, the several Trust accounts, and the Stores account, showing the value of the stock in hand.

Following the balance-sheet comes a statement “of the receipts and payments in the Colonial Treasury from 1st January to 31st December, 1879;” the receipts on one side of the page, the payments on the other, in great detail. The first part of the credit side is headed “Expenditure on account of the year 1879,” which is totalled; the “Expenditure on account of the year 1878” is then added in equal detail.

In this account the value of the stores issued to departments is distributed amongst the expenditure, and the total is brought to credit as a receipt.

Following the detailed statement of receipts and expenditure is the Appropriation Account, in which the whole expenditure is again printed in detail in the following form:—

Establishments detailed.	Expenditure on account of the Year 1879.			Estimate or Special Appropriation by Act of Parliament.	Above the Estimate.	Below the Estimate.
	Amount Paid in 1879.	Amount Paid in 1880.	Total.			

The accounts are therefore kept open for three months, to the 31st March, to complete the payments of the year.

It appears from the report of the Auditor-General that the Sinking Fund balances have not hitherto been invested.

## NEW ZEALAND.

The New Zealand accounts, like most others, commence with a balance-sheet, comprising the public debt and sinking fund accounts, but not the balances of stores or of the securities, except those of the Sinking Funds. The others are now excluded from the Public Account, being held on behalf of the Post Office, Trust Office, and Government Insurance Office. These moneys are not liable to be used for the public service of the colony, and are therefore accounted for separately to Parliament by the officers having them in charge.

The accounts of the receipt and expenditure of the Consolidated Fund are next stated in a condensed form, the latter being in the totals for each class,

but not detailed under the votes. The receipts and payments on account of the past year are set out first, distinct from those of the current year. An account follows under the head of "Assets and Liabilities of the Consolidated Fund," a title which is not unlikely to mislead, as the account is only a detail of the receipts and payments on account of the past year, described under that title in the account of receipts and expenditure.

After several accounts, showing different branches of the revenue and expenditure in detail, the Appropriation Account follows, setting out the excesses and savings on the votes.

The Public Works Fund accounts are in a similar form to those of the Consolidated Fund, but are in less detail than is the case in the other colonies, giving only the totals on the votes, not the payments under the several items of each vote.

The last account is that of the Public Debt and Sinking Funds.

The latter are managed by a Board of Commissioners, who account separately to Parliament; but the accounts are also included in those of the Treasurer, and are given with a detail which does not appear in any other public account.

### *Of Imprests.*

Perhaps the most striking feature in which the accounts of New Zealand differ from most others, is in the item of "Outstanding Imprests," which are shown as a part of the balance in hand.

In New South Wales the imprests are very limited with the exception of the Treasurer's advance of £100,000, and are all said to be accounted for before the end of each year. The moneys in the hands of the Treasurer do not appear as a part of the balance.

In Victoria the balance in the Advances Account is stated to be £278,811 18s.

The accounts of Queensland do not show any advances in the hands of public officers except the Agent-General to a small amount.

In South Australia, the advances were £9,280 1s. 4d.; but £260,017 0s. 9d. in the hands of the Agent-General and £1,695 14s. 7d. in the hands of the Resident in the Northern Territory would be considered "imprests" in the sense in which the word is used in New Zealand. If so, the total would amount to nearly £280,000. The word "imprests" in these accounts is not to be taken to mean advances of money, as has been explained above; it means cash credits.

In Tasmania, the advances appear to be under £3,000.

In New Zealand, the imprests unaccounted for were, in the colony £122,343 16s. 4d., and in London £433,230 13s. 2d.

There is not sufficient information in the accounts to determine whether the advances and imprests spoken of mean exactly the same kind of transactions in all, but it is certain that under the New Zealand system of accounts, the imprests are very much larger than in any other colony.

Although the imprests are, in New Zealand, charged against the votes in the course of the year, for the purpose of preventing an over-expenditure on a vote through the agency of imprests, which could not take place as a direct payment, yet the imprests outstanding are properly carried into the balance in hand at the end of the year. This is provided by the Audit Act.

### *Of Unauthorized Expenditure.*

It will be as well to notice from these accounts the operation of the laws in force to prevent the over-expenditure of the appropriation of Parliament.

In New South Wales, as has been said, no excess appears in the accounts, because they are paid for out of the Colonial Treasurer's advance, and are not included in the accounts at all; but are provided for in the Supplementary Estimates of the following year.

Much the same process serves to exclude excesses from the accounts of Victoria; and, although the detailed account of expenditure is in the form of an Appropriation Account, that is to say, the appropriations are printed alongside of the expenditure, no over-issue is shown.

In Queensland the "Orders in Council authorizing expenditure in anticipation of legislative sanction," are reported by the Auditor-General to have been during the year 1879-80—On Consolidated Fund, £62,126 4d.; and on Loan Expenditure, £21,431 17s. 3d.; the former being a little under 4 per cent. of the expenditure.

In South Australia, for 1878-79, the expenditure in excess of votes was £67,606 19s. 5d., and "Initiative," £3,060 12s. 9d.; in all £70,657 12s. 2d., equivalent to a little over 4 per cent. of the expenditure.

In Tasmania, the excess on the votes was £19,291 6s. 7d., or nearly 5 per cent of the expenditure. But the Auditor-General reports a "return of ordinary expenditure for the year 1879, not provided by Parliament," and another "of special expenditure, not provided by Parliament," which together amount to £35,244 19s. 2d. But a part of this expenditure at all events, apparently, is included in the Appropriation Account, as voted. Should this amount, however, be over-expenditure, in addition to the excesses shown in the Appropriation Account, the ratio of unauthorized would be over 13 per cent. of the expenditure.

In New Zealand, the excess in 1879-80 was £13,266 2s. 10d. on Consolidated Fund Services, which does not reach  $\frac{1}{2}$  per cent. on the expenditure for the period. But the total unauthorized expenditure on the Consolidated Fund often greatly exceeds the amount. In 1876-77 it was £31,796 4s. 1d., and in 1877-78 it was £78,442 16s. 1d.

In the English accounts for such years as I have been able to examine, the votes to cover "deficiencies of former years" are very small. In the year ending March 31, 1878, the excesses on votes were £12,814, out of an expenditure of £58,852,947.

#### *General Remarks on the Accounts.*

It has been shown that the accounts in the different colonies differ from one another in several important particulars. But they differ also in this respect, that the words "revenue" and "expenditure" do not mean accurately the same in all as applied to any given period. Thus, the revenue of the year sometimes means the revenue received throughout the whole country; sometimes the revenue paid into the chest at the seat of Government; sometimes the revenue received within the year; and sometimes that on account of the year, whether received within it, or in part at a later date.

The word "expenditure" is subject to a similar latitude in interpretation. Sometimes it means the payments made out of the chest during a year, but sometimes includes those made on account of the year—in some cases within three months, and in some cases as much as twelve months afterwards.

In constructing any account it must be determined for what purpose it is wanted; for the figures to be dealt with may be arranged and classified in different modes, so as to display the information required. In public accounts there are two objects in view. First, to prove the correctness of the account; and secondly, to afford information to the public as to the financial condition and government of the country. The General Balance-sheet is designed to meet the first object, but is of little or no use in affording public information. It is not generally intelligible, except to professional accountants; and not always even to such, because the technical names used as headings often fail to convey to any one not



conversant with the books, the nature of the transactions included under the respective titles. As a mathematical problem may be solved briefly and neatly, or by a roundabout and clumsy method, so an account may be stated clearly and intelligibly, or in a complex and inelegant form. In the highest class of accountants, something of the taste of the artist must be joined to the logical accuracy of the mathematician.

*The English Exchequer Account.*

There is, so far as I know, no account which, for the purpose of setting before the country briefly, clearly, and rapidly, the financial operations of its Government, can compare with the quarterly account published by the Exchequer in England; and I cannot help thinking that, if the forms of this account were more generally known, it would be adopted by all the colonies as the basis of the public accounts. It may be useful to give one of these accounts as an illustration of this view. I have therefore given in the Appendix the Exchequer *Appendix A.* account for the quarter ending 31st March, 1878.

It will be observed that this account consists of two balance-sheets. The first shows the actual moneys received into the Exchequer during the year, and the actual issues from it in the same time for expenditure on the public service; and is cleared of all balances, cross entries, and extraneous sources of revenue. It is balanced by an entry, "Excess of expenditure over income," or "Excess of income over expenditure," as the case may be. This is exactly the information which it is most necessary should be kept constantly before the public, and which in these colonies is not given. It is true that the Treasurers, in their annual budget speeches, inform the Houses what has been the relation of income to expenditure in the previous years; but these results are educed out of a more or less complex statement of account, and it not unfrequently becomes a matter of discussion whether the account has been so constructed as to show the true result. Often has an Opposition maintained that, instead of an apparent excess as shown by the Government, there has been a real deficiency. The Exchequer quarterly account admits of no such doubt. It is a plain statement of facts certified to by an independent department. But whereas a quarterly account, containing only the receipts and issues within the quarter, might show an unfair balance, owing to the fact of large payments, such as those of the public debt, coming due only in certain quarters and not in others; owing also to the revenue varying with the season of the year; the account published at the close of each quarter is an account of the transactions during the four preceding quarters. It is therefore a fair statement showing whether the country is one year with another living over or under its income.

I am of course aware that the principal object of this form of account in England is provided by the Exchequer and Audit Act to carry out the provision that the surplus balances of income over expenditure so shown shall be paid to the Commissioners for the Reduction of the National Debt. But the account, were there no such provision, would be equally valuable for the purpose of public information.

The second balance-sheet is for the purpose of showing the cash balances, advances, transfers, and financial operations not affecting the expenditure which must be paid for out of current revenue, that is out of taxation.

These balance-sheets are prepared by the evening of the last day of the quarter, and are frequently published in the newspapers the following morning. There is, I believe, no similar instance of promptitude in the publication of accounts, and no account published of so simple, lucid, and instructive a character. It is of course understood that the figures do not represent the actual receipts and payments for the year, but only the receipts and issues into and out of the Exchequer account at the Bank of England. The revenue is paid into the Exchequer by the various Receivers in gross sums, and a balance of course remains in their hands, or *in transitu*, on the last day of the year. Similarly the issues represent the issues to the various Paymasters, whose unexpended balances are subsequently

refunded to the Exchequer. But these differences on both sides are not sufficient to impair the utility of the account as showing the state of finances and the current receipts and expenditure of the Government.

In these colonies no such institution as the Exchequer exists, except so far as the "Public Account," first established by Victoria, and since adopted by some other colonies, may be considered to represent it. If it were determined to adopt a uniform system of account by all the colonies, it would have to be settled whether the receipts should include receipts paid into the hands of collectors all over the colony, or such only as were paid into the Bank at the seat of Government; and, similarly, as regards expenditure, whether it should consist only of payments out of the Public Account at the Bank up to the end of the year, or should include those made subsequently on account of, and under the authority of the votes for, the year; and, if the latter, then to what period the accounts should be kept open. As the law and practice is different in the different colonies, and moreover is constantly changing, an agreement on the latter point is not to be hoped for: but there is no reason why a separate account, similar to the Exchequer account, should not be published by all the colonies, in which a common principle should be adopted in stating the account, without interfering with the existing system of account in each colony. I would respectfully submit that the question is one which might form a subject for consideration at the next Intercolonial Conference, or which might indeed possibly be arranged mutually between the various Governments by correspondence. Until this is done no satisfactory or accurate comparison can be made of the financial transactions in the different colonies, because the words "revenue" and "expenditure" do not mean the same things in all.

Before leaving the question of accounts, I would call attention to the English appropriation accounts, which are required by the Imperial Act, 29 and 30 Vict., c. 39, to be annually rendered to Parliament. These accounts are prepared by the departments charged with the expenditure of the votes; and they will be found on examination to contain a memorandum setting forth the cause of every over-expenditure on every vote, and every item of a vote in the Estimates, together with a report from the Controller and Auditor-General on each vote, stating the net saving or excess, the balance to be returned to the Exchequer, and the receipts from sources outside the grants; and certifying that the latter have been paid into the Exchequer. It is only by examination of these Appropriation Accounts that a full idea can be formed of the elaborate machinery provided by Parliament for preventing the over-expenditure of the sums appropriated for the public service. The result is apparent in the very small percentage of excesses.

#### *On the Cost of the Treasury and Audit.*

The cost of the Treasury and Audit Offices in each of the Australian Colonies, as it appears on the published accounts for the year 1878-79, may be stated as follows:—

##### (1.) THE AUDIT OFFICES.

			£	s.	d.	£	s.	d.
<i>New South Wales—</i>	Auditor-General	..	900	0	0			
	Salaries	..	5,489	10	4			
	Contingencies	..	1,680	17	6			
						8,070	7	10
<i>Victoria—</i>	Commissioners	..	2,500	0	0			
	Salaries	..	5,702	1	5			
	Contingencies	..	1,277	15	6			
						9,479	16	11
<i>Queensland—</i>	Auditor-General	..	800	0	0			
	Salaries	..	3,487	10	0			
	Contingencies	..	1,106	8	11			
						5,393	18	11

<i>South Australia—</i>	Auditor-General .. ..	900 0 0	
	Salaries and Contingencies .. ..	3,541 0 0	4,441 0 0
<hr/>			
<i>Tasmania—</i>	Auditor-General .. ..	600 0 0	
	Salaries .. ..	1,056 10 8	
	Contingencies .. ..	134 4 11	1,790 15 7
<hr/>			
<i>New Zealand—</i>	Controller and Auditor-General ..	1,000 0 0	
	Assistant Controller and Auditor ..	800 0 0	
	Salaries .. ..	4,307 11 8	
	Contingencies .. ..	370 12 2	6,478 3 10
<hr/>			

## (2.) THE TREASURIES.

<i>New South Wales—</i>	Salaries .. ..	14,046 4 10	
	Contingencies .. ..	1,667 11 8	15,713 16 6
<hr/>			
<i>Victoria—</i>	Salaries .. ..	23,531 6 10	
	Contingencies .. ..	5,762 4 8	29,293 11 6
<hr/>			
<i>Queensland—</i>	Salaries .. ..	3,837 0 0	
	Contingencies .. ..	176 9 9	4,013 9 9
<hr/>			
<i>South Australia—</i>	Salaries and Contingencies .. ..	.. ..	3,326 0 0
<hr/>			
<i>Tasmania—</i>	Salaries .. ..	2,756 1 8	
	Contingencies .. ..	80 5 2	2,836 6 10
<hr/>			
<i>New Zealand—</i>	Salaries .. ..	8,364 6 1	
	Contingencies .. ..	38 10 10	8,402 16 11
<hr/>			

If we take the two departments together the cost will be as follows:—

	£	s.	d.
New South Wales .. ..	23,784	4	4
Victoria .. ..	38,773	8	5
Queensland .. ..	9,407	8	8
South Australia .. ..	7,767	0	0
Tasmania .. ..	4,627	2	5
New Zealand .. ..	14,881	0	9

It is impossible to make an accurate comparison of the respective costs of these offices in proportion to the work done, because the work done in each is very different. For example, the inspecting officers are counted as Treasury officers in the Sydney accounts, and as Audit officers in the other colonies. Their cost, with travelling expenses, is £4,050 a year. Again they do not inspect the railway stations, which constitutes two-thirds of the work of the New Zealand inspectors. The expense of the New Zealand Audit has therefore been diminished in the above statement by two-thirds of the cost of inspection, in order to compare it with that of the other colonies. For the same reason the salary of the Audit Officer in London has been deducted, there being no corresponding charge on the Estimates of any other colony.

Owing to the published accounts in all the colonies being drawn up in a different form, it is difficult to get any fair basis of comparison; but assuming that the actual expenditure, so far as it can be gathered from the accounts, may be taken as the best basis for such a comparison, the percentage of the cost of the Audit and Treasury to the expenditure will be found to be nearly as follows:—

	Expenditure.	Cost of Audit, per Cent.	Cost of Treasury, per Cent.	Cost of Treasury and Audit, per Cent.
	£			
New South Wales .. ..	9,012,820	·08	·17	·25
Victoria .. ..	7,741,163	·12	·37	·49
Queensland .. ..	2,663,634	·2	·15	·35
South Australia .. ..	2,996,685	·14	·11	·25
Tasmania.. ..	689,140	·25	·41	·66
New Zealand .. ..	6,247,267	·10	·13	·23

If the cost of the Inspecting Officers had been charged to the Audit instead of the Treasury in New South Wales, the Audit percentage would have been ·13 instead of ·08; and the New Zealand percentage cost would have appeared the lowest of all the colonies, notwithstanding that it has to stand the pressure of a pre-audit of payments, and to audit the accounts of the Insurance Office and the Public Trust Office. The New Zealand Treasury appears to cost less than any other in proportion to the expenditure, except South Australia. In the joint cost of the two offices, New Zealand is the lowest.

The numbers employed in the Audit and Treasuries of the several colonies are stated in the latest Estimates to be as follows :—

	Treasury.	Audit.	Total.
In New South Wales .. ..	54*	24	78
Victoria .. ..	72	25	97
Queensland .. ..	11	12	23
South Australia .. ..	11	14	25
Tasmania .. ..	8	7	15
New Zealand.. ..	38	22†	60

#### V. SAVINGS BANKS.

The only Savings Bank which came under my notice was that in Queensland. In all other colonies the Savings Banks are either attached to the Post Offices, which I was unable from want of time to examine, or are private establishments. The Savings Bank of Queensland, however, is a Government establishment, but is not connected with the Post Office, and being a very successful institution is deserving of special notice.

There are about seventy-five branches throughout the colony, in charge, in most cases, of a Government officer, Postmaster or other, but in some few instances of a Storekeeper. The salaries paid are very small, usually from £10 to £25 a year; in two or three cases as much as £50 a year is given. The salaries are fixed by a scale depending on the number of accounts opened at each office.

All the accounts are kept and all withdrawals made only in the books of the head office; but money paid in at one office may be withdrawn, in course of post, or, upon payment of 1s. for the telegram, by wire, at any other office in the colony.

Upon depositing any money the depositor has to fill up a printed form of application, stating what he wishes to deposit. All applications are sent up daily, or by every mail, to the head office. On the payment of the deposit the depositor is given a deposit-book, in which each deposit is entered, and signed by the officer receiving it, whether made in the office from which the book was issued or in any other office. The deposit-books are numbered consecutively in the head office,

\* Including four inspecting officers.

† Counting two inspecting officers, the three others being employed on the railways.

and an account kept there shows the number of each account-book, with the folio in the Depositors' Ledger, showing to whom it was issued. The same account shows the office to which each book was sent, and therefore from which it was issued.

In every branch office a cash-book is kept, in which all receipts are entered, and a copy of which is sent to the head office by every mail.

The local officer pays his collections into the local Bank daily to the credit of the Colonial Treasurer's Savings Bank Account, and attaches a duplicate Bank-slip, initialled by the Bank, to his account. Where there is no Bank, he sends up his money to the head office by registered letter, in notes, cheques, or cash. The head office collects the cheques; but no operation is allowed on any account until the cheques are paid. The head office pays the whole of the money into the Treasurer's account at the Bank daily, the Bank-slips from the country branches being taken as cash.

Any sum, including shillings and sixpences, may be deposited or withdrawn; but no account is opened, nor can any sum, except a balance, be withdrawn, for less than 5s. Applications for withdrawal may be lodged with any office, and are sent by the first mail to the head office, which returns a cheque in favour of the depositor on the Brisbane Bank. These cheques are cashed without exchange at any branch of the Government Bank; and where there is no Government Bank, at any other Bank with which the Government Bank makes arrangements for the payment. Where a deposit is withdrawn by telegram, the local officer pays it out of cash in his hand, or by a cheque on the local Bank, which the Bank cashes on being shown the telegram from the head office. In some such cases the money is advanced by the Customhouse officer; and in all cases the advance is repaid by a cheque from the head office.

The receipt given by the local officer in the deposit-book is not, as in England and elsewhere, limited in operation by time, at least not by the Act. By regulations which are printed on the first page of the deposit-book, the depositor is informed that, unless he receives a receipt from the head office in the course of post, he must apply for it; and in default of doing so, the Government will not be responsible for the money. Whether such a notice, unsupported by special enactment, would be construed as a part of the contract, is very doubtful. As a matter of experience, however, even where such a claim is barred by law, when the deposit has been lost by default of the local office, and the depositor has neglected to apply for a receipt from head quarters, the Government in England and elsewhere has found it expedient to pay a *bonâ fide* claim to support the credit of the office. Receipts are sent from the head office daily as the application forms are received, and not more than four or five complaints in any month have ever been made of such receipt not having come to hand.

Intending emigrants can deposit money with the Agent-General in London, to remain in the Savings Bank till applied for, on the usual terms.

The Savings Bank pays interest to its depositors at the rate of 5 per cent. on sums up to £100, and 4 per cent., thence to £200, but no limit is placed on the amount which may be deposited. No interest is paid on higher sums than £200, except in the case of deposits in London by intending emigrants, to whom  $2\frac{1}{2}$  per cent. is paid on any portion in excess of £200. Interest is credited yearly on the 31st December, but no interest is paid for the broken part of the month of deposit or withdrawal.

The principal books kept are as follows:—

The general cash-book is debited with the receipts showing daily totals from each branch office, with interest and other items, and is credited with the cheques for disbursements.

The nominal ledgers contain a separate account against each depositor, showing his payments, withdrawals, and interest on balances. The heading shows

the name of the depositor and the number of his deposit-book. There are twenty-eight volumes of these ledgers, which contained on the 31st December, 1879, 17,214 separate accounts, on which the amount in deposit was £716,700. At the close of each year a statement is made up of the balance on each account in the ledger, showing a total balance, which coincides with that shown in the general balance-sheet of the office.

From the cash-book the accounts are journalized and posted to a general ledger by double entry.

Another register is kept for statistical purposes, which shows the number of depositors of each trade or profession under the heads of accounts "opened," "closed," and "reopened."

A book is also kept against each branch office showing the deposits and withdrawals for each day.

Depositors are required to send in their books to the head office to be audited at the end of every year, but not more than two-thirds comply with the regulation.

The Land Assurance Fund accruing in the Real Property Office is, by a special arrangement, deposited in the Savings Bank at 4 per cent. interest; as also are moneys lodged with the Government as deposits on contracts.

Two-thirds of the deposits in the Savings Banks must by law be invested in Government debentures, the rest, not required for working expenses, is placed at fixed deposit in the Banks. The balance in the profit and loss account is allowed to accumulate. It amounts at present to upwards of £17,000, which it is proposed to invest, in part, in a new building for the department.

It is not evident at first sight how the Savings Bank paying 5 per cent. on deposits up to £100 and 4 per cent. up to £200, and investing two-thirds of its moneys in Government debentures, can have realized so large a profit. It is explained, however, that owing to broken portions of a month during which no interest is credited, the average of interest paid last year was about  $4\frac{1}{2}$  per cent., whilst the average of the interest received on investments realized a little over 5 per cent., partly owing to a purchase some time ago of some 6 per cent. debentures at par. The 4 per cent. debentures held pay interest on the purchasing price at  $4\frac{1}{2}$  per cent., and the fixed deposits in Banks have hitherto paid 5 per cent.

The cost of this establishment is stated in the Estimates of 1880-81 as follows:—

	£	s.	d.
Accountant in Audit Office	50	0	0
In the head office in Treasury, Chief Clerk and Accountant	450	0	0
Ten clerks: At £350, £325, £265, £215, two at £150, three at £120, one at £120	1,895	0	0
General: Branch office at Brisbane, one at £375, one at £120	495	0	0
County offices and contingencies	1,800	0	0
	<u>£4,690</u>	<u>0</u>	<u>0</u>

## VI. OF PRINTING OFFICES.

NEW SOUTH WALES. I regret that I was unable to obtain access to the Printing Office in Sydney, owing to the absence of the Government Printer.

### VICTORIA.

The Government Printing Establishment in Melbourne comprises several branches; the printing office, the *Hansard* office, the bookbinding, the warehouse and store, the advertising office, and the accountant's office.

In the Printing Office all the ordinary printing required by the Government is carried on. That done for the Telegraph Department is very large. The cost of supplying the forms for telegrams is estimated to be about 6s. 4d. a thousand.

The printing done for the railways is paid for by that department. Some two years ago, the department, being dissatisfied with the Government Printing Office, removed its business to a private firm, with which it contracted for the forms required. The plan was found to be unsatisfactory, and the printing was restored to the Government Office. No other department pays for its printing.

Electors' rights are printed in numbered books, with butts, which are issued to the Electoral Registrars, who are entitled, to a fee of one shilling for every right issued to an elector. The elector pays 1s. for a stamp to be put on the elector's right, and the Registrar draws the shilling from the Treasury.

The *Hansard* is printed from notes supplied by the staff of Government reporters, and is published once a week. About 1,500 copies are printed. Great numbers are given away to the members of Parliament and to various institutions throughout the colony; but there are very few sales, and no regular subscribers. The cost of reporting is stated to be about £4,000 a year, but no exact account of the cost of printing the *Hansard* appears to be kept.

All the paper and other material used in the Government Printing Office is passed through the store, in which a vast amount of stock is kept, worth at least £15,000. This material is bought on contract; partly from the general contractors under the general service contract—a contract for all goods required by all branches of the Public Service—and partly upon special contracts made by the Printing Office itself, for which it has to obtain the authority of the Treasury. Goods were formerly procured from England through the Agent-General; but it was found that there were so many discrepancies between the orders and the supplies, which, owing to the money having been paid, could not be remedied, that it was more convenient and economical to deal with a local contractor, to whom goods not within contract could be returned.

All goods supplied to the store are accompanied by a separate voucher or bill, which is entered in a register of vouchers, in which is also recorded the vote chargeable. These stores are charged directly and finally to the vote and item, as stated, on the Estimates. From the vouchers the articles are also posted into the stores ledger, of which there are two, one for paper, and one for other materials. These ledgers contain only quantities and numbers without values; each article being entered in a separate column, so as to show the quantity in stock, received, and issued; they are balanced yearly, when stock is taken by one of the overseers. The credit-side is posted from the requisitions for the issue of material, and, in the case of paper, from a rough issue-book, in which the receipt of the person to whom the paper was delivered is taken.

Waste paper and unused or unserviceable books is worked up into pasteboard for book-covers, but is not brought on the store-ledgers as fresh goods received.

The warehouse is that part of the establishment in which all Government printed papers and forms are kept, and are distributed to the departments or sold to the public. The issues are made only on requisitions, which are entered in a requisition-book; but no account is kept of the stock in hand, except in the case of certain books which have been published by the Government, and are of some value. Printed forms having money value are not kept in the warehouse, but are sent at once to the department ordering them. No money is taken in the warehouse, but the papers and forms sold are issued on the order of the Accountant, who has received payment for them. These orders, or sale tickets, are checked once a month against the Accountant's cash-book.

All requisitions for articles to be supplied or work to be done by the Printing Office, come first to the warehouse, and are distributed to the various branches, such as printing, bookbinding, &c., and the orders when executed are distributed by the warehouse to the departments.

There is a Government publisher in the town, but he is given only one book as a specimen, and procures what he has sale for from the warehouse.

All the moneys collected in the Printing Office are paid to the Accountant. They consist of payments for Government printed papers, such as electoral rolls, &c., and for advertisements inserted in the *Gazette*. The sums collected amount to about £5,000 a year; the whole cost of the Printing Office being about £40,000. The several classes of receipts are entered in day-books, the whole being carried into a cash-book, which is discharged by weekly payments to the Receiver of Revenue in Melbourne. The lodgments are made to the Printer's Official Account at the Bank, and the payments to the Receiver by cheque upon that account. All the payments of the staff and for material are made through the Accountant's office; the Printer having an imprest of about £2,800, which is recouped every month by the amount of the expenditure as shown on the vouchers.

The advertising in the Government *Gazette* is of considerable value. It is conducted for the most part by agents, who are allowed 10 per cent. on the amount of their bills.

The accounts are kept by single entry, and are correspondingly imperfect. There is no general balance-sheet in which the cost of each branch is shown separately, nor any profit or loss account by which the value of the work done can be checked against the cost of the establishment.

All the Government advertising business is managed by the Government Printer. Any department requiring an advertisement to be published sends to the Printer a printed form with each advertisement, stating the newspaper in which it is to be published, and the number of insertions; and these orders are all entered in an order-book. Files of all newspapers are kept, and the advertisements checked off against the orders and the bills. The bills are sent in from time to time, as a rule monthly, but not for sums less than 20s.; and they are entered in a register of accounts, and also in a book which is kept against each newspaper. A ledger is also kept against each department of the Government, showing the amount of advertising done for each. No special use, however, is made of the latter, as the whole advertising of the Government is charged on one vote, not against each department.

#### QUEENSLAND.

In Queensland also all the advertising business of the Government is done through the Printing Office. Printed orders to advertise, which are issued in books to the several departments, are sent to the Government Printer, who thereupon puts the advertisements in the various newspapers as directed. Officers in the country who are empowered to advertise are supplied with the same books. The latter, however, send the order to the newspapers whence it comes to the Printing Office attached to the voucher for payment. All advertising accounts are checked by the Government Printer. Files of all newspapers are kept, and when any claim for payment is made the advertisement is turned up and marked as paid, a plan which renders a double payment impossible. A scale of the rate of advertising in each paper is kept, at so much per inch of so many lines to the inch for different classes of type. All accounts are rigidly checked by this rule, and no spacing-out is allowed beyond. Advertising accounts are very frequently cut down and expense saved. A vote for advertising is taken for each department, which is charged with the payments made by the Government Printer for advertisements inserted by order of the department.

The Parliamentary debates are reported by the Government reporting staff, and printed at the Government Printing Office, and are brought out the next morning in the form of a sheet for distribution by the newspapers, for which they pay at the rate of 3s. 3d. a hundred. The printing is finished by about half-past five in the morning, and is sent off immediately to two of the Brisbane morning papers, and by the morning trains to the country papers. They are sent to the northern papers by the first mail. Upwards of 7,000 copies are issued daily in this form. Every member gets two copies. The sheets are subsequently corrected by the members, and are thrown into the form of a royal



octavo volume and bound. The total cost is estimated at something over £6,000, and the receipts this year will probably amount to about £1,200. Apart from the question of cost, which is not excessive, this system has the advantage that a very wide circulation is given to the proceedings of Parliament all over the colony. The sheets are printed by means of an excellent four-feeding machine in a little over an hour.

The Printing Office also sells Government printed papers, such as *Gazettes*, &c., to the public, collects the subscriptions to *Hansard* and the *Gazette*, and the moneys for advertisements in the *Gazette*.

There are five branches—the store, the composing-rooms, the machine-room, the binding-room, and the publishing-room: to the latter is attached a public counter, at which papers are sold, and all moneys taken.

Printing materials are supplied by a local contractor, and passed into the store, and are taken on charge in the stock-book, specifying the articles, without values, the entries being made from the contractor's invoices. The issues are entered from dockets sent down by the foreman of the room requiring the supplies, which are receipted by the man who takes away the goods, and initialled by the storeman who hands them out. The stock-book shows the stock on hand of every article at any time. The stock is carefully inspected and checked with the receipts and issues every few months by an Audit Inspector, who counts every article and every sheet of paper.

All Government printed forms are kept in and issued from the publishing-room, but they are not brought on charge, are issued free of cost, and are not audited or counted.

A rough cash-book is kept in the publishing-room for all receipts taken over the counter, and, as money is frequently received by post, all letters are opened in the presence of two persons, and the contents of cash entered in a book kept for the purpose; all such receipts are acknowledged by a notice in the Government *Gazette*. The entries in these two books are then carried into the cash-book, which is discharged by payments into the "Printer's Collection Account" at the Bank, and by any small refunds he may have to make, to adjust errors in payments made to him. The total balance in the Collection Account is paid over to the Treasury monthly.

The "Advertisement-book" is a record of all advertisements sent in by the public for publication in the Government *Gazette*, stating the number of insertions and the price, which has, in all cases, to be paid in advance.

A "Register of Subscribers" to the *Gazette* states the period for which each subscriber has paid his subscription, which is always paid in advance.

The "*Hansard* Register." The foreman of the machine-room marks off on one copy of the *Hansard* sheet every morning the number he has printed for each newspaper, and sends it to the Accountant. This register is entered under the name of each newspaper or subscriber, debiting each account with the number of copies supplied, and the price. The weekly totals of debit are carried into a book called the "*Hansard* Ledger," similarly arranged; where each account is discharged as it is paid. The subscription to *Hansard* in the sheets is 5s. for the session, payable in advance.

The "Monthly Abstract-book" shows all the moneys paid into the Printing Office under the separate headings of "Publications" and "Advertisements." It is totalled monthly, and is discharged by the payments into the Treasury. It balances with the cash-book.

The staff of the Printing Office is paid in the same manner as all other departments, by an issue from the Treasury to the Government Printer, upon a schedule furnished by the latter; the money being accounted for periodically on the inspection of an Audit officer.

The “Expenditure Cash-book” is debited with the issues from the Treasury, and credited with the cheques drawn against it.

An “Expenditure Ledger” is kept, but not by double entry. It is credited with the votes and debited with the expenditure against each, and shows the unexpended balance.

A variety of books are kept, showing the work and value of work done in the different branches of the Printing Office.

The whole cost of the office including *Hansard* is over £19,000, of which about £2,500 is annually recouped by receipts.

*The Litho-  
graphic Office,  
Queensland.*

The printing of stamps, debentures, &c., which is usually done in the Government Printing Office, is in Queensland done in a separate establishment called the Lithographic Office.

Attached to the office of Government Engraver and Lithographer there is an officer, called “the Officer in Charge of Government Securities,” whose duty it is to take charge of all the paper and see it converted into valuable stock, and to hand over the stamps, &c., when created, to the Post Office, Stamp Office, or Treasury, as the case may be.

The paper, when imported, is received into the Colonial Store in books with numbered sheets. The paper is kept in bulk in the Colonial Store, whence, as wanted, it is sent to the Treasury, where the stock is kept ready for issue to the Lithographic Department when required. An account of this stock is kept in the Treasury, and is periodically inspected by the Audit Inspector.

The sheets and stamps are all the same size, and a water-mark on the paper is so arranged that the mark, a Q surmounted by a crown, appears on each stamp when printed.

An engraver is attached to the office who makes up the forms for debentures, and electrotypes the blocks for the stamps from the original dies, and engraves other forms requiring to be printed.

The “Officer in Charge” receives and give receipts to the Treasury for the paper, which is issued to him on the requisition as wanted.

The receipts of paper and the issues in stamps or spoiled paper are recorded in the “Securities-book.”

The “Officer in Charge” also keeps an account of the paper he issues to the printer, and collects the whole stock, whether printed or unprinted, every evening, and locks it up in his safe, which is in the printing-room. The printer is under his personal surveillance, and the whole roomed is cleared of paper every evening. Plain paper is used for proofs, so that few sheets of water-paper are wasted. Whenever the “Officer in Charge” leaves the printing-room the engraver is left in charge.

Stamps are issued on the requisition of the Post Office or Stamp Office. No returns are made. But the stocks of paper and the account-books are periodically inspected by an Audit Inspector, and checked with the requisitions, and the issues of paper are checked with the account kept in the Treasury.

The Audit receives the account of the paper imported, and checks the stock of paper in the store and traces it into the Lithographic Office, and so into valuable stock issued.

The “Securities-book” shows, on the debit side, the date of receipt, and the number of books and sheets received, and is charged with the number of sheets converted into stamps of different sorts, the money-values, and the spoiled sheets, under the headings of Post Office or Stamp Office, to whom the stamps are sent. Debentures are entered in the same manner. The receipt given by the office

receiving stamps is on a printed form, and states the number of stamps and value under each denomination.

Notes for 1s., 2s. 6d., 5s., and 10s., are printed and sold by the Post Office for a circulating medium of small amounts. They cost respectively  $\frac{1}{2}$ d., 1d., 2d., 3d. On the 1s. notes a telegraph form is printed on the back so as to be used for sending telegrams of ten words or under. The commission is in the form of a stamp at the right-hand upper corner, and the telegraphist cuts out the stamp and transmits it to the Treasury as cash.

The Printing Office in South Australia does all the printing and book-binding for the Government, conjoined with it is a store, out of which is supplied all stationery used by the Government staff. The Government Printer manages the advertising in the *Government Gazette*, and the sale of Acts and other Government papers. He also prints the railway tickets and the electoral rolls, but not the *Hansard*. The latter is made up by one of the newspapers from its own reports, under an arrangement with the Government, and is published in a volume.

SOUTH  
AUSTRALIA.

All orders for printing are issued by the several departments on printed forms, and as soon as received are entered in the "Order-book," showing the date when received and the department requiring the work or stores. Every job is then entered on a printed docket, in which the cost of the material and labour bestowed on it is separately entered as the work passes through the several branches of the Printing Office. The material required, generally paper, is first entered on the docket, and is used as an order to the storeman to supply it to the Printer. The storeman initials the docket as evidence of the issue. At the foot of all the charges a commission of 10 per cent. on the invoice price of the material used, and 25 per cent. on the wages of labour expended, are added to make up the cost of the job. From the dockets the charges are posted at once into the ledger, of which there are duplicates, one copy being in use whilst the other is being written up, in alternate months. The ledger contains two money columns, showing separately the value of the material consumed, and of the work done for each department, the credit side showing the payments, which, though effected by transfer in the Treasury-books without cash passing, are treated as receipts by the Printing Office.

This Printing Office is the only one in which the principle is in force of charging each department with all the work done or goods supplied to it, and for this purpose a vote is taken in the Estimates, under the head of the contingencies for each department, to which the cost of its printing and stationery is charged. It is stated by the Government Printer that as much as 25 per cent. has, in his opinion, been saved to the Government, by thus throwing on the departments the responsibility of providing for their requirements, and disclosing to Parliament the amount they severally expend in printing.

All the moneys received are first posted into a rough cash-book of daily receipts, and lodgments in the Bank. From this the entries are abstracted into a cash-book in which the receipts are shown under several heads in separate columns, such as subscriptions to and advertisements in the *Gazette*, and the charges against the various departments. Although the payments for the latter are made by transfers in the Treasury, they are entered in this cash-book as cash received and paid into the Treasury.

The stationery and printing materials in the store are purchased out of a suspense account, for which there seems to be no special authority, and which has no particular limit. This account is debited with purchases, and credited with issues from the store.

The rule now is that all material shall be supplied from England. The indents are made up in pursuance of requisitions which are sent in by each department; stating their estimated requirements for the coming year. The

system is hardly in full working as yet, and goods are bought to some extent from local storekeepers ; but the Government Printer states that he is procuring paper from the English wholesale dealers at 30 per cent. less than the price in the colony, the discount for cash payment about equalling the shipping charges , and that he finds no difficulty in getting orders executed to his satisfaction.

The bills for colonial purchases are rendered monthly All stores, whether received from England or from local contractors, are entered, as soon as received, and checked with the accompanying invoices, in a rough store-book, and from this they are posted into the stock ledger, in which one article occupies each page, and the prices and values are carried out both for receipts and issues, those on the debit side being the invoice price with the charges in a separate column, those on the credit side being the invoice price with the 10 per cent. also in a separate column. The intention being that it will thus appear, from the totals of these columns for any period, whether the percentage is more or less than is required to cover the charges.

The principle is observed in this store that goods should be issued at their actual cost price. Hence goods of the same kind, and bought at different prices, are kept separate in the store, and treated as different articles. The storeman keeps a book in which every separate article is entered under a running number, which is also attached to the articles on the shelves, and the price of each taken from the invoices.

Acts of Parliament and Government papers which are for sale are kept in a strong-room, but are not there brought on charge. They are issued in limited quantities, as required, to the store, where they are brought on charge at their selling price, and are accounted for as sold over the counter.

This Printing Office is at present in a transition state, the present system of management and account having been only recently instituted. The accounts of the department have not as yet been abstracted into a journal and general ledger, which will be necessary in order to show the exact position of the department at any time.

#### TASMANIA.

The Printing Office at Hobart is comparatively a small establishment, being confined to the printing and sale of *Gazettes* and other Government and parliamentary papers. It has previously printed the postage stamps and duty stamps, but the latter have recently been procured from England, and it is now a question whether all stamps should not be similarly sent from Home. There is no *Hansard* printed by the Government. The Government Printer has a standing imprest at the beginning of the year, out of which he pays the wages of the office, and which is recouped monthly by the amount of the vouchers sent in receipted. All the paper and other material used in the Printing Office is supplied from the Colonial Store upon a yearly requisition. In the case of paper for stamps, however, the Printer receives it from the Post Office, together with the order for printing the stamps, and only in sufficient quantity to satisfy the order Paper for debentures, which are also printed in this office, is received from the store. No charge is made against the other departments for printing, except in the case of the Launceston and Western Railway (the only Government line), which was originally a private line. Having been bought by the Government, the charges for printing formerly made against the company are still continued, and paid for in cash to the Government Printer

The only receipts are for sales of Government papers and for advertisements in the *Gazette*. The price of the latter is fixed by Order in Council. The files of papers are kept in the binding-room, and these supplied to the public, the cash being paid at once to the Government Printer personally. All payments are made in advance and no credit allowed. The Printer pays his collections into a separate account at the Bank, and thence by cheque once a month to the Treasury

The only books kept are the receipt cash-book, in which receipts from all sources are entered, and the monthly total written off by cheque to the Public Account. The wages-book, in which the wages, paid weekly, are entered, and the receipt of the men taken. No entry is made of the receipt of cash from the Treasury, the monthly total of the wages-book being the sum recouped to credit of the standing imprest. The only other book is an account of the work done for the Government railway.

The advertisements in the *Gazette* are checked against the receipts in the receipt-book.

The Printer makes a statutable return to the Auditor every month of all his collections. Stock is taken annually of all Government papers on sale.

Electoral rolls are not sold, but issued to the Clerks of the Peace at Launceston and Hobart, by whom they are sold to the public, but are not debited against these officers.

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The Government Printing Office in New Zealand comprises the printing office, the electrotyping room, the *Hansard* room, the binding rooms, the accountant's office, and the stationery store.

NEW  
ZEALAND.

From the stationery store are issued all paper and material for the use of the printing establishment, all stationery used by the Government departments, and all printed papers and forms which are distributed amongst the Government offices or are sold to the public. The office of Stationery Storekeeper is held conjointly with that of Government Printer.

All stationery is, as a rule, procured from England on an annual contract. The indents are prepared from an estimate made by the Storekeeper, in which he is guided by the issues made during the past year and a book is kept in which the vouchers for goods purchased are copied before they are sent in to the Treasury for payment.

All issues of goods from the store are made on requisitions; and the receipts for the supplies issued are numbered and filed. The Stationery Ledger of Receipts and Issues is a complete record of the transactions in the stationery store, containing under the head of each separate article, at the head of the page, the number of the receipt or invoice and the name of the person from whom received or to whom issued, in order of date, without values. It is balanced so as to show the stock in hand every three months, and stock is taken by the officers of the department every six months. Before the abolition of the office of Inspector of Stores, this work was done by an officer of that department. This ledger is posted from the invoices, and from the receipts for issues. At the stock-taking the discrepancies in the stock are brought on charge or written off the ledger. But it is obvious that without some further check the audit is incomplete, because if, by accident or intentionally, any goods were omitted to be entered in the ledger, the latter would fail to be any check on the goods in stock. The Inspector of Stores formerly used to test the accuracy of the ledger by checking the entries with all the invoices and receipts for issued goods; after which only could it be relied on as a check on the goods in stock. Printed forms and other papers which are not for sale are not taken on charge in the ledger. Acts, parliamentary and other papers which are for sale, and to which a money value is attached, are brought on charge in a separate volume of the ledger, and issued in the same manner as stationery.

There are about thirty agents throughout the colony for the sale of Acts and parliamentary and other papers. An account is kept against each in a ledger in which they are debited with the numbers and value of the papers supplied to them, the values being taken from a printed price-list for the Acts and an estimated price for other parliamentary papers. An invoice is sent with each parcel, together with a receipt, which is signed and returned to the Storekeeper. The agents are allowed 20 per cent. on the sale of papers deposited with them on credit, and 25 per cent,

on the sale of papers for cash. They make periodical returns of the values only of their sales, which are written off the ledger on the receipt of their cash.

The Government Insurance Office is required to pay for all work done for it by the Printing Office, and a separate book is kept showing the charges made, the numbers of each form supplied being entered in separate columns. Vouchers are made out in triplicate and sent to the Insurance Office, the Colonial Secretary's Office, and the Treasury, which latter recovers the amount from the Insurance Office. The charges are made up of the cost of material and time employed, with 20 per cent. added. But the staff of the Insurance Office is supplied with stationery from the store, as any other Government office, without charge.

The Railway Department is charged in a similar manner for the work done for it. It is not easy to see why this principle should be applied only to the Insurance and Railway, and that such departments as the Post Office and Telegraphs should pay nothing

A book is kept showing all paper and other material supplied by the store to the printing establishment, which is signed in each case by the person taking away the goods. This receipt is used instead of the ordinary receipt in posting the credit side of the Store Ledger

The *Hansard* is published twice a week in a pamphlet form, from copy furnished by the Government Reporters, the slips having been first revised by the members. A proposal was made during last session to print the debates daily, in a broadsheet form, and, after revision by members, in royal 8vo for binding: nothing, however, resulted from the proposal. There is a separate composing-room for *Hansard*, which is unoccupied during the recess. The number of copies printed is about 2,600. Those distributed free of charge are issued by the Government Printer. Those reserved for sale are sent to the store, and taken on charge in the Store Ledger. There are about 240 subscribers, the subscription being ten shillings for each session. The cost of *Hansard* is estimated at about £6,000 a year, and the income about £120.

In the electrotyping office the electrotype plates are prepared from which the duty and postage stamps are printed. Stamps were formerly printed in the Government Printing Office, but this work has now been removed to the Stamp Office, to which the plates are sent from the Printing Office. The dies for duty stamps are now, with one exception, of local manufacture, being engraved in Wellington, and electrotyped in the Government Printing Office.

In this office also the railway tickets are printed, the Railway paying £50 a year towards the salary of the electrotypist and the wages of three boys—the whole staff employed in the ticket-printing. Three ticket-printing machines are in use; and three others in good order are kept in the Railway Store at Petone, as a reserve in case of fire in the Government Printing Office. This has been rendered necessary by the abolition of all stocks of railway tickets, and the system of only printing supplies for current use as required.

The books kept in the accountant's office are as follows:—The order-book, in which all orders for work to be done are entered, and the work-book, in which every job is entered when completed. The latter is in the form of a ledger, under the heads of departments, and contains the value of the work done in each case, including labour only, not material, the actual cost of the labour being increased by 25 per cent. The work done for any one outside the Government departments is so trifling that it is kept in separate memoranda.

The advertisement-book is an account of the advertisements in the Government *Gazette*. These are paid for in advance to the Government Printer, except those inserted by the Land Transfer Department and the Government Agent at the Thames. The payments for the former are collected together with its other fees by the Land Transfer Department and paid over to the Treasury, and for the latter Mr. Allom sends a cheque for his receipts half-yearly, less a commission of

5 per cent. which he is allowed. An account is kept in a separate book against these two departments, but it does not appear that the sums received from the Land Transfer Office by the Treasury are ever checked against the charges as made in the Printing Office.

The cash-book contains the daily receipts, with their discharge into the Bank, which are checked weekly with the advertisement-book and subscribers'-book; these being the only sources of receipt.

The salaries-book shows all salaries and wages, not including that of the store. The permanent hands on the printing staff are paid by cheque direct from the Treasury, the occasional hands by the Government Printer out of imprest. The transactions under the latter are recorded in the imprest cash-book.

The usual departmental property ledger shows the whole plant of the office.

The accounts are not kept by double entry, nor are they passed into a journal and general ledger, nor are all the transactions of the office brought into a general balance-sheet.

There is no advertising department attached to this as to some other Printing offices described above; but all vouchers for advertisements in the newspapers are sent to the Government Printer to be checked, and reductions are frequently made in the charges. The newspapers, however, not being filed, he has no check on the number of insertions. For the latter the department sending in the voucher is supposed to be responsible.

The total cost of this Printing Office is nearly £30,000 a year. The receipts from *Gazette* advertisements, subscriptions, and sales of Acts, &c., amounted last year to £2,024, and is steadily on the increase.

Waste paper and obsolete forms and books are packed in bales and sent to England for sale. The prices realized range from £6 10s. to £8 per ton. Latterly the Otago Paper-mill Company has taken a shipment or two at £4 per ton.

From the above details, the following points are those which chiefly deserve attention.

GENERAL  
REMARKS.

1. The advertising business of the Government appears to be conducted in a more economical manner where it is intrusted to the Printing Office, than where each department advertises on its own account. Lower and more uniform rates can be obtained all over the colony by contracts made on public tenders on a common system, whilst by filing the newspapers and marking off the advertisements in each, a strict control can be maintained, and double payments prevented. The plan adopted in Queensland of a printed order sent with each advertisement to the Printing Office by the department, or in the case of local offices authorized to advertise, sent to the newspaper, and by it to the Printing Office in support of its voucher for payment, appears to provide a complete control on the whole business, which must tend to economy.

2. In no Printing Office did I find a full and efficient system of book-keeping, so as to show in account the whole cost of the business and its profit and loss.

A printing office, unlike any other Government department, is a purely commercial concern, and should be managed and its accounts kept as any other mercantile undertaking. Where the expenditure is finally charged on a vote of Parliament, the accounts are confined to a comparison of the actual with the authorized expenditure, and the question of profit and loss as a commercial undertaking is lost sight of. If no annual vote were taken, but a fixed suspense account established, to be charged with all expenditure and credited with all receipts, the balance at any accounting period would show the profit and loss and the stores in hand. If then a vote were taken in the contingencies for each department for "Stationery, printing, and advertising," those votes would be debited and the printing office account credited with the value of the work done for each. I think there can be little doubt that if each department had to disclose its wants, and

was made responsible for its expenditure, economy would result , as it is asserted to have resulted in South Australia, where it has been tried.

3. I would also call special attention to the practice in Queensland as to the publication of *Hansard*. It might be impossible in this colony, where the sittings of the House are sometimes protracted to a late hour, to distribute the sheets by the next morning , but that could be effected in many cases, and in all cases it could be done by the following morning The cost would be somewhat greater than at present, but the result would be that many thousand copies of the debates would be distributed throughout the colony almost concurrently with the debates, instead of as at present very few copies only, a long time after all interest in the proceedings had died away At all events I would submit the experiment would be worth while trying for one or two sessions.

4. As a matter of detail the docket system of South Australia, by which the whole cost of every job is entered on one document as it passes from hand to hand through the department, is deserving of imitation.

The following table, compiled from the estimates of the several colonies, shows the cost of the Government Printing Office in each :—

Colony.	Year.	Salaries and Wages.			Reporting, &c.			Stores, &c.			Total.		
		£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
New South Wales ... ..	1880	38,818	0	0	2,500	0	0	All stationery supplied from General Store 800 0 0			42,118	0	0
Victoria ... ..	1880-81	28,215	0	0	1,988	0	0	11,462	0	0	41,665	0	0
Queensland ... ..	1880-81	13,762	0	0	1,574	0	0	6,270	0	0	21,606	0	0
South Australia ... ..	1880-81	13,526	0	0	<i>Hansard</i> taken from report of daily papers No <i>Hansard</i>			5,807	10	0	19,333	10	0
Tasmania ... ..	1880	4,015	0	0				1,357	0	0	5,372	0	0
New Zealand ... ..	1880-81	14,252	10	0	2,500	0	0	13,000	0	0	29,752	10	0

VII. STAMPS.

NEW SOUTH WALES.

The Stamp Act in New South Wales is administered by a Commissioner, who is not a Minister; there are no Deputy Commissioners. It is the duty of the Commissioner to decide the amount of duty payable on any document, but an appeal lies from the decision of the Commissioner to the Minister charged with the administration of the Act, and from the Minister to a Judge of the Supreme Court. The Commissioner has power to remit any fines incurred under the Act for unstamped instruments. The Audit Office has no power to revise the decision of the Commissioners as to the stamp duty on deeds: it does not see the deeds or any memorial of them, and is compelled to accept the decision of the Commissioner as final. All impressed stamps are affixed in the stamping-room, which is within and open to the Commissioner's office , so that all stamps are impressed under his personal inspection. All the dies are kept in his own safe, and are handed out every day as required, and returned to him every evening.

The adhesive stamps are printed by the Government Printer as required by the Commissioner, who keeps the stock in the safe in his office. The duty of the Audit Office is confined to seeing that the revenue as stated in the Commissioner's returns has been paid into the Public Account. The stamps are issued from the Commissioner's office to the distributors, who are remunerated by a commission on sales; and full accounts are kept in the Commissioner's office against each distributor, showing the stocks in hand.

Returns are rendered by the Commissioner to the Treasury and the Audit as well as by the distributors , but the Audit is compelled to rely on the certificates of the distributors as to the truth of their accounts. The Treasury however has the means of verifying the returns of the distributors by the reports of its inspecting officers.



All moneys paid for stamps are received in the office of the Accountant to the Stamp Office, and the stamps are issued by the Chief Distributer on the certificate of the Accountant that the money has been paid. All accounts of the transactions of the Stamp Office are kept by double entry. The form of the Journal entries is given in the Appendix. The cash is paid daily into the Commissioner's account at the Bank, whence it is transferred to the Public Account. *Appendix B.*

All the stamps used in Victoria—postage stamps, duty stamps, fee stamps, freight stamps—are made in the Post Office. The paper is obtained from England, and is in the custody of the Postmaster-General until issued to the Printer, who requisitions for what he requires. The whole of the paper is accounted for, and the spoiled sheets are destroyed by a Board of three, of whom one is appointed by the Audit Office. VICTORIA.

The stamps, when created, are in the joint custody of the Assistant Postmaster-General and the Controller, who is the Accountant to the Post Office. They are issued thence on requisition to the Chief Distributer, by whom all stamps are issued to the various depositaries for sale to the public. There are no subordinate officers for distribution, all stamps being sent from this officer directly to the officers, by whom they are sold. The Chief Distributer takes no money. All the cash for receipt and payment in the Postmaster-General's Department passes through the hands of the Cashier.

All sellers of stamps are depositaries, having fixed advances of stamps, and being held under bond for the amount. The larger holders are required to keep not less than three-fourths of the full amount of their stock in hand, smaller holders not less than two-thirds. On applying for fresh stock, the depositary sends up the cash with his application to the Cashier, who initials it as received, and passes it on to the Chief Distributer, who thereupon issues the stamps to the applicant.

The stock in the hands of the Chief Distributer is inspected once a month by an officer of the department, and once a year all the stocks in the Post Office are counted and balanced with the books by one of the Commissioners of Audit.

The usual stock ledgers are kept showing the receipts and issues of stamps of each denomination, and the balances in hand; but the transactions of the Stamp Department are not kept in a separate account apart from other transactions of the Post Office. All the accounts of the Post Office are passed through the journal into the ledger by double entry, and the Stamp accounts and Telegraph accounts are carried into the general accounts of the Post Office.

The impressed stamps are only impressed in compliance with requisitions which are sent, with the cash, to the Cashier, and are forwarded by him to the Stamping Department. An overseer, on the part of the Controller, overlooks the stamping of the impressed stamps. The dies are kept by the Controller, and handed out for use as required. All impressed stamps are brought on charge in the office of Chief Distributer as soon as impressed.

The whole staff of the Postmaster-General's Department is paid by the Cashier at Melbourne out of a standing imprest issued by the Treasury at the beginning of every year, and recouped monthly to the extent of the vouchers sent in receipted from the Post Office. The unexpended balance is paid into the Public Account, and the account closed at the end of each year.

The officer in charge of the Stamp Office obtains supplies of stamps from the Lithographic Office, upon requisitions which he sends in from time to time as required. QUEENSLAND.

All stamps are issued from the Stamp Office direct to the licensed agents by whom they are sold, there being no Sub-Commissioners. In some few cases stocks are placed in the hands of Customhouse officers to supply the local offices in their

districts. Licensed agents are allowed a commission of 5 per cent. on sales. For adhesive stamps the requisition states the number, denomination, and value of the stock applied for, for impressed stamps it states the number and denomination of the stamps to be impressed, such as those on cheques, bills, &c., and, in the case of deeds, a description of the deed and the value of the stamp required, but in the latter case the description is not sufficient to determine whether the right stamp is impressed.

The audit of stamps on deeds is conducted by an inspection, made by the Audit Office, of the deeds themselves in the Real Property Office, or that of the Registrar of the Supreme Court, in one of which a duplicate of every deed is deposited, the duplicate being stamped at the same time as the original with a duplicate stamp, for which no charge is made, and which is not brought into the accounts of the Stamp Office. The date on which any deed is received is marked on it, showing whether a fine is due for delay in submitting it to be stamped.

No blank paper impressed with stamps is issued, impressed stamps are only placed on completed documents brought to the head office for the purpose.

All stamps are issued on requisition, and the officer in charge makes out daily two abstracts, one of the adhesive, the other of impressed stamps, issued during the day; and these are copied into the "Requisition-Book," which shows the numbers, value, and total value of the day's issue. The payment of the total into the Treasury is noted at the foot of the page.

In country districts licensed agents are allowed an advance of stamps on credit, and a credit ledger is kept, in which every distributor is debited with the stock advanced to him on credit, and is credited with the cash sent by him to the Stamp Office, and with the commission allowed.

The Customhouse officers holding stocks of stamps send in accounts to the Stamp Office, but no accounts are required from the distributors. The Stamp Office sends accounts to the latter from time to time, stating the balance of their debits. Distributors are in all cases Government officers.

For spoiled stamps, the public receive stamps in exchange, but Government officers are paid in cash. With one exception, no returns are made to the Treasury or Audit. The Audit relies entirely on the periodical audit of the accounts and inspection of the stock in the Stamp Office, and on the local inspection of the accounts and stocks of the distributors by the Audit Inspectors.

The stamping-room is next to and is under the immediate supervision of the officer in charge, but the stamper is required to make an independent return monthly to the Audit, stating the numbers and values of all stamps he has impressed during the month.

The principal books kept, besides the Requisition-book, are the Stock Issue-book, the Stock-book, the Cash-book, the Journal, and the Ledger. The Stock-book shows the receipts, issues, and balance of the stock of adhesive stamps on hand of each denomination.

All the transactions of the office are journalized, and carried into a ledger by double entry, under very few headings the ledger is balanced monthly.

As the postage and duty stamps are now in one, the transactions of this office do not show the real revenue derived from stamps. A large part of the stamps made in the Lithographic Office are issued to the Post Office, and may be used as duty stamps, whilst the stamps issued from the Stamp Office may be used as postage stamps. It might have been expected that as soon as the two stamps were combined, all would have been passed through the accounts of one office.

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TASMANIA.

The stamps in Tasmania have hitherto been printed partly at the Printing Office, but the less valuable denominations, of which there is a larger consumption, are now procured from England. As it is found that the latter can be

obtained at a cheaper rate, and of superior workmanship, it is probable that the whole stock will in future be sent for to England.

No stock of impressed paper is kept, stamps are only impressed as required by requisition from the distributors.

The stamp duty on deeds is not collected by means of stamps, but the value of the duty paid is written on the deeds by the Collector of Stamp Duty, an officer who collects no stamp duties other than that on deeds. There appears to be no sufficient check on this branch of revenue.

Duty stamps, like postage stamps, are distributed only by the Post Office, there being no separate stamp establishment. They are sold to the public by the Postmasters and by authorized agents. The impressed stamps are created at the Post Office under the superintendence of the Secretary to the Post Office, in whose custody is also the stock of adhesive stamps.

Postage stamps are issued for cash only, to the Postmasters, who are allowed 4 per cent. commission on sales. For duty stamps the distributors are allowed a standing credit, which is recouped by purchases as the stock is sold. The same rule applies both to impressed and adhesive stamps. At Launceston, however, a stock of postage stamps is allowed on credit, and an account is kept. The Postmaster at Launceston pays his collections into an official account at the Bank daily, and transfers the balance to the Post Office account monthly. The Post Office pays its receipts to the Treasury every fortnight.

The only books relating to stamps which are kept in the Post Office are—the cash-book, debited with receipts for stamps entered from the requisitions, and discharged by lodgments in the Bank, and the issue-book, showing the stamps under the several descriptions issued from the office. The accounts of the Stamp branch are not kept by double entry, nor is a complete balance-sheet made. The stock is counted monthly by the Secretary and another officer of the department, but no independent inspection appears to be made. Returns of the receipts and issues, and of the stock on hand, are sent periodically to the Audit Office.

The Stamp Act in New Zealand is administered by a Commissioner of Stamps, who, although not so required by the Act, has hitherto been one of the Responsible Ministers, and by a permanent Under-Secretary

NEW  
ZEALAND.

The paper for adhesive stamps is obtained from England upon orders sent by the Colonial Secretary to the Agent-General. It is supplied in books with numbered sheets, and on arrival is opened and checked by an officer of the department in the presence of an officer of the Audit Department. It is in the custody of the Under-Secretary for Stamps, who is debited with the stock, and issues it to the stamp printer upon requisitions which he first signs as approved. The stamps as soon as made are sent to the Treasury, and placed in the custody of the Cashier, who gives the printer receipts for the quantities supplied to him. The Under-Secretary makes periodical returns to the Audit of the issues of paper to the printer, supported by the requisitions of the latter, and of the issues of stamps to the Treasury, supported by the receipts of the Cashier, stating also the balance of paper on hand. These returns are checked against periodical returns made by the Cashier to the Audit Office, of his receipts and issues of stamps and of the balance in hand. Adhesive stamps are issued, by the Cashier, to the Stamp Office upon requisitions in duplicate sent in from time to time by the Deputy Commissioners for the stocks they require, and one copy after being approved by the Under-Secretary for Stamps is passed on to the Treasury and Audit.

Unlike all other Stamp Offices, the Head Office in New Zealand issues no stamps to the public, this is done only by the Deputy Commissioners, of whom there are ten in the different districts throughout the colony, but the Head Office issues the stocks which are placed in the hands of depositaries on credit, directly to the latter. No stock is kept at the Head Office, the supplies being

drawn from the Treasury only as required to satisfy the requisitions of the Deputy Commissioners. The stock held on credit by the depositaries is replenished by purchase from the Deputy Commissioners for cash, not from the head office.

The Deputy Commissioners make periodical returns to the Audit of these supplies drawn from the Head Office, and of their sales and balances in hand, discharging these accounts by payments into the Public Account at the Bank, and these returns are checked against the returns showing the issues to them from the Head Office.

All impressed stamps are made at the Head Office only on requisitions sent in either by the persons requiring them, accompanied by the cash payment for them, or by the Deputy Commissioners, or by Banks to whom they are issued on credit. Impressed stamps are not sent to the Treasury, but directly to the person applying for them. The values are entered in the Stock-book in order of the date of issue, those issued for cash being separately noted. The credit in the Stock-book is posted from the invoices sent with each parcel, and, in the case of spoiled stamps, from the Register spoken of above. The Stock-book is balanced weekly.

A record is kept in the stamping-room of all impressed stamps created, which is initialled by the clerk in the receiving-room, to whom they are delivered for issue.

Deeds after execution are stamped with adhesive stamps in the offices of the Deputy Commissioners, who assess the duties, subject to correction at the Head Office. but they are only stamped upon requisitions from the parties concerned, which contain a sufficient description of each instrument to enable the Audit Office, to whom the requisitions are sent, to determine whether the correct duty has been paid.

The accounts kept in the Secretary's Office are very simple and are not kept by double entry. The Stamp Paper Record-book shows the receipts and issues of the paper of various kinds and the number of sheets of each sort in stock, with the commencing and concluding number in each case. This book is balanced monthly and the balance in hand brought down.

The Stock-book is debited with the value of the stamps received from the Treasury, under each requisition, and with spoiled stamps returned by the Deputy Commissioners, and is credited with the values of stamps sent to the Deputy Commissioners, posted from the invoices which accompany each parcel, and from the certificates of the spoiled stamps destroyed. Stamps are destroyed by two officers, one of the Stamp Office and one of the Audit Office, who certify to the quantities and values destroyed.

A Register of Spoiled Stamps is kept which is examined and initialled by an Audit clerk about once a month, from which the entries of spoiled stamps received and destroyed are posted into the Stock-book. This Register includes impressed as well as adhesive stamps spoiled.

The Deputy Commissioners take credit in their accounts for the spoiled stamps returned, which are again checked with the entries in the Register kept in the Head Office.

The Bank ledger is an account against each Bank to which stamps are issued on credit, debited with issues to, and credited with sales by, the Bank, and with spoiled stamps returned.

The Revenue Ledger shows the stamp revenue collected by each Deputy Commissioner, and at the Head Office, for impressed stamps issued to each. It contains also a general account of the whole stamp revenue of the colony.

The Depositaries' Ledger is a record of the stock on credit with every depositary, and the Distributors' Ledger is a list of persons who are licensed to sell stamps throughout the colony, but supply themselves by purchasing from the Deputy Commissioners for cash.

A record is kept in the receiving-room, posted from the requisitions of all stamps adhesive or impressed received into and issued from the office, showing the amounts issued on credit in black ink, and for cash in red ink, and showing also the balance requisitioned for not yet sent at the close of each day

The stocks of stamps in the hands of Deputy Commissioners, depositaries, and all public officers, are periodically inspected by the Audit Office Inspectors.

The processes in all Stamp Offices are very similar, but the accounts in those offices, where the transactions are journalised and carried into a general ledger, are the most satisfactory GENERAL RE-MARKS.

The form given in the Appendix, in use in the Sydney Office, is a fair specimen of the form of account which should be kept, but the introduction into the ledger of the cost of the office increases the number of accounts. Such entries would be unnecessary where the expenses of the office are paid by the Treasury direct instead of by the department. For the same reason the Petty Cash Account might be omitted where the allowance for spoiled stamps is paid for in stamps and not in money Appendix B.

I would respectfully submit that the accounts of the Stamp Office in this Colony should be kept in a somewhat similar form.

### VIII. THE LAND REVENUE.

The Crown lands in New South Wales are sold and leased under a variety of laws passed at different times. The colony is divided into districts, about one hundred in number, in each of which there is a Land Agent, who is the collector of the Land Fund in his district. Ordinary sales are by auctions, which are held from time to time, the Land Agent acting as auctioneer, the sections to be offered for sale having been previously advertised in the *Gazette*. Twenty-five per cent. of the purchase-money is paid to the Land Agent on the sale, and the balance within three months; but the latter may be paid at the Treasury at the option of the purchaser. The Land Agent has to send up his collections and vouchers at once to the Treasury, but he is not required to send in his attested account to the Audit until after the three months have expired, a separate account being sent in for each auction sale. Where the balance of purchase-money is not paid, the land is forfeited, and is open for selection at the upset price. The Land Agent generally holds some other office under the Government, such as Clerk of Petty Sessions. NEW SOUTH WALES.

The most important branch of the land sales is that of the conditional purchases, corresponding to the lands sold on deferred-payment in New Zealand. The land is sold at a fixed price of one pound per acre, of which five shillings is paid on selection. No further payment is required for three years, after which one shilling per acre is payable annually, a part of which is for interest on the outstanding debt at the rate of 5 per cent. per annum, and the balance goes for payment of the principal. There are further conditions as to occupation. If the periodical payments are not made, the land is by law forfeited, but this condition has never yet been enforced.

Each conditional land purchaser is entitled to a pre-emptive right over three times the extent of his purchase and adjacent to it; but he has to renew his tenancy and pay the required rental year by year

The amount of book-keeping found necessary to record these various payments, and the outstanding debts to the Crown, is very considerable. In addition to complete accounts of all transactions which are kept in the office of the Land Agents, about one hundred large ledgers are open in the Treasury, containing it is supposed about 90,000 separate accounts. These ledgers are not balanced with any general account, and serve only to show the actual payments and outstanding debt of each conditional purchaser but in so vast a mass of accounts they can hardly be of much use in keeping the Treasury informed of those whose payments are in arrear. A few years ago, when the number of accounts was about 60,000, the books were carefully gone through, and a list was made of all arrears. It is said that not

more than five hundred defaulters were found, and on a notice being issued threatening forfeiture of the land, almost the whole money was paid up.

It was stated by Sir Henry Parkes, at a public dinner a short time ago, that the debt to the Government on the conditional purchases amounted to nine millions, and that the payment of interest last year was as much as £200,000. As soon as the three years have elapsed on all existing selections, the annual interest will be £450,000. The average extent of these holdings is said to be about one hundred acres.

It may not be out of place to remark that the population of New South Wales is under 720,000 souls, the adult males therefore do not probably exceed 180,000. I am informed that the electoral rolls show a total of less than 150,000 electors. Hence even if, as is the case, a considerable number of selections are held by one purchaser, it may be inferred that a large proportion of the whole electoral body are under liability to the Government under the existing law. Whether this debt will ever be realized under such circumstances is a matter which some may feel inclined to doubt, especially as an agitation is already in movement in some districts—and a conference from districts has been recently sitting in Sydney—to get rid of the interest on the debt: a fact to which Sir Henry Parkes alluded the other day in his speech, only so far as to point out that if that interest were abandoned, £200,000 of annual taxation must be imposed elsewhere. The notices, in the public press, however, point ominously to an impending struggle to get rid of the liabilities of so large a portion of the population to the Government.

The vast amount of book-keeping required by the conditional purchases has to be repeated, as is thought necessary, in the Audit, though apparently in a briefer form. From forty to fifty large folio ledgers are all in use in the latter office, and a new ledger is opened every year for the purchasers of that year.

Separate ledgers are also kept for the lands dealt with in various other modes. Pastoral leases, agricultural leases, auction leases, gold-mining leases, and mineral leases.

VICTORIA. The lands in Victoria are administered by the Minister for Lands, subject to the exercise of certain powers which are vested by the Land Act of 1879 in the Board of Land and Works, and are sold under the provisions of that and two amending Acts. Speaking generally, the lands are either sold by auction or taken up by selection. The great bulk of the land dealings at present are under the latter

Under the Act of 1869 selected lands were sold for 20s. the acre, of which 2s. per acre had to be paid yearly for ten years. For the first three years the occupation was by license, the land could not be assigned or sublet, and the licensee was required within two years to fence it in substantially, and to cultivate one-tenth of it. Subject to these conditions, he was entitled, at the end of three years, to a seven years' lease with the privilege of selling or sub-letting, at a rental of 2s. an acre, and to a Crown grant at the end of his tenancy. No more than 320 acres could be held by one person.

All lands were open to sale by auction at an upset price of not less than £1 per acre, 25 per cent. being payable upon the sale, and the residue within a month.

The rental of pastoral runs was fixed at 8d. a head for sheep and 4s. a head for cattle, upon the number which the run was estimated by the Board of Land and Works to carry.

By the Land Acts of 1878 and of 1889, the condition of lessees of selected land was materially altered by provisions which practically extended the tenancy to twenty years, with a rent of 1s. an acre per annum, and there are now somewhere about 50,000 selections held under these conditions.

There appears to be considerable difficulty in obtaining a punctual payment of the rents, and it is stated roughly that about one-half the tenants are in arrear to the extent of two years' rental, more or less. The rents are payable every six months, dating from the commencement of the tenancy, and every month a list of the payments in arrear for each month is published in the *Gazette*, the arrears for the month of January, 1880, amounted to over £4,300, owed by 2,720 tenants.

The condition of forfeiture has been enforced in a great number of cases where the rent has not been paid, nor the conditions of tenancy fulfilled; but it is found impossible to forfeit the land in cases where the tenant has fulfilled his conditions of occupation, and invested considerable sums in improving the land, and has failed only in paying his rent.

All revenue derived from lands is paid into the hands of the Receiver of Revenue of the district, who pays it into the Public Account in common with all his other collections. The Receiver makes in most cases a daily return to the Treasury of all his receipts on Land Fund Account, which is sent on to the Land Office with a certificate from the Treasury that the money has been received.

Elaborate ledgers are kept in the Land Office showing the state of every selector's account with the Crown. These ledgers consist of eighty-two large folio volumes. A similar account is kept in the Audit, and also by each Receiver in his district.

In addition to the above, a register is kept of the pastoral runs, of which there are about 800, at a rental of about £120,000 per annum. A list of the runs and the rentals due for the year is published annually in the *Gazette*.

Besides his other returns, the Receiver sends to the Audit Office periodically a "declared return" of the land revenue which he has collected. This corresponds to the attested return of New South Wales.

There are between six and seven millions of acres of land under selection at present. The number of selections current does not appear to be on the increase, the numbers in which the purchase is completed, or which are forfeited for non-fulfilment of the conditions, being about equal to the new selections.

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The public lands in Queensland are sold or leased under various Acts. In QUEENSLAND. gold fields they are managed under the Gold-Mining Acts, and are administered by the Minister for Mines, elsewhere they are broadly divided into "lands open for selection," and "other lands," and are administered by the Secretary for Public Lands.

All "other lands" may be purchased as "mineral lands" at 30s. per acre.

Any lands may be sold by auction as "town," "suburban," or "country" lands, after being proclaimed open for such sale by the Government. The upset price being not less than £8 per acre for "town" lands, £1 per acre for "suburban" lands, and 10s. per acre for "country" lands. Mineral lands are also leased, and conditions of occupation are attached.

The great bulk of lands taken up for settlement are those applied for as "conditional selections" under the Act of 1876, and the Act, now repealed, of 1868. Under the latter they were divided into classes—"agricultural," "first class pastoral," and "second class pastoral," at the prices of 15s., 10s., and 5s. per acre respectively. Under the Act of 1876 the upset price of the land is declared by proclamation.

Conditions of improvement, either by fencing under Act of 1868, or the expenditure of a fixed sum per acre under the existing law, are attached to all conditional selections. The purchase-money is payable in equal annual instalments in ten years, but the first year's payment and the fee for survey must be paid on application. The second year's payment is a broken sum propor-

tionate to the portion of the year extending from the expiration of twelve months from date of application up to the 31st of the following March, on which day the annual payments are due thereafter. A limit is fixed at 5,120 acres, which may be held by one purchaser, including all his selections. Under the Act of 1868 an area of 10,880 acres were allowed to be selected.

“Homestead selections,” involving actual personal residence, are also provided for at 2s. 6d. per acre.

In the case of auction sales, 20 per cent. is paid on the sale, and the balance within thirty days. The survey fee is fixed on a scale proportionate to the area. The fees on Crown grants, and the fees of the Real Property Office, “Land Assurance Fund,” &c., are paid in the Land Office.

There are thirty-five land districts, in each of which there is a Land Agent and a Commissioner of Crown Lands.

Where districts have been proclaimed open for selection, extending over pastoral runs, half the run has been opened for selection, and a ten years' lease of the other half has been given to the pastoral tenant. This was the policy of the Act of 1868, now repealed, and was applied to the settled districts. There is no such provision in the existing law, except in the so-called railway reserves, in which only half the runs are permitted to be resumed at any time.

With few exceptions the land revenue is paid to the Land Agents, but the first year's payment on selected lands is held in deposit by the Commissioner, until the selection is confirmed or rejected at the next sitting of the Land Court, if the selection is not confirmed, the money is returned to the depositor. The pastoral rents are paid to the Treasury direct. If occasionally paid to the Land Agent, they are immediately transmitted to the Treasury, where the accounts of the runholders are kept. Moneys payable to the Land Agent are sometimes, with the permission of the head officer, but not otherwise, paid into the Treasury direct.

The Land Agent pays his collections daily into the local Bank, and remits the money by cheque to the Treasury, at Brisbane. He can operate upon his official account for the payment of certain necessary refunds, but the account is, before the payment, recouped by a cheque from the Treasury, so that the Land Fund is paid in gross into the Public Account. The money is transferred to the Treasury weekly, and in some cases monthly.

The whole accounts of the land revenue, except for the pastoral rents, are kept in the Land Office, no accounts being kept in either the Treasury or Audit.

There are about 12,000 accounts of conditional selections, which are kept in thirty-five ledgers, one for each district, each selection being entered in the order of date. The book shows the name of the selector, the consecutive number of the selection, the locality, class of land, and the payment made in each year for ten years—a column being provided for each year. These selections are numbered, and are entered on the application being made. If the selection is refused, the account is closed. An index to these ledgers is kept in a separate volume.

A second register is also kept under the name of each selector severally, which shows the total amount of land held by each under all selections, in order to prevent the area of land held being in excess of the legal limit.

A printed list is prepared early in the month of February every year, and published in a supplement to the *Gazette*, in which the names of all the selectors are arranged in alphabetical order, with columns showing the year of tenancy for which rent is to be paid, and the number, area, and annual rental of each selection. This return takes from a month to six weeks to prepare every year. A copy is sent to the Treasury, and also to the Land Agents. The Treasury, on receipt of the returns from the various Land Agents, rules out the names of those who have paid, and returns the list to the Land Office.



The Land Agent supports his payments into the Treasury by vouchers, showing the branch of revenue to be credited, and sends his attested account monthly to the Audit Office. He sends the duplicates of his receipts for money paid to him to the Audit Office,—whence, after examination, they are sent to the Land Office,—keeping the butt himself. These receipts are checked against his payments into the Treasury and the ledgers. The receipts for different sorts of purchases are printed in different colours, so as to be readily distinguished.

The Land Agent sends an account of receipts upon new selections to the Treasury as soon as the Land Court has sat and approved of them. For the annual payments, he sends a return to the Treasury monthly, or weekly, according to the importance of the office and the amount of collections in hand, with a duplicate, which the Treasury attaches to a daily return of moneys paid in, which it sends to the Land Office. The Land Agent also sends to the Land Office a return of the money remitted.

The entries of receipts are not made in the Land Office books until the advice is received from the Treasury. A separate register is kept, of sums received from auction sales, taken from the account sales of each auction which are sent to the Land Office by the auctioneer, or by the Land Agent when acting as auctioneer, as soon as the auction is over. The auctioneer's charges are not deducted from the receipts, but are paid by the Treasury.

The Land Agent obtains receipts from the Treasury for all his lodgments. A revenue cash-book is kept by the Accountant, in which are entered all payments made to the Land Office, including moneys liable to be refunded, and which is discharged by such refunds and by payments into the Treasury.

A cash journal or day-book is also kept, in which all receipts of land revenue are entered from the Treasury advices.

The staff of the Land Department, as of all others, is paid by the Under-Secretary out of moneys issued to him by the Treasury. The Under-Secretary has besides a cash credit allowed him of £100 for small incidental expenditure. On sending in his vouchers the Bank is recouped the amount.

The expenditure cash-book is, on the debit side, a copy of the schedules sent in to the Treasury for payment. It is discharged by the disbursements made. The ledger is not kept by double entry, it is detailed under the heads of the votes, is credited with the amount of each vote, and debited with the payments, the unexpended balance being carried out with each entry.

The accounts in the Land Office used to be audited by an officer of the Audit, nominally every three months. This has been abandoned, owing to the Audit staff being insufficient. The accounts are now audited by an officer of the department, the Treasurer considering that an outside audit is unnecessary.

In auditing the books the cash journal is called over with the selectors' ledgers, and the entries are again checked with the duplicates of the receipts given by the Land Agents to the selectors.

The Treasury depends entirely on the Land Office for the correctness of the receipts of the land revenue, except as regards the pastoral rents, of which the account is kept in the Treasury alone.

The Land Agents keep accounts against each selector, virtually the same as those kept in the Land Office.

The accounts of the Land Agents are audited locally by the Audit Office Inspectors about four times a year. It is considered that no complete audit of these accounts can be made by the information which is furnished to the head office, the Treasury, or the Audit.

When the final payment is made on a selection, all the papers are submitted to the Auditor, who has to satisfy himself that all the payments have been made, and that the Crown grant may be issued, especially as the selection may, in

the meantime, have been transferred to one or more persons by the original selector

Crown grants are sent to the Real Property Office, the fees of which, viz., the cost of preparation of deeds in the Lands Department, together with the Assurance Fund, are collected at the Land Office.

There are no accounts kept in the Land Office of the pastoral runs. The rentals for these are paid into, and all accounts are kept in, the Treasury. There are 6,446 runs paying a rental of £167,171 8s. 4d. a year. The colony is divided into pastoral districts, not conterminous with, and fewer in number than, the land districts; and to each district one ledger in the Treasury is allotted, in which the runs are recorded, and the annual rentals as paid. A printed list of the run-holders and rentals for the current year is made and gazetted about the month of June in each year, and the rent is payable in the following September. There seems to be no sufficient reason why, when all other accounts relating to land revenue are kept in the Land Office, the accounts of the pastoral rents only should be kept in the Treasury.

The difference between the system of conditional purchase in New South Wales and in Queensland is this: in the former, the payment of one ls. an acre per annum is taken, part of which is taken to be a payment of interest on the outstanding debt, and the balance only is used as payment of the price of the land. The result is that the period within which the whole debt will be extinguished is largely extended, and the number of selectors indebted to the Government is largely increasing year by year. In Queensland, on the other hand, there is no interest payable, the annual rental goes to extinguish the debt. Debts are paid off almost as rapidly as fresh debts are created, and the period of final payment is limited to a moderate time.

Thus, whilst in the one a class is rapidly growing up which threatens to influence, if not some day to command, the electoral roll, in the other the class of those still in debt to the Government is counterbalanced by another class, also increasing year by year, of those who have completed their payments, and who have therefore a strong interest in insisting that others shall not obtain land upon more favourable conditions than those which they have themselves been compelled to fulfil, in other words that the value of their own land shall not be depreciated.

Whatever opinions may be held on the general question of the wisdom of selling the public lands on deferred payments, it will be admitted that the Queensland system possesses an element of stability which is wanting in that of the older colony.

#### SOUTH AUSTRALIA.

The modes in which lands are disposed of in South Australia are perhaps more numerous than in any other colony. Speaking generally, the several methods may be classified as lands sold by auction, lands sold at upset price after being put up to auction and failing to find a purchaser, lands sold on deferred payment, lands leased for pastoral purposes, and rights of commonage let on yearly rental.

The general rule as to receipts is that all deposits, that is to say all first payments on land transactions, are paid to the Receiver of Land Revenue at the Land Office at Adelaide. All subsequent payments are made at the Treasury, which is kept informed by the various returns made to it by the Land Office of the payments from time to time due. All auctions are held in the Land Office at Adelaide by an officer of the department, the specific sections to be offered by sale having been previously published in the *Gazette*. Twenty per cent. of the purchase-money is payable on the fall of the hammer, and the balance within a month afterwards.

The Receiver pays his collections into the Bank daily, he operates on the account for the repayment of refunds such as are ordinarily payable out of a deposit account, and pays the balance weekly by cheque into the Treasury. The refunds do not appear in the Treasury accounts.

The rents of the pastoral runs, which consist of an assessment on the stock on the run, with a minimum charge of an acreage rent, are calculated upon returns of stock, which the pastoral tenants are required under heavy penalties to make to the Land Office every half-year. These returns are entered in books in the Land Office, and are published, with the amount payable for the half-year by every tenant. They are accepted as correct, the security for their accuracy being the publicity given to the statements, and the penalties imposed by the law for false returns. The whole of the published returns are passed by the Audit before publication. The duty of collecting the rents as set forth in the lists devolves on the Treasury

The selectors on deferred payments originally were allowed five years' credit, the whole purchase-money being repayable at the end of that time. Interest in the meantime was payable in two sums, 10 per cent. on taking up the land, and 10 per cent. in three years. These terms have been modified from time to time, always in the direction of prolonging the period for repayment of the principal. By the last Act the credit is in some instances extended to twenty years. Unlike the plan in other colonies, it is no part of the system that the price of the land shall be repaid by instalments, but, by a recent Act, that may now be done in sums of not less than £50 at the option of the purchasers. The conditions of selection are various, involving residence either by the purchaser or by a substitute, and improvement of the land; and constant inspection provides for the due fulfilment of the conditions. A separate branch of the Survey Office, which is called the Office of Inspector and Valuator of Lands is intrusted with this duty, and in this are kept nominal ledgers showing the payments due from and made by each selector. Similar ledgers are kept in the Land Office, but in a more condensed form.

A monthly statement is made up in the Land Office, and is published in the *Gazette*, setting forth the payments coming due by the selectors in each month. The Treasury accepts these statements as the authority to receive the payments, and returns to the Land Office statements of the sums paid, for entry in the Land Office ledgers.

There have been in all upwards of 13,000 selections, several selections being made by one person, but no one being permitted to hold in all more than a thousand acres. Of these about 3,280 selections have been completed, and of those outstanding it is estimated that the number of separate persons holding land on deferred payment does not exceed 6,000.

A register is kept in the Land Office of the commonage rights. These are applied for annually, stating the number of stock proposed to be grazed. After revising the applications so as to limit the numbers to the whole number of stock to be grazed on the common of the Hundred, the pasturage licenses are issued for the year. The payments are required to be made before the licenses are issued, and are sent up to the Receiver at Adelaide by post. All letters received are opened in the presence of two clerks, and the amounts recorded in a cash-book. Such applications and licenses are made and issued every year.

There does not appear any reason why the land revenue should be received partly at the Land Office and partly at the Treasury, and a simplification of work would result from the payment of all land revenue into the Land Office, which receives so much of it already, and which alone has a knowledge of the sums payable.

The system of conducting all dealings connected with the disposal of the lands at the central office at the seat of Government tends no doubt to simplify the transaction of the business of the department, but such a plan would not in other colonies be thought to afford the public the facilities in procuring land which intending purchasers expect to receive.

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## TASMANIA.

The lands in Tasmania are now disposed of under the Lands Act of 1870, and are sold principally by auction. Private selections under the 24th section of the Act are not submitted to auction, but involve personal residence on the land selected.

Under the latter section, the price is £1 an acre, increased by one-third as premium for the allowance of credit. Eightpence an acre is payable on the selection, 1s. at the commencement of the second and third year, and 2s. of every year for twelve years afterwards. The whole payment being completed in fourteen years.

In auction sales, if the purchaser claims credit, the terms are similarly one-third in addition to the auction price for premium on credit. One-eighth of the price is payable as deposit, and one-thirteenth of the balance every year afterwards till the whole is paid, the payments, as before, being complete in fourteen years.

Auctions are held at Hobart and Launceston, and occasionally at country places, such as Latrobe and Emu Bay. In Hobart and Launceston a clerk from the Land Office attends the sale and takes the deposits, in country places the auctioneer takes the deposits himself. In the former case the clerk pays the money into the Treasurer's Account, and sends the Bank receipt to the Treasury. In the latter the auctioneer sends a cheque to the Treasury for the amount he has received.

In sales by auction the advertisements of the sections to be offered for sale are prepared in the Land Office at Hobart, and sent to the auctioneer, showing the upset price put on each section. The auction account sales show the price bid for each.

Complete accounts are kept in the Land Office of the purchases under the system of credit. They occupy two folio volumes—one for the auction sales and sales under the 38th section (namely, of lands which, having been put up to auction and not having found a purchaser, are sold subsequently by private contract at the upset price), and one for lands selected under the 24th section. In these ledgers the sum paid by each purchaser in each year is entered in a separate column, the absence of an entry showing a default in the payment. As the Treasury notifies to the Land Office day by day all moneys received, and the ledgers are closely posted up, the amounts in default are readily perceived. Besides, as the period on which payments are due depends on the date of the purchase, the entries for each month are kept separate in the ledger, so that a list can be readily made out of the payments coming due in each month. All payments after the deposit are made to the Treasury direct.

A separate ledger in a similar form is kept against the pastoral lessees. The Land Office sends out the notices calling on them to pay their rents when due, and the Treasurer notifies to the Land Office when the payments are made.

No list of defaulters and no lists of the monthly payments coming due are published in Tasmania as in some other colonies. The numbers to be dealt with are far less numerous. It is supposed, although no accurate return exists, that about four thousand persons are still under outstanding engagements to the Crown for lands. Circulars are sent out monthly, calling on defaulters to meet their engagements, and it is stated that hitherto the current payments are made with very fair punctuality. In June last year a sale was made of all defaulting estates, and they were not numerous. Some allowance has had to be made during the last two years, owing to bad seasons, but the outstanding debt is not, on the whole, unreasonably large. In this colony, however, as elsewhere, the tendency has been to prolong the period of credit which, formerly extending only to eight years, is now fourteen.

NEW  
ZEALAND.

New Zealand differs from all other colonies in the management of the Crown lands, owing to the fact that up to the year 1876 the lands were disposed of under Acts passed by the Legislatures of the Provinces, into ten of which New Zealand was divided. In 1877 a general Act was passed, repealing all the Provincial

Statutes, and making one Land Law for the whole Colony, but it was not thought advisable to introduce a uniform system throughout. The general mode in which lands had been previously sold was preserved in each district, a separate Schedule for each being attached to the Act.

In each district a Land Board was established, consisting of the Commissioner of Crown Lands and from two to five other Commissioners appointed by the Governor, by whom the lands were to be administered. The general features of the land system in each district are as follows :—

*In Auckland.*—Rural land is divided into first, second, and third class. The two first are sold by auction at an upset price of 15s. and 10s. an acre respectively for cash. Third-class lands are sold or leased by auction, if sold, at an upset price of 5s. an acre, if leased, for not more than twenty-one years, at a rental fixed by the Board; no block leased to contain more than 10,000 acres.

The Board may set apart blocks of land for disposal under “the homestead system,” to be granted without payment upon conditions of occupation and cultivation for five years, the total quantity granted to one family not to exceed 200 acres.

*In Taranaki.*—The Board may set apart land to be sold for cash at the price of 20s. for bush land and 40s. for open land. All other lands are sold by auction, with the same rates as the upset price. The Board may also lease lands of special value for a term of not more than seven years, at a rental of not less than 2s. an acre, with pre-emptive right of purchase at not less than 20s.

*In Hawke's Bay.*—Rural lands are sold by auction at an upset price of 20s. an acre, but certain blocks in which the land has hitherto been sold for cash at 20s. the acre are open for selection on the same terms.

*In Wellington.*—Land is sold for 20s. the acre for cash, and, in case of two or more applications for the same land on the same day, by auction between the applicants, at the upset price of 20s. Lands declared by the Board to be pastoral lands are sold in blocks not exceeding 650 acres by auction, at an upset price of not less than 10s. an acre.

*In Nelson.*—Lands are sold by auction at an upset price of from 10s. to 40s. an acre to be fixed by the Board, or for cash at 40s., lands are also leased for fourteen years at a rental of 10 per cent. on the assessed purchasing value, not being less than 10s. the acre. Pastoral runs are let by agreement with the Board, but the license may be determined at any time if the land is sold or leased.

*In Marlborough.*—Land is divided into rural land and pastoral land, which are sold by auction at the upset prices of 20s. and 10s. the acre respectively.

*In Canterbury.*—Land is sold for cash at 40s. the acre. Pastoral runs are let on an annual rental of from 9d. to 2s. per head of sheep, and from 4s. to 10s. per head of cattle which the run is determined by the Board to be capable of carrying. All licenses are to cease in 1890.

*In Otago.*—Land is sold for cash at 20s. the acre, but only in districts proclaimed to be Hundreds, simultaneous applications being settled by auction. The unsold land within Hundreds is depastured by the freeholders of the Hundred under the management of elected Wardens; the land outside Hundreds is leased as pastoral runs. On any lease falling in, the run or such part as is not required as rural land, is put up to auction on a lease of ten years.

*In Southland.*—Rural lands outside Hundreds are sold for cash at 40s., and pastoral lands at 20s. the acre. Inside existing Hundreds the price is 20s.

*In Westland.*—All rural lands are sold for 20s. the acre. Blocks of land are set apart for occupation under the homestead system without payment, the conditions being the same as those of Auckland.

Under sections of the Act, which apply to all parts of New Zealand, lands are

divided into town, suburban, and rural. The two former are sold by auction, the latter as above described in each district.

Blocks of land are set apart by the Government in any district for sale on deferred payments. A deposit must be paid on application of one-tenth of the price in the case of suburban, and one-twentieth in the case of rural land. The price of the land is the cash price, or in case of auction the highest price bid, with 50 per cent. added in either case. Not more than 640 acres can be held by one selector. The term of the lease is five years in the case of suburban land, and ten years in that of rural land, and the annual payments are respectively one-fifth and one-tenth part of the whole price, with conditions of occupation. Pastoral lands are also sold under deferred payments, the total block owned by one man not exceeding 5,000 acres, and the term of the lease being for seventy-five years.

In each district of the colony there is a Receiver of Land Revenue, by whom all land revenue is collected, and a copy of whose cash-book is sent weekly to the Treasury. No accounts whatever are kept by the Central Crown Lands Office; all the departmental accounts are kept by the Receiver of Land Revenue in each district, and are not all kept on precisely the same system. The Commissioners of Crown Lands certify to the correct revenue being received. A check on the collections is also preserved by all the Receivers being supplied with printed receipt-books with counterfoils numbered on which all receipts for money paid are given, every form of receipt having to be accounted for. Nothing however but local inspection, and a comparison of the records of the office with the cash-book, can secure a complete audit of the accounts.

The accounts of the deferred payments are far simpler than those of other colonies.

In the Audit Office one small ledger, in which the name of each purchaser, the amount of his annual payment, and the several instalments as paid are entered, on a single line for each purchaser, is found to afford all the information necessary to see that the instalments are duly paid.

In the Treasury a more elaborate account is rendered necessary by a provision of the Act which makes one-third of the rental under the deferred-payment system payable to the Road Board or County in which the section is situated. The Treasury ledgers therefore contain a separate account for each section in each block thrown open for selection showing in what Road Board it is situated; and this has to be verified by the Surveyor-General in order that the right Road Board or County may be credited with its share of the accruing revenue. But for this no further information would be necessary than that kept in the Audit.

The number of selections however up to the present time are not numerous as compared with those in other Colonies. They are about 1488. The Land Office makes a return to the Treasury, showing the outstanding payments due in each case. The Treasury is considered to be responsible for the collection of these balances, and when they are not paid notifies the same to the Land Office, which calls on the purchaser to pay his instalments, under pain of forfeiture of the land.

GENERAL  
REMARKS.

It may be useful, before dismissing the subject of the land revenue, to take a brief general review of the modes of disposing of the waste lands in the several colonies.

In all, the power of reserving land for public purposes, and for towns and villages, is much the same, and the sale of town lands by public auction is the rule in all.

The different methods of disposing of rural lands may be stated as follows:—

1. By gift on the fulfilment of conditions of occupation.
2. By sale for a fixed price for cash.
3. By auction with an upset price for cash.

4. By sale for a fixed price, on payment distributed over a term of years, with conditions of occupation.
5. By auction with an upset price on payment distributed over a term of years, with conditions of occupation.
6. By lease or license for a term of years.
7. By lease or license for a term of years with pre-emptive right of purchase.
8. By license terminable on the sale of the land.
9. By license for grazing in commonage.

All the above modes of dealing with the lands are found in the colonies, and several of them in each colony

The system of selling land upon deferred-payment with conditions of occupation has now been adopted in all the Australian Colonies. In some cases it applies to all the lands of the colony with the exception of certain areas, generally in the neighbourhood of towns, in others it applies only to areas specially set apart for the purpose. The conditions of occupation and improvement are various, and the periods within which the payment is completed are widely different. But it is impossible not to observe a gradual tendency, with each alteration of the law, to lengthen the period of payment, and to relax the conditions of occupation and improvement; nor can we fail to notice, that, although in all cases forfeiture is the penalty for failure to comply with the conditions, or to pay the annual instalments, it is practically very difficult to enforce the penalty, and when labour and capital have been expended on the section, impossible.

The system of selling for cash is also in force, but almost universally, except in New Zealand, by public auction sales for a fixed price are mostly confined to cases where land has been put up to auction and has failed to find a purchaser, or where the buyer has failed to complete his purchase. The conditions on which, and the rents at which, land is occupied under lease or license for pastoral purposes, are as various as in the case of sales, and the natural tendency, as the country becomes occupied and land is required for settlement, is to raise the rents and to diminish the size of the runs. The same diversity of practice is displayed in the methods of collecting and accounting for the land revenue in each colony

#### IX. OF RAILWAYS.

In New South Wales the railways have been constructed, and are managed under the Railways Act of 1858. The Act provides for its administration by a Commissioner of Railways, who is a permanent officer of the Government, holding office at pleasure. He is constituted a corporation sole, and in him is vested all the property, real and personal, in connection with railways. His administration would appear from the wording of the Act to be entirely independent, subject only to the Governor in Council and to regulations made by the Governor in Council. Practically, he is subject to the Minister of Public Works, although the Act makes no mention of such subordination, but, on the contrary, seems to give the Commissioner statutable powers independent of all ministerial control.

NEW SOUTH  
WALES.

The plans and designs of all railways authorized by Parliament to be constructed are first approved by the Governor in Council, and are then carried out by the Commissioner. He conducts all transactions for the purchase of lands required, and for the payment of compensation, and the whole engineering staff is under his official control. To him are paid all the proceeds of the lines, and by him, or by the Treasury upon his certificate, are paid all the expenses of the railways, whether upon capital or upon working account.

There are two principal branches or sub-offices in the Commissioner's Department—the Railway Accountant's Office, and the Railway Traffic Audit Office. Attached to the Accountant's Office, and subordinate to the Accountant, is the Cashier, through whose hands pass all the receipts, and by whom all payments are made.

All the lines in New South Wales connect with Sydney, except the northern

line, whose terminus is at Newcastle. All the collections on the western and southern systems are sent up in bags, by the first train every morning, to Sydney. The guard of the train gives each Stationmaster a receipt for the bag, and drops it into an iron box in the guard's van, from which it can only be taken out by the Cashier at Sydney, who alone has the key. The Cashier has also duplicate keys to all the bags, from which he takes the moneys, and immediately pays them into the Bank to the Commissioner's account. Remittance-notes are prepared by the Stationmaster in triplicate—one he keeps, and the two others he places in the bag, of the latter, one is returned to the station, receipted by the Cashier, the other is filed in the Accountant's Office. The Stationmaster attaches the receipted note to the one he has retained in his office. The Bank gives receipts in duplicate for all lodgments, of which one is filed in the Accountant's office, the other is sent to the Traffic Auditor.

The Accountant is not supposed to have any knowledge as to the cash remitted being the correct amount collected. It is the business of the Traffic Auditor to see that the proper freights have been charged and collected, and that the whole of the money has been paid into the Commissioner's account, as shown by the Bank receipts.

The collections on the northern line are sent up to the head station at Newcastle in the same manner. The Manager pays them into the local Bank, which at once transmits the balances to the Commissioner's account at Sydney.

The railway staff is paid in the same manner as all other Government servants—salaries monthly, wages fortnightly. The vouchers for the former are sent in to the Accountant's office three days before the end of each month, the wages pay-sheets a few days after the end of each fortnight. The vouchers are put into an abstract and sent to the Treasury, which issues the money to the Commissioner. The payments are made by pay-clerks, who travel down the lines for the purpose. Salaries are thus paid by the first of the month, and wages about eight days after the end of each fortnight. The money for payments on the northern line is sent to the Manager by telegraph, and the men are paid within ten days after the money is due. The receipted vouchers are returned to the Accountant, and are finally sent, like all others, to the Auditor-General for audit.

In the Accountant's office the whole of the receipts and payments are charged by a simple and effective system of account by double entry, consisting of cash-book, journal, and ledger. In the cash-book all receipts and payments are entered according to date, the Treasury being treated as the Bank, and the book is balanced monthly. A monthly abstract is made of all the entries in the cash-book, the receipts being carried to their proper headings, and the expenditure grouped under the headings of the votes or other parliamentary authorities, and the totals are carried into the journal, and thence posted to the ledger.

The expenditure upon capital account, whether supplied by loan moneys or by Consolidated Fund votes, is kept under distinct headings, so as to show the cost of each line and section of a line, and the working expenses of each section are shown in the same manner.

The ledger is balanced yearly, the accounts closed, and the balances carried forward. Appended will be found the scheme of the ledger, and a memorandum by Mr. Vernon, the principal book-keeper in the Accountant's office, describing the subsidiary books kept.

The business of the Railway Traffic Audit Office consists in ascertaining that the proper charges have been collected for the traffic on the railways, and in the preparation of the various traffic returns required for statistical purposes, for the management of the lines.

Railway tickets are printed at the Government Printing Office upon the Commissioner's order, given upon requisitions sent in by the Stationmasters. The tickets are sent to the Commissioner's office, where they are counted by a counting



machine, and are then sent to the stations. The Stationmasters send back receipts, through the Traffic Auditor, to the Commissioner.

A complete ticket ledger is kept in the Traffic Audit, in which each Stationmaster is debited with the tickets sent to him, and is credited with his issues, the balances on hand being shown. Not less than a month's supply is required to be kept on each station, but no rule appears to be in force as to the maximum limit. This seems to be left to the discretion of the Stationmaster, nor could any such limit be applied, unless the requisitions were checked by the Traffic Auditor before supplies of tickets were issued. Invoices of tickets sent out are kept in the Commissioner's office, but no account of the sales on the stations is recorded, except in the Traffic Audit Office.

Half-tickets for children are issued by cutting out of the whole ticket a triangular piece on which are printed two numbers indicating the *from* and *to* stations. These triangular tickets are sent to the Audit, and are there checked against the collected tickets to which they belong.

Stocks of excursion train tickets are kept on stations where they are likely to be required.

Monthly tickets are signed and issued by Stationmasters, quarterly, half-yearly, and yearly tickets are signed by the Commissioner, and are sent to the stations for issue, and an account is kept against the Stationmaster.

Season and school tickets are issued as usual, but, by a recent regulation, children attending public schools travel free by second class; if by first class they have to pay the usual fares.

Books of flag-station and excess-fare tickets are issued to Stationmasters, and by them to guards, who write the duplicate ticket by means of carbon paper. The guard accounts to the Stationmaster from whom he received the book. The Stationmaster initials the duplicate ticket as his receipt for the money, and the guard sends the books so receipted to the Traffic Auditor, where they are checked against the collected tickets. Flag-station tickets run only to the next ticket station.

On stations where the average sales of any class of tickets are less than five a month, books of "blank-paper tickets," with the name of the issuing station only printed, are issued to the Stationmaster, who fills in the name of the *to* station, and at the same time fills in the butt in the book. The tickets collected are checked against the butts in the used books, which are sent to the Audit. The check is obviously imperfect, but, as the issues are very small, it is deemed sufficient.

Tickets are never collected by guards, but at country stations at the gates, or, where there are no gates, by the porter as the passengers leave the train. In *through* journeys they are collected at the last station before the terminus, except on suburban lines on up trains, where they are collected at the gates at Sydney. All collected tickets are sent to the Audit, where they are sorted and checked: about 5 per cent. are uncollected.

A neat metal ticket, silver for the first-class, bronze for the second, is used on the suburban lines for season tickets. They are something larger than a shilling, and suitable to be worn on a watch-chain by persons using them daily. These medals are stamped at the Mint. The milling indicates the period for which the ticket is available, being complete for a year's ticket, and half-round and a quarter-round for the half and quarter year. On the reverse is engraved the owner's name, and under it the month in which it expires, as  $\frac{3}{4}$ . On the reverse is engraved the distinguishing letter of the station between which and Sydney it is in force. The expense of engraving, however, renders the issue unprofitable.

Entrance fees to racecourses, &c., are sometimes included in the price of the tickets, and are paid over by the Stationmaster to the Stewards of the racecourse or other authorities, but the receipt and disbursement are included in the station accounts.

Special trains are reported by the Stationmaster, who brings them on charge to the Traffic Auditor, but an independent report is also sent to him by the Locomotive Engineer

Horses, carriages, dogs, and parcels are included in the passenger traffic, but are way-billed and accounted for in the same manner as the goods traffic they call for no special remark.

A peculiar feature to be noticed in the passenger traffic of the New South Wales lines is that return tickets are, with one exception, not used. They were abolished at the end of the year 1878, except for tickets issued on Saturday, to be in force till the Monday following. A careful inspection of the existing traffic led to that conclusion that a diminution on the rate of single tickets to the extent of 10 per cent. would leave the revenue of the lines unaltered if return tickets were abolished. The diminution, however, actually made was largely in excess of the above rate, especially for long journeys the result was a serious decrease in the revenue. Return tickets are still issued for Saturdays, and are counted in the statistical returns, as usual, as two journeys.

All goods are accompanied by way-bills much in the usual form. The way-bills, when not sent with the goods, generally go in advance, in passenger trains. They are very rarely behind the goods. The way-bills are always dated a day in advance that is, the way-bills of goods sent on Wednesday are dated Thursday. The intention is to expedite the returns at the end of the month, but the system of putting an artificial instead of a true date on the way-bills is on other accounts objectionable.

Press copies of all way-bills are kept at the sending station, except where the traffic is very small, where they are copied into a book, the "Outwards Goods-book." The original way-bills are sent in by the Receiving Station to the Audit, and returned to the station when checked. This plan is found to work very well, and is a sufficient answer to those who insist that all way-bills must be kept on the stations.

A monthly abstract is made up from the way-bills, of outward traffic on a blue form, and of inward traffic on a red form, at every station, each abstract showing the traffic *to* or *from* another station; and these, covered by a summary showing his outward and inward traffic to and from all stations, the Stationmaster sends to the Audit monthly.

The principle in force in New Zealand and elsewhere of again summarizing the traffic of the whole line, and balancing the whole *outwards* and *inwards* traffic, is not in force in New South Wales. The traffic *inwards* of each station from any other station, as shown in the *inwards abstract*, is checked against the *outwards* traffic, as shown in the abstract of the sending station; and it is considered that this check is sufficient to provide for the detection of all errors in the total account. When errors are detected, the abstracts are altered in the Audit Office, and corresponding alterations made in the station accounts by Audit memoranda.

It may be questioned whether this check is sufficient, or whether there is any absolute security for the detection of all errors except that provided by a general summary, in which the whole *outwards* is balanced against the whole *inwards* traffic of the line. If it were proved that the check provided in New South Wales is sufficient, some labour and expense would be saved which are now incurred at the head office in constructing the balanced summary, especially where, as in the large Middle Island system in New Zealand, the accounts of so many stations must be brought to balance in one summary. A cross-check is however provided in New South Wales, by making up a detailed account of the traffic upon each of the several sections of the line for the purpose of general information. This account is made up from the outward abstracts only, but is checked against the inward summaries and abstracts, and so is supposed to provide to some extent a check similar to that obtained by the general balanced summary.

All errors in the abstracts are corrected by reference to the way-bills. The

accounts detailing the traffic under several heads for statistical purposes are made up in the Audit from the way-bills themselves.

Wharfages are collected for Government wharves, but none for private wharves. Shipping way-bills have not hitherto been used ; but it is said they are about to be introduced. No register of way-bills has been found necessary

For the delivery of goods, an abstract of each way-bill is made in a delivery-book, and at the same time a delivery-note is prepared for each consignment, describing the article and the charges to be paid, if any. These notes are sent to the Inquiry Office, and, upon application and the payment of the charges, are initialled and given up to the consignee, who obtains the goods upon presenting the delivery-note at the warehouse and signing the delivery-book.

The ledger accounts are kept in the Inquiry Office. No warehouse-book is kept, the delivery-book being used for the purpose.

Cash-books are kept on all the stations. Coaching and goods accounts are kept and rendered separately, as if they came from two separate stations ; and no general account or balance-sheet of the debits and credits of the station on all accounts is rendered.

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The railways in Victoria are constructed and managed under "The Public Works Act, 1865," by which a Board was constituted entitled the Board of Land and Works, consisting of a President, one or two Vice-Presidents, and not less than three or more than seven other members, appointed by the Governor in Council. Subject to the Board, the railways are managed by the Secretary, under whom are an Accountant, a Traffic Auditor, and a Traffic Manager

VICTORIA

There is a separate portfolio held by one of the Ministers, who is called Commissioner of Railways ; but no such office is contemplated by the Act, which places the whole administration of the Railway Department in the Board of Land and Works. The Commissioner of Railways is at present one of the Vice-Presidents of the Board.

The cash collected at the stations, which are all connected by rail with the head station at Melbourne, is sent up by the first train every day in locked bags, of which the Cashier has duplicate keys, and which are put into a chest in the guard's van, accessible only to the Cashier at Melbourne. In some cases the Stationmaster pays the cash into a local Bank, obtaining a draft on Melbourne, which he places in the bag instead of cash. The cash is paid in daily by the Cashier to an account called the Railway Income Account, from which it is paid daily by a cheque, signed by the Secretary and the Sub-Accountant, to the Receiver of Revenue at Melbourne, who pays it together with his other collections into the Public Account. The New Zealand method, by which the Stationmaster pays into the local Bank at once to the credit of the Public Account, has the merit of superior simplicity.

Certain payments are made out of the Railway Income Account by the Secretary before transmitting the balance to the Receiver for example, certain rebates on the freight of goods carried to Echuca for the purpose of being shipped on the River Murray, the bills of lading being produced in support of the claim. Moneys collected for other bodies, such as stewards of races, &c., are paid in the same manner, but are not included in the accounts.

With the cash the Stationmaster sends in the bag a transmit note, which states the several heads of revenue, and the amount collected under each, and the particulars of the cash forwarded, whether in notes, gold, silver, &c. This note is sent in duplicate, of which one is kept by the Cashier, the other is returned receipted to the Stationmaster

The railway staff is paid by an imprest in the hands of the Secretary monthly, except in the cases of some wages, which are paid fortnightly, and wages for extra

labour, which is paid on the completion of the work for which it was engaged. The Secretary distributes the necessary funds, in part to Sub-Imprestees, and in part to Pay Clerks, by whom the staff is paid and receipts are taken. The payments are generally completed about the fifth working day of the following month. When the Secretary returns his receipted vouchers to the Treasury, the exact amount disbursed is reissued to him, thus restoring the imprest to its original amount. At the end of each year the Imprest Account is closed, and the balance repaid into the Public Account.

All the revenue received, and all the expenditure, whether for construction or for working the lines, are accounted for in the Accountant's office. The transactions are all passed through a journal and ledger by double entry; but the accounts are carried into the ledger in detail, making the work of balancing many hundred separate accounts one of great labour. From the ledger the entries are again abstracted under the several heads under which the expenditure is required to be shown in the printed accounts, which are presented to Parliament along with the annual report of the Commissioner of Railways.

Railway tickets are printed in the Government Printing Office upon the order of the Traffic Auditor or the Accountant. A stock of tickets is kept in the custody of the Traffic Auditor, and tickets are ordered as wanted to keep up this stock. Tickets are supplied to the stations on requisitions from the Stationmasters, which are required to be sent to the Traffic Auditor every fortnight, the minimum stock required to be kept on a station is a fortnight's supply. There is no maximum limit. The ticket ledger shows the number of tickets received from the Printer by the Traffic Auditor under the head of each station, and the issues to the stations, the balance being the stock in the Traffic Audit; but no account is kept in the head office of the issues by the stations. To discover the stock on hand at any station, the ticket ledger must be compared with the passenger returns of tickets sold. In the Stationmaster's requisition for tickets, however, he has to state the number of tickets on hand, and the closing number in the *case*.

The Government Printer makes an independent return to the Commissioners of Audit of the number of tickets issued to the Traffic Auditor, and the books and stock in the latter are occasionally inspected by one of the Commissioners of Audit.

Return tickets have been abolished except on the suburban lines. A considerable amount of revenue has been lost by this step, the price of single tickets having been reduced by one-third. No calculation was made, as in Sydney, of the proper reduction to be made so as to maintain the revenue unaffected by the change. The loss of revenue must be attributed to the reduction in the prices of single tickets having been greatly in excess of that required to equalize the new prices of single tickets with the average prices of single and return tickets formerly in use. The experience both in New South Wales and Victoria seems to show that the calculation made in the former, that the revenue would not bear a much greater reduction than 10 per cent. on the old prices of single tickets, was not very wide of the mark. On Saturdays excursion tickets are issued, which are in fact return tickets available till the following Monday night; but they are only issued in the summer months. Single tickets remain in force for one week from the day of issue if the journey is commenced on that day, and during such week the journey may be broken at any or every intermediate station. On each successive use of the ticket, the ticket collector stamps it, by means of a nipper with embossed figures, with a number indicating the station at which the holder stopped; and the ticket is similarly stamped at each point at which tickets are examined.

Half-tickets for children are sold by cutting a triangular piece out of an ordinary ticket, but the numbers of the *from* and *to* stations are not, as in New South Wales, printed on the bit cut out. The Stationmaster, however, writes the number of the ticket on the triangles. These bits cut out are sent to the Audit in support of the accounts, where they can be compared with the collected tickets.

Excess fares are collected by blank-paper tickets issued in numbered books to the Stationmasters. The Stationmaster writes both ticket and butt, keeping the latter and giving the former to the passenger, from whom it is taken by the collector

Season tickets are issued as usual.

There is only one flag-station, properly so called, for which the ticket is issued at the first ticket-station, or at the end of the journey

Metal tickets for the watch-chain are issued, similar to those in Sydney School tickets are issued only for one month, except in special cases.

Passengers are not allowed to enter trains without a ticket. All tickets are collected at the gates on suburban lines, at other stations they are collected at the doors of the carriages, which, as a rule, are kept locked. For trains arriving in Melbourne, they are taken at the last stopping station.

An ingenious device is adopted in Victoria for rendering the forgery of railway tickets impossible. The numbering apparatus attached to the ticket printing machine prints the number in a peculiar type. The cipher is pierced showing the number in the colour of the ticket on a black ground, and this invention is made copyright, so that no imitation can be made in the colony. Without going to the expense of having new machines constructed, the same result might be achieved by using type of a peculiar form, cast for the purpose of printing the names of the stations on the tickets, and attaching a penalty, by statute, to the possession or use of similar type by any one but the Government Printer. The cost of the type would be but trifling

The rest of the coaching traffic, parcels, carriages, horses, and dogs, call for no remark, except as to parcel stamps. These stamps are issued for the values of 1d., 2d., 3d., 6d., 1s., 2s., 3s., and 5s., the rates for stamped parcels being somewhat less than the rates for cash payments. A stock of these stamps are kept by the Sub-Accountant in the safe. They are printed at the Government Printing Office, and are dealt with and accounted for as postage and other stamps. They are issued to Stationmasters on requisition, and are sold by them to shopkeepers and the public generally, and the stock on hand at a station appears in the list of outstandings. The stock in the office is inspected monthly, and the paper and accounts of stamps created and issued are audited by the Commissioners of Audit.

These parcel stamps are much used, and it is a question for consideration whether the stamp system for parcels might not be conveniently applied to the parcel traffic exclusively, and cash payments abolished. Whether the rate should be lowered, considering that additional expense is involved in creating the stamps, and that they afford increased accommodation to the public, is a question. The professed reason in Victoria is that stamped parcels are supposed to be carried at owners' risk, and every stamp contains a printed undertaking, which must be signed by the sender, to the effect that the railway is relieved from all loss other than that occurring through the wilful negligence of its servants, but, on various grounds, such an undertaking would probably prove of little value.

Parcels sent "to pay" are immediately paid for by the receiving station out of the station change, and so cleared off the outstandings. Nothing seems to be gained by this, as, if a parcel be not paid for by the consignee, the outstanding must still exist in the form of a deficiency in the cash.

A daily return of passenger traffic is made to the Accountant, called the "classification sheet," showing the totals of the tickets issued, with the commencing and concluding numbers sold, the former being filled in whether any tickets are sold or not, and on this form, in order to save the use of an additional form, is added a general summary of the receipts under all heads of traffic for the day. From very small stations this return is sent weekly

From the "classification sheet" the "Passenger-book" is made up in the Traffic Audit, stating for each day, totalled for each week, the number of passen-

gers, the revenue earned, and, under the head of "Vouchers," sums due from other departments or elsewhere, which are transferred to the Accountant for collection.

The way-bills, which are otherwise in the ordinary form, are used in Victoria, except in Melbourne, as the "Delivery-book," and have a column on which the receipt of the consignee is taken for the goods delivered. In Melbourne, however, the ordinary Delivery-book is used instead. The way-bills contain two columns—"Warehouse Ledger" and "Posted Account"—in which the goods posted to the Warehouse-book and to ledger accounts are entered separately, the Warehouse-book does not contain any goods carried to the ledger accounts, but only goods "paid" or "to pay" in cash. A similar distinction is maintained in the form of the weekly abstracts. The way-bills do not contain the information given on the New Zealand way-bills as to the description of goods. Way-bills are, as a rule, sent with the goods, but wherever this cannot be done a *pro forma* way-bill is always made out and sent with the goods containing sufficient information to identify them, and the full way-bills follow as soon as possible. Press copies are kept by the sending station, and the way-bills themselves are left on the receiving station. No audit of way-bills is attempted. When a station is inspected a few are taken out here and there and examined, but never the whole. If a way-bill is wanted at the head office it is sent for and returned to the station when done with. There is, however, one class of way-bills—namely, those for goods between Melbourne and Echuca on which a rebate is allowed on the freight—which are sent up to the Audit Office, and are kept there. Some time ago all the way-bills were sent up to the Audit during one year for the purpose of having some statistical returns prepared for the Minister, and it is stated that no inconvenience of any kind was complained of arising from the absence of the way-bills from the stations.

The way-bills from each station are numbered not with one running number for the whole, but with a separate series for those to each station. They are entered both at the sending and receiving station in abstract-books, exact copies of which form the abstracts of outwards and inwards traffic forwarded to the Audit. The receiving station is supposed to check the charges as made by the sending station, and is held responsible for any errors made by the latter which it fails to discover. It is clear, however, that if the receiving station accepts any errors made by the sending station there is no machinery provided for detecting it, as the error is carried into both sides of the summary. Both way-bills and abstracts contain columns for undercharges and overcharges, which are filled in when necessary by the receiving station, instead of as in New Zealand being dealt with only in the account current.

There are no wharfages charged at the Government wharves for goods carried on the lines, but for other goods passing over the wharves, wharfage is collected and brought on charge as a separate receipt.

The system of delivering goods at Melbourne is much the same as at Sydney. There is no delivery contract, but parcels are sent on through the parcels delivery companies.

The cash-book kept in the Traffic Audit is a statement in three columns—"Debtor," "Creditor," and "Difference," with one line for each day in a month. The debtor column is taken from the classification sheet, showing the total cash received on the station each day. The credit column is entered from a statement sent in to the Traffic Auditor daily by the Cashier of the sum received from each station for each day. The difference column is only used to call attention to the existence of a difference which ought not to exist, and requires explanation.

The abstracts of outwards and inwards goods traffic are sent weekly to the Traffic Audit, accompanied by a summary. These are checked against one another, and the results abstracted into abstract-books—one for outwards, one for inwards traffic. The totals for each station are again entered in a summary-book, and the whole posted finally in monthly totals into a traffic ledger, which shows the total debits and credits of each station for the month, and the balance of outstanding

debit against the station, and this ledger is checked against the monthly accounts current rendered by each station to the Audit.

The accounts of all the lines are included in one balance-sheet. The accounts are much complicated by the necessity imposed on the department of keeping the accounts separate for different "systems" of lines, between which the Traffic Audit Office acts as a clearing-house.

The Deniliquin line, belonging to a private company in New South Wales, which is a continuation of one of the Victorian lines, is treated in the same manner, and the profits divided between the Government and the company.

The stations, which are about 180 in number, are said to be inspected monthly by the Traffic Auditor and an assistant, and occasionally by another clerk. The Inspector takes with him the last account current of the station and the established debits of the station from the traffic ledger.

The account current, which is sent monthly by the Stationmaster to the Traffic Audit, is an account of the whole debits and credits of the station for the month, and of the debit of the station at its close. If this is found to be incorrect in any particular it is altered in the Audit, and is returned to the station, and the Stationmaster, if he admits the correction, has to notify his assent to it, and to make the necessary alterations in the station books.

Special trains are brought on charge by the Stationmaster as soon as they are run, and are also reported to the Traffic Auditor by the Traffic Manager.

The railways in Queensland are constructed under "The Railways Act, 1863," QUEENSLAND. amended in 1864 and 1872. The whole administration of the Railway Department, both for construction and working, is intrusted to one Commissioner, who is a permanent officer, subject to the Executive Government. Under the Commissioner are the Accountant and the Traffic Auditor. The Accountant is practically the Cashier of the Commissioner's office, but there is a separate Cashier at the railway station at Brisbane. All the receipts, except those paid to the Cashier at the railway station, and all payments, both for construction and working, are paid to and by the Accountant directly.

All cash collected at stations is sent up in locked bags by train daily. The guard gives no receipt. It is the duty of the Stationmaster to deposit the bag in the box in the guard's van, to which access can only be obtained by the Cashier at the Brisbane station. Remittance-notes are made out in triplicate: one is sent independently to the Traffic Auditor, the other two are sent in the bag with the money. Of the latter, the Traffic Cashier receipts one and returns it to the Stationmaster, who pastes it to the butt in his remittance note-book. Statements are made out independently, by the Auditor of the amounts in the remittance-notes, and by the Accountant of the money paid into the Bank, and the two are compared weekly. All moneys received by the Railway Cashier are paid daily into the Bank to the account of the Commissioner of Railways.

The Rockhampton line is not in connection with the Brisbane lines, and is managed by a local Traffic Manager. The collections on the line are sent up to the Manager at Rockhampton in the same manner as those on the southern and western lines to Brisbane, and the Manager pays them daily into the Bank at Rockhampton, whence they are transmitted to the account of the Commissioner at Brisbane. The Manager sends weekly to the Traffic Audit a statement of his remittances with the duplicate deposit-slips.

The whole staff of the Railway Department, both for construction and for traffic, is paid by the Accountant, the money being drawn from the Treasury by the Commissioner for the purpose. The working railway staff is paid by a Pay Clerk, who is sent down the lines in a special train for the purpose. The construction staff is paid by the Engineer in charge of the work, to whom the Accountant forwards the money. Payments are practically made from a week to ten days after the end of the month, and the receipted vouchers are returned to the Ac-

countant as soon as possible. In the payment of labourers in the construction department receipts are not taken, but the voucher contains a certificate by an officer, other than the Paymaster, that the payments were made in his presence.

The accounts kept in the Accountant's office are of the simplest description, consisting of merely a cash-book and ledger, without double entry. The "Receipt Cash-book" contains on the debit side two columns, showing separately the moneys received by the Accountant, and those received by the Cashier at the station. The former includes money received on the outstanding ledger accounts, which are transferred monthly from the stations, and also all moneys paid to the Commissioner's account, whether to the credit of loan or revenue. The account is discharged by payments into the Commissioner's account at the Bank, and is checked by the Accountant's and Cashier's pass-books.

The ledger accounts are kept at the stations, but all outstanding at the end of each month are written off the station books and transferred to the Accountant for collection.

The expenditure cash-book is debited with receipts from the Treasury, and is credited with the payments. The expenditure ledger is credited with each vote of Parliament, and debited with the expenditure, and shows the unexpended balance of the vote against each entry.

All the books are ruled off and balanced monthly, and checked with one another, but no complete balance-sheet of all the transactions in the Commissioner's department is kept in the Accountant's office.

The accounts and returns rendered for the Rockhampton line are substantially the same as those on the southern and western lines, and are incorporated into the Accountant's books.

Tickets are printed at the Government Printing Office upon the order of the Traffic Auditor, given on requisitions from the Stationmasters for supplies when required. The tickets are sent to the Audit Office, and from it issued to the Stationmasters, who return receipts to the Audit. The Government Printer is responsible for maintaining a supply of ticket material, but no printed tickets are retained at the Printing Office. A stock of tickets in use at all the stations at which there is a large consumption of tickets is kept by the Traffic Auditor, for other descriptions, the tickets are only printed as wanted. All tickets are entered in the ticket stock-book, which shows the numbers received from the Printer, and the supplies issued to the stations, but does not show the consumption on the stations, or the balances of tickets of each description on hand at any station. The latter can only be ascertained by comparing the ticket stock-book with the passenger returns sent in by each station.

No rule seems to be observed, and no check kept, as to the maximum or minimum of the stock of tickets on hand at the stations. This is left to the discretion of the Stationmasters.

Half-tickets for children are used by cutting the ordinary ticket in two, but the price of the whole ticket is brought on charge in the account, and the balance is treated as an "outstanding." The account is cleared by the sale of the half-tickets as occasion offers, and the outstanding half-tickets are occasionally called in and written off. In stations where many children require tickets, childrens' tickets are issued on paper, which are brought into the account at the price at which they are sold.

Excess-fare tickets are issued in numbered books to Stationmasters, not to guards. They are printed with a butt, and the ticket and butt are filled in by the Stationmasters at the arriving station. The ticket is not issued to the passenger, but is sent to the Audit in support of the cash remittances. The carbon-paper system is not in use.

There are only two flag-stations properly so called, and for these a ticket has to be taken at the next ticket-station, the Stationmaster adding the fare from the



flag-station, on the information of the guard that the passenger got into the train there.

Books of blank paper tickets are used for stations where there is no regular railway servant. The railway builds a cottage, in which is placed a platelayer, always at a point where there are gates and a level crossing. The platelayer's wife attends the gates and issues the tickets. The ticket-books are issued in duplicate. One book is kept in use, and this the woman sends up to the head station with the cash collected weekly. It is returned to her within the week, after being checked with the cash remitted. In the meanwhile she uses the alternate book. With the cash she sends a remittance-note, which is sent on to the Audit and checked with the book.

Tickets are never issued or collected by guards. At terminal stations they are collected by ticket collectors, either at the gates or at the last stopping station, at country stations by a porter or the Stationmaster as the passengers leave the train. Passengers are required to show their tickets to the ticket examiners before starting.

Ordinary return tickets are used, which are available for one or more days in proportion to the distance. For tickets issued on Friday, available till the following Monday night, separate excursion tickets are used. In the statistical returns of passenger traffic, return tickets are treated as single tickets only. The ordinary season and school tickets are issued.

Notice is given to the Commissioner of every special train run, but the cost is not brought on charge in the station accounts until the money is paid, and an account is rendered to Parliament showing all the work done for the Government by the railways without charge. It is the business of the Audit to call the attention of the Commissioner to any outstandings due for special trains.

No case has occurred of any entrance fee to racecourses, &c., having been collected with the price of the railway ticket.

Goods are accompanied by way-bills in the usual form, and press copies are kept at the sending station. At the receiving station the particulars of every way-bill are abstracted into the warehouse-book, which is also used as a delivery-book. The way-bills are immediately sent to the Audit, where they are carefully audited, and are not returned to the stations. It is not found in practice that any inconvenience results from the absence of the way-bills from the station. The warehouse-book affords all the information which the receiving station requires, and in the very few cases in which a reference to the original way-bill is necessary, it is sent from the Audit in reply to a letter or telegram. It is obvious that the small trouble and delay arising in the few cases in which the warehouse-book fails to afford sufficient information to clear up an error, is compensated for many times over by the saving of labour in taking the press copies of the way-bills for the Audit, and in the Audit itself, in the examination of original way-bills instead of press copies, which are necessarily without the printed headings or columns, and frequently arrive in such an illegible condition as to cause considerable trouble and delay in deciphering them.

All the traffic accounts on the Queensland lines are weekly, and the Traffic Auditor, a gentleman whose experience has been gained upon the accounts of several English lines, expresses a very strong opinion that, with men imperfectly acquainted with accounts, whom it is found necessary to employ as Stationmasters throughout the colony, the errors requiring correction are so much fewer under a weekly system, that, upon the whole, labour is saved by the shorter as compared with the longer accounting period.

The weekly abstract of outward traffic on a black form, and of inward traffic on a red form, is made up at every station, and these are checked against one another in the Traffic Audit Office; and, when cleared of errors, the general summary of all outward and inward traffic for the line is made up in the Audit Office.

The accounts for coaching and goods traffic are kept separate. An account current for each is furnished separately to the Audit; a summary of which, indorsed on the form, shows the debits and credits of the station, including over- and under-charges and errors corrected by the Audit. A general account-current is kept on the station showing, under all heads, the financial position of the station, but no copy is furnished to the head office or Audit.

As a general rule way-bills are sent concurrently with the goods, but occasionally, where a way-bill is not received, the goods are entered in the warehouse-book from inspection, after inquiry from the sending station by telegraph, and the freight is sometimes paid, and the goods taken away, before the way-bill is received.

In making up the general summary of outwards and inwards traffic, the first step is to correct errors in the way-bills, and next to correct discrepancies in the abstracts, by comparing them, where necessary, with the way-bills. The balanced summary is then made out from the abstracts so corrected. The accounts on the stations are subsequently corrected by advice from the Audit.

The warehouse-book being entered from the way-bills with full particulars, an advice-note, in the form of a bill for freight due, is immediately sent to every consignee, stating that the goods are lying at his risk, and are subject to storage charges. On presenting this note to the warehouse clerk, and paying the charges, the consignee inspects the goods and signs the warehouse-book, the clerk then gives the order for delivery, and signs the bills as a receipt for the freight paid. The railway does not undertake to deliver goods, but goods are both received and delivered at the Brisbane Station by an arrangement with the Brisbane Carrying Company.

A rough cash-book is kept by the clerk in the warehouse, which is daily discharged by the cash paid to the Stationmaster, who signs the book as a receipt for the money. The warehouse-book is marked off as each account is paid or ledgered.

An outstandings book of all goods not taken away is entered up weekly, showing the outstandings for the week apart from those of previous periods.

There are no wharfages, and shipping way-bills are not used.

#### SOUTH AUSTRALIA.

In South Australia the railways are constructed and managed under the administration of the Commissioner of Railways, who is a Minister holding at the same time the office of Minister for Public Works.

The construction is entirely under the Engineer-in-Chief, acting under the Commissioner, but independent of the management of the lines open for traffic. At the same time the maintenance of the railways is under the direction of an Engineer who is subject to the control of the Engineer-in-Chief.

The lines are worked under the management of a General Traffic Manager, subordinate to whom are an Accountant, who is also Controller, a Receiver of Revenue, a Paymaster, and Traffic Auditor.

Of the eight lines, six are not in connection with Adelaide. Some are still worked by horse-power, and two gauges are in use, even in the system which is in connection with Adelaide; the 3-feet 6-inch and the 5-feet 3-inch gauge.

There is no uniform system for the transmission of the receipts on the stations to the head office: they are partly sent up in cash, but not in locked bags. The plans tried of boxes in the guard's van, accessible only to the Receiver at Adelaide, is represented as not having been successful. In some cases the money is paid into the country Banks three times a week to the credit of the Accountant, who, on receiving advice of the lodgment, draws a cheque for it, which is cashed at the Adelaide Bank in favour of the Commissioner's account.

In many cases the money is transmitted in parcels of coin, notes, &c., together with a small book containing a statement of the remittance, which is receipted and returned to the station. In all cases a remittance-note accompanies the cash, or the Bank receipt for a lodgment. The Receiver pays his receipts into a separate account at the Bank for each of the eight lines, six accounts being kept in one Bank and two in another. From these the money is transferred by cheque weekly to the Treasury.

The staff of the Railway Department, both for construction and maintenance, is paid through the Paymaster. The pay-sheets for wages are prepared in the departments and sent to him at the end of each month. The salary abstracts are prepared in the Paymaster's office. All pay-sheets are signed by the Controller and the head of the department, and are paid by the Paymaster as follows. For all services on lines in connection with Adelaide, he draws one imprest from the Treasury, and pays personally in cash. For services on the distant lines, he draws a separate order on the Treasury for each payment, sending them with the vouchers to the officer in charge of the line. All payments are completed within seven days after the month. The vouchers, when complete, are sent by the Paymaster to the Audit Office. The Imprest Account is credited with the payments as appearing on the vouchers and debited with orders paid on the Treasury (See the description of the South Australian imprest system, on pages 31, 32.)

A variety of books are kept by the Paymaster, resulting in a ledger containing a vast number—upwards of six hundred—of different accounts. From the ledger are abstracted the returns made to the Controller in order to make up the General Railway ledgers.

From the remittance-notes the cash receipts are entered into cash-books and weekly summaries of receipts, which books are ultimately carried into what is called the "Fair Cash-book," which is kept by double entry, in which the cash is made debtor to the Bank for cheques drawn on it in favour of the Treasury, to the Treasury for its issues for expenditure, and to stations severally for the cash received from the stations, and is made creditor by the receipts paid into the Treasury, by the deposits of the cash from the stations in the Bank, and by the expenditure. The accounts are then journalized and posted in a ledger. A different set of books is kept for each of the lines, whose accounts are kept entirely distinct. The entries in the Accountant's books are made up from the periodical returns made by the Traffic Auditor, the Receiver, and the Paymaster, checked with the Bank. All the money passes into the Commissioner's Account at the Bank, and is by him paid over to the Treasury weekly. In the Appendix *Appendix D* will be found the scheme of the Accountant's ledger.

The tickets are printed at the Government Printing Office by order of the Controller, only as required. No stock is kept on hand, except for stations on the port line, for which a small stock is kept in the Traffic Audit. The stocks on the stations are required not to sink below a fortnight's issue; no maximum limit is fixed, but the quantity issued is about three months' supply on the port line, and from six months to a year on country stations. The tickets when sent from the Printer are carefully counted by hand in the Traffic Auditor's office before being sent to the station. A receipt is always returned by the Stationmaster. On some of the lines there are first, second, and third class tickets, on others, only first and second, and on the horse-power lines, only one class. The usual monthly, quarterly, half-yearly, and yearly tickets are in use, on which the Manager's signature is printed: for the larger stations they are issued by the Stationmaster, for the smaller, by the head station at Adelaide. The name of the holder is written.

Children's tickets at half-price are issued by cutting ordinary tickets into two, the price of the whole ticket being brought on charge, and the unissued half being kept on the station as "outstandings," which are cleared off by being sold until the end of the year, when the balance is returned to Audit and written off. School tickets are issued for a single journey, single and return, but these are without the names of the stations either "to" or "from," which are

written in on the issue of the ticket. Season school tickets are in the usual form. Children under fourteen years of age pay one-fourth of the ordinary fares for a single or return ticket, from fourteen to eighteen, one-half a certificate being required from the teacher as to the child being under tuition and under age.

Books of excess-fare tickets, not numbered, are issued to Stationmasters, who fill in both the ticket and butt, returning the butts when each book is used to the Audit, where they are checked against the ticket collector's return of excess-fare tickets collected. This return is made by the collectors daily, and includes all the ordinary school and excess-fare tickets collected.

Excess-fare tickets are used for flag stations.

Dog tickets similar to ordinary tickets are issued for values without name of the "to" station. The price is printed on the ticket, the prices being 6d., 1s., 2s., 3s., 4s., 4s. 6d., which are available for distances not exceeding 10, 25, 50, 75, 105, and over 105 miles severally from the issuing station.

Parcels, horses, and carriages are way-billed in the usual manner, and are now treated as part of the passenger traffic. Till recently they were included in goods. The parcel way-bills are not forwarded to the Audit, which relies for their correctness on the receiving station. If the parcels abstracts of the two stations differ, the way-bills are sent for

No daily returns of passenger traffic are made. The only return is the classification-sheet, which is made weekly, and is entered in the Audit Office into the ticket check-book.

Tickets are collected at small stations as the passengers leave the trains, by porters or by the Stationmasters, and, for large stations, at the last stopping station before the terminal. In no case are they collected by guards. Collected tickets are returned to Audit and checked against the returns of issues. Train-books are not used, but the ticket collectors make daily returns of the tickets collected by each train.

Goods are way-billed in the usual manner, and the way-bills are sent up for audit in support of the weekly abstracts. After being audited, which takes usually about three days, they are returned to the stations and posted in books. Press copies are taken at the sending station, and the way-bills are entered in the warehouse-book at the receiving station. These entries and also the entries of the ledger accounts are required to be made before the way-bills leave the station. The usual weekly abstracts of goods outwards are checked against those of the inwards traffic, and a monthly balanced summary of the traffic of the line is made in the Traffic Audit. Nothing is required from the stations but the weekly abstracts and the weekly account-current.

At present the abstract-books kept on the stations are also sent up for audit, a course so inconvenient as regards especially distant stations, that it is about to be abandoned in favour of a system of local inspection. A Travelling Inspector has recently been appointed who, it is expected, will audit the stations, between eighty and ninety in number, twice in each year—an expectation which, considering the distance of some of the lines, will probably hardly be fulfilled. Ledger accounts are rendered monthly, and are supposed to be paid during the ensuing month. The opinion of the Traffic Auditor is that the cross-checking of the inwards and outwards traffic abstracts is not sufficient to secure a detection of all errors in the accounts. It was after trying this plan that the summary balance-sheet was brought into use. He is also of opinion that the weekly system of account is more applicable to the circumstances of the colony than the monthly

Goods are sometimes, for the sake of speedy delivery, sent without way-bills or any intermediate note. The way-bills are sent as soon as possible afterwards.

There are two accounts-current sent up from the station, one for goods and one for coaching traffic. This is the weakest part of the system in use in South

**Australia.** There is no good reason why the whole transactions of each station should not be rendered periodically, and its total indebtedness exhibited in one balance. And there is always a danger, when several concurrent accounts are kept by the same accountant, that errors made either purposely or inadvertently may escape detection unless the whole transactions are condensed into one account and the balances established with the Bank.

A book, however, is kept in the Audit to show the whole remittances and debit balances on stations, and when the balance exceeds a fixed amount the Stationmaster has to make a return showing the items of which it is composed.

Wharfage is collected on some wharves, but is not included in the way-bills. It is brought to charge on the account-current. Much of it is for wharfage of goods not passing over the lines. The account is supported by the butts of receipts given, in numbered receipt books, for wharfage paid.

A cash-book is kept on the station, in which the receipts are entered in daily totals from a rough cash-book of separate receipts. The abstracts are corrected in the Audit, and the Stationmaster is advised of the errors, and at the end of each month he is again reminded of these errors and required to send up an amended copy of his abstracts, upon which the summary balance-sheet is based.

As a rule there is no delivery of goods, but on one line which was bought from a private company, on which there had previously been delivery, the system has been continued, the department using its own horses and carts and making a fixed charge per ton.

Special trains are run only on the authority of the Manager, from whose office a notice is sent to the Controller, who brings them on charge.

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There are only two railways in Tasmania the Launceston and Western Railway, and the Launceston and Hobart Town line, called the Tasmanian Main Line. The latter belongs to a private company in England, and has been constructed under a contract with the Colonial Government, by which the company is guaranteed interest at the rate of 5 per cent. per annum upon a capital of £650,000. This line has been working about five years out of the thirty years for which the contract lasts, and no profits above working expenses have yet been realized. The Government has therefore hitherto had to pay the interest at 5 per cent. on the whole capital debt of the company. All the accounts of the line are submitted to audit by the Government in order to secure a faithful performance of the conditions on both sides.

The head office of the Launceston and Western line is at Launceston, and I was unable to find time to return thither to inspect the accounts. I was supplied with the following information by Mr Johnston, now in the Audit Office, but formerly Accountant to the line. The accounts are upon the monthly system. In the goods traffic the abstracts are rendered weekly by the stations, and the general summary balance-sheet of goods traffic is made up at the head office monthly. The way-bills are not rendered to the Audit, and the only check on the outward way-bills is that supplied by the receiving station. The tickets are printed at a private printing office at Launceston, and are supplied by the Railway Auditor to the stations. A ticket stock-book is kept at the Railway Audit Office showing the tickets on hand on each station. Ticket returns are rendered from the stations daily, and the tickets are collected with considerable accuracy, and daily returns of uncollected tickets rendered to the Traffic Audit. The money is sent up daily from the stations to the head office with triplicate remittance-notes, one of which is returned receipted to the station, the second retained by the Cashier, and the third rendered to Audit.

There is a carting contract for the delivery of goods. The railway has also a contract with the Post Office to deliver mails not only on the line of the railway, but also at various country post offices at a distance from it, the conveyances being provided by the railway. It is stated that the railway makes a

very small profit by the latter contract. The line is only about forty miles in length, and the business done on it is very limited.

By the kindness of Mr Grant, the Manager of the Main Line, I was permitted to investigate the system of accounts in use. In most particulars they are similar to those on the Government line. The line is 133 miles long, but so limited is the traffic that although the line is worked with unusual economy the receipts do not yet provide for the whole working expenditure. The nature of the agreement with the Government is such as to render it the interest of the company to charge all expenditure on the revenue account, including some which ought under ordinary circumstances to be charged to capital. Nor until the traffic greatly improves has the company any inducement to enlarge its capital account, which is therefore closed.

NEW  
ZEALAND.

The railways in New Zealand which were commenced, partly by the Governments of the several Provinces, and partly by the General Government, came under the management of the latter on the abolition of the Provinces, and are managed under the provisions of "The Public Works Act, 1876," which is administered by the Minister for Public Works. But the Railway Department in this colony is confined to the management of the lines open for traffic. The railways are constructed by the Public Works Department, and are handed over to the Railway Department as soon as completed.

Changes have been recently made in the offices and staff, by which the management of the working railways is reduced to much the same form as that in the other colonies, that is to say, consisting of a General Manager, an Accountant's office, and a Traffic Audit. The latter, however, which in other colonies is a branch of the department, is, in this colony, a branch of the Audit Office, under the Controller and Auditor-General. The system of railways in New Zealand, broken into a number of isolated sections, having no connection with each other, and in some cases at considerable distances from the seat of Government, has necessarily to contend with difficulties which are not experienced in other countries. The working expenses are higher, and there is more delay in accounting for the receipts and expenditure than in colonies where all, or the largest part, of the lines terminate at the seat of Government.

Without entering into a detailed description of the New Zealand management, which in all the main features is similar to that in force elsewhere, it will be sufficient to notice the principal points in which differences present themselves.

The railway tickets are printed by the Government Printer, but the whole conduct of the business of supplying them to the stations is in the Audit Office; whose officers, however, do not handle or even see the tickets themselves. The requisitions for tickets are sent to the Audit Office by the Stationmasters, who are required not to allow their stock of any kind to fall below a six months' supply, and then to apply for a six months' supply only. No stock is kept anywhere but in the cases at the stations, and all supplies are printed and forwarded from the printing office direct to the Stationmasters, who return their receipt to the Audit. A ledger is kept in the Audit against every station, by which the stock of tickets is known, the station being debited with tickets sent to it, and credited with its sales.

The accounts were until recently on the weekly system, but owing to the difficulty of receiving the returns from the more distant stations in time to balance the weekly summary of traffic, the accounts are now made up four-weekly.

There is necessarily a local Manager for each of the ten isolated sections throughout the colony, and the plan has hitherto been that the balanced summary of outward and inward traffic for each has been made up by the Managers; except on the large section in the Middle Island, to which a separate Accountant's office was attached, in which the general summary was prepared. This office, however, has been recently broken up, and merged in the general Accountant's office at the seat of Government. The work of making-up the balanced summary for all the railways is to be done in future wholly in the Accountant's office.

All the statistical returns are made up in the Accountant's office, instead of, as in most colonies, in the Traffic Audit.

In the Accountant's office is kept the "Traffic Ledger," which is a statement of the whole traffic outwards and inwards of every station entered in four-weekly totals from the summaries of traffic returns.

In the Apportionment Ledger is entered for the same periods the traffic from each station to each station, apportioned amongst the various sections into which the whole railway system is divided, and of which there are at present twenty, besides several private lines which are worked in conjunction with the Government lines, profits being divided.

No complete general accounts have been hitherto kept in the Accountant's office, carried into a journal and ledger, showing the whole transactions of the Railway Department and resulting in a balance-sheet similar to that of New South Wales, but such a system is unquestionably necessary to insure absolute accuracy in the accounts of the department, and it is understood that it is about to be introduced into the new organization of the Accountant's department which has recently been effected.

The principal difference between the New Zealand and Australian systems lies in the distribution of work between the Accountant's office and the Audit. In Australia the statistical statements are prepared in the Railway Audit. In New Zealand the Audit Office keeps no accounts, except the Ticket Ledger, all accounts, both for financial and statistical purposes, being prepared in the Accountant's office. The work of the railway branch of the Audit in New Zealand is confined to auditing the way-bills and the accounts and returns sent from the stations every four weeks, consisting of the abstracts of outward and inward traffic, the general summary of traffic at each station, and the cash balance-sheet of each. The general cash balance-sheet of the whole section, prepared by the Manager, is submitted to audit at the same time, and the whole of the cash received is checked into the Public Account. The Railway Audit also audits the whole of the expenditure, which is carried on by imprests issued every four weeks to the Manager of each section; except on the Middle Island system, in which, owing to its magnitude, embracing with its branches and private lines about 788 miles, the imprests are issued to a Cashier, through whom the payments are made over the whole line. The Cashier, and on other sections the Managers, account for each imprest separately, and return the receipted vouchers to the Audit as soon as the payments are completed.

The Audit also audits all the accounts of stores purchased, but has no means at present of auditing the stores consumed. This subject is dealt with under the head of stores.

The relative positions of the department and the Audit Office appear to me better defined in New Zealand than elsewhere. As a rule an audit ought not to be in any way an accounting department, but an office in which the accounts prepared by the department are checked and passed as correct. Where the audit staff are subordinate clerks in the Manager's office, the value of an independent audit is in a great measure lost.

In some details, however, the management in this colony is behind that in Australia. Here the tickets are collected by the guards of the trains. This is never the case elsewhere, and is upon every ground objectionable. In England, where the traffic is large, tickets are collected by ticket collectors. The same plan is adopted all through Australia at the larger stations, and at country stations, the Stationmaster or porter is the ticket collector. But however objectionable the plan of using guards as ticket collectors, where the tickets are issued by Stationmasters, it becomes still more undesirable where the tickets are issued by the guards themselves; as is the case with flag-stations and excess-fare tickets. These tickets are issued in books with numbered pages, having alternate sheets of different colours, the entries made by the guard on one ticket being taken off by means

of carbon paper on the next sheet. The one is torn out and given to the passenger; the duplicate remaining in the book is returned with the cash received to the Stationmaster, and sent by him to the Audit. It is obvious that if the passenger ticket is again taken by the guard who has issued it, the check is far less perfect than where it passes into the hands of a third person, by whom it is returned independently to the Audit, to be checked against the duplicate sent in by the guard. This is the more important in New Zealand because the number of flag-stations is very much greater than upon any of the Australian lines. It is, I think, very desirable that the present system of collecting tickets through the guards should be abolished as soon as the change can be effected with due regard to economy.

Many plans have been invented for collecting excess fares, and fares from flag stations where there is no Stationmaster or stock of printed tickets. In all there is a less perfect check than where tickets of a specific value are debited against a Stationmaster, who is responsible for them or their value, but none have come under my notice which afford a better check than that in force in New Zealand, where the books are issued to a Stationmaster and by him to a guard, who returns it to the same station with the money he has collected. It is, however, desirable that the use of these tickets should be limited as far as possible. At first guards were allowed to issue such tickets from flag-stations for long distances, and considerable sums passed through their hands. It was found that as much as £30,000 a year was being collected in this way, and at the instance of the Audit Office, the flag-station tickets were made available only to the next ticket station. It was also found that passengers, finding that they could be supplied with these tickets in the train, neglected to obtain ordinary tickets at the station, an abuse which has been corrected. Too much care cannot be taken to limit the use of blank-paper tickets to the utmost, consistently with the necessary accommodation required by the public.

GENERAL  
REMARKS.

It will be observed from what has preceded, that in their general features the different systems of managing railway finance are similar long experience has dictated the general scheme of all railway accounts, which are adopted with slight variation of details upon all lines. For example, the abstracts of inward and outward traffic prepared by each Stationmaster from the basis of the way-bills, and the fact that all goods sent from one station must arrive at another, suggest the balanced summary for the whole line by which errors must be disclosed.

The experience of most railway accountants appears to be that this balanced summary is necessary to a complete audit of the receipts, and the reasons assigned for not adopting it in New South Wales are insufficient to justify its abandonment in this colony.

Perhaps the most important point in which a difference exists is in the treatment of the way-bills or invoices. In some cases they are left on the stations; in some they are sent up for audit, and are returned to the stations after being examined; in some they are left in the Audit. In New Zealand alone the plan is in force of retaining the way-bills at the receiving station, whilst two press copies are taken at the sending station, one of which is sent to the Audit.

The weight of evidence is to the effect that the way-bills are not required at the receiving station after their contents have been entered in the Warehouse-book—a book which is considered by all to be indispensable; and if in an exceptional case a way-bill were required, it could be asked for by wire, and could be sent to the station in a very few days. It is a fixed rule that no way-bill should ever be altered or corrected; all corrections are made by over-charge and under-charge sheets, or, as in New Zealand, by over-charge sheets and supplementary way-bills to correct under-charges. The way-bills are not therefore wanted on the receiving station for the purpose of being corrected. The question remains, are they required at the Audit? Those who deny this insist that the receiving station is a sufficient check on the sending station. The opinion however



of those who have never been engaged in an audit of way-bills must be allowed less weight, because they have no means of judging whether the check by the receiving station is sufficient it is simply accepted as being so. But where the way-bills are subject to an independent audit, it is found that many errors require correction which had escaped the notice of the receiving station. Again, unless there is some overriding authority, different interpretations of the tariff would inevitably be adopted in different parts of the system, and the charges would not be uniform. No tariff can be so accurately drawn as not to leave points in which doubt arises. Where the case is thought sufficiently clear, the Audit decides, but where a legitimate difference of opinion exists, the matter is settled by consultation between the Audit and the General Manager, or, if necessary, by the Minister.

Whether, therefore, by press copies, or by the original way-bills, there are so many advantages attaching to an audit of the way-bills, amongst which not the least is the constant collection of small under-charges which would otherwise be lost, that I should regret any decision to abandon it. As between the originals and press copies, it must not be forgotten that the latter come direct from the sending station by every mail, concurrently with the despatch of the goods, thus enabling the audit to be kept very closely up to the transactions, whilst the originals would come from the sending station after some considerable delay, and the audit would be probably a month behindhand. The value of an audit is so much increased by its following close on the transactions, that further consideration should I think be given before the press-copy way-bills, however objectionable on other grounds, are abandoned.

Amongst the accounts published by the Commissioner of Railways is one deserving of special attention. It is an account of "the railways in account with the Consolidated Fund." One of the most important facts which it is desirable that Parliament and the colony generally should know, is what the railways are costing the country annually, and have cost it on the whole. The cost of construction has been paid for by those who have taken up the loans, but the cost to the colony is the sum annually raised by taxation to make up the deficit of the railway revenue. Such an account, if debited with the whole of the money issued from the Treasury on the Working Railways Account, and with the interest paid on so much of the loans as have been spent in construction, and credited with the railway receipts paid into the Treasury, and the value of the stores in hand, would leave a resulting balance of the amount actually paid by taxation of the community for the convenience of a railway system.

It should not be inferred that this balance is a measure of positive loss to the community. To determine the latter, elements must be introduced into the calculation of which no accurate computation can be made, as, for example, the saving by cheapness of carriage, and the gain by the increase of production in districts which, but for the facilities afforded by the railways, would have remained for a long time unoccupied. But the form of account proposed would enable Parliament to determine, in any proposal for opening new lines, to what extent the general taxation must be increased, and whether the incidental advantages to be gained were such as to justify the additional burden.

The Victorian account shows the account with the Consolidated Fund in one total from the beginning, and in one sum for the whole railway system. It may be questioned whether it would not be of greater utility in this colony, if distributed amongst the several sections, at least into those which are not in railway connection with one another.

After inspecting the accounts of the Australian railway systems, I am unable to say that any change of importance is necessary in the system in force in this colony. It is quite as effective, and in some respects simpler than most of those in other colonies.

In some important features I was prepared to submit alterations in the  
14—A. 4.

scheme of management with a view to economy but these changes had been mostly carried into effect before my return to the colony I allude to the consolidation of the Accountant's office at Christchurch with the General Accountant's office at Wellington, and the union of the whole management under one head, instead of under two Commissioners for the two Islands. This important improvement in the administration of our railway system sets at rest a matter which has caused some discussion, namely, whether the audit should be conducted at the seat of Government, or locally on the several sections. It is sufficient to say that there is, so far as I am aware, no country in which a railway system, belonging to one proprietary, subject to the same by-laws, and with a common tariff (excepting so far as local rates to meet exceptional circumstances are established in particular localities), are audited other than by one central Auditor, and as the railway system in this colony is extended, and the lines now isolated are brought into connection with one another, the introduction of a local audit would be no more than the establishment of a system which must be again altered. The union of all the lines into one system is only a matter of time, excepting as regards the two Islands; and in the latter case the use of fast steamers running across the Straits in connection with the trains, will become a necessity, to complete the establishment of a through traffic between all parts of the colony.

#### X.—OF STORES.

NEW SOUTH  
WALES.

There are three stores in New South Wales—the Civil Service store, the Ordinance store, and the Railway store.

*The Civil Ser-  
vice Store.*

In the Civil Service store are kept all the articles required for use in the Civil Service of the colony, except on the railways and by the military force; it also includes all stationery used in the service, and forms of value such as miners' rights, business licenses, &c. The value of the goods annually purchased is said to amount to nearly £100,000 a year.

All stores are, as a rule, bought on yearly contract, and a large part of those purchased are not passed into the store, but are supplied by the contractors directly to the departments, in compliance with requisitions sent in to the Storekeeper, upon which he orders the goods. All the stationery used in the Government Service is supplied from this store. The plant of the Telegraph Department, such as poles, wire, insulators, &c., is not passed through the store, but the articles for common consumption are bought and issued as other stores. As a general rule this store does not deal with articles for the construction of works, but only with those in current use.

The stores are purchased out of annual votes of Parliament, and the payments charged against them are treated as final in the accounts of the colony. Considerable quantities of stores consist of articles manufactured by prisoners in the gaols, such as tinware, boots and shoes, baskets, &c. The gaols are paid for these goods as ordinary contractors, out of the store vote, the payment being effected by a transfer in the Treasury books and credited to revenue, but not to the gaol votes.

The police force has a small local store which is supplied out of the Civil Service store, but goods sent to it are considered in the latter as finally issued to the department.

The stores are received accompanied by a receipt-note, which is signed by the Storeman after being checked with the articles, and they are also accompanied by the contractor's invoice; but in case the goods are delivered directly to a department without coming to the store, the invoice goes with them, and is returned to the Storekeeper with the receipt of the officer to whom they were delivered; and they are included in the store accounts, as if they had passed through the store. The first entry is made in the "Stores Received Day-book," which contains merely the name of the contractor, the total amount of the invoice, and the date of the receipt. The invoices are not copied into any book, but are numbered and filed. Stores are

issued on requisitions, which are entered in the "Store Issue-book." From these books, and the invoices and requisitions, the receipts and issues are posted into the "Stock Ledger," which is detailed under the head of each several article, and shows the balance of stock of each article in hand at any moment. The ledger is balanced monthly, and the balance brought down. Stock is taken at the close of every year, and the excesses and deficiencies entered in the ledger. But on balancing each month a dozen articles are taken at hazard and the stock inspected, and if any deficiency is found sufficient to awake suspicion that the stock is being tampered with, a survey is held on the whole store.

In addition to the stock-books, the transactions of this store are recorded by their money values, and the whole carried into a journal and general ledger dealing with values only without quantities. The stock bought, whether delivered into the store or directly to the departments, is made debtor to the contractors or gaol from which it is received, under the head of sundry accounts, and the contractor, on payment, is made debtor to the Government or Treasury. The account in the store ought therefore to coincide so far with the Treasury account of payments out of the stores vote. A book is also kept called "The Register of Accounts Passed for Payment," which is used to check the entries in the journal and ledger. The Treasury, however, charges the vote with expenses, of which the store has no cognizance, and which the Storekeeper only becomes aware of by inquiry at the Treasury. For the issues, the entries in the journal make sundry services debtor to "stock" for goods coming into the store, and to "goods purchased" for goods sent directly to departments. The stock account in the ledger being debited with the value of stores received and credited with the value of those issued shows the value of the stock in hand, which should coincide with the valuation of the goods on hand as shown in the "Stock Ledger."

This store appears to have been managed in a somewhat unsatisfactory manner until the year 1877, when the whole system of its accounts was rearranged by Mr. James Thompson, the Consulting Accountant to the Treasury, and cast into the present form, which seems efficient.

In 1879, owing to certain charges made by one of the servants in the store, a Commission was appointed to inquire not only into the specific charges, but into the whole management of the store, and the system of purchasing by tender from local contractors. The second report of this Commission, on the subject of tenders, contains a large amount of practical information, given both by Government officers and by contractors, which may be studied with great advantage by those concerned in the management of public stores. A copy will be found amongst the papers accompanying this report.

The management of the store contracts, which was formerly in the hands of the Store Department, is now removed to the Treasury, where contracts are entered into under the advice of a Tender Board.

The Ordnance Store contains all supplies in use by the Military Force and Volunteers; arms of all sorts, ammunition, clothing, and camp equipage. The stores are purchased out of annual sums voted by Parliament, and the expenditure, as far as the public accounts are concerned, is final. Most of these stores are procured from England upon indents, which are settled by the Warlike Store Board upon the recommendation of the Ordnance Storekeeper. The stores when received are entered in a book called the "Store Receipt-book," under the heads of the contractors or other persons from whom received. The entries are checked with the English invoices, and with the invoices of local contractors, which are supplied generally, but not regularly, monthly. In this book are also entered all arms, accoutrements, or other articles returned from corps in which they have been "on issue," a memorandum being made in separate columns as to whether they are serviceable or unserviceable. Clothes and other goods received from the wash are also entered on the receipt side, and clean articles furnished to the forces in their place on the issue side. The values are entered in a money column, as

*The Ordnance  
Store.*

taken from the English invoices and from the list of contract prices. The values of unservicable stores are entered, according to an old military regulation, at one-fourth of the original cost.

All issues are made on requisitions which come from the Commandant of the Forces, and are issued under his authority alone; but issues of ammunition, being limited by regulation, are checked and sometimes altered by the Storekeeper. All issues are entered in the "Issue-book" from the requisitions. No values are entered in this book. A more elaborate account is kept in a "Detailed Issue Journal," which shows to whom the stores are issued, the date of issue, the several articles, and the value in two money columns, separating those issued from the store from those purchased from contractors in the colony.

From the above books the "Store Ledger" is posted, in which every article is kept under a separate head in columns, and the receipts and issues of each entered on the debit and credit side respectively. The ledger is balanced every three months, and the balance is brought down so as to show the number of each article in store. The form of this account is that handed down by the Imperial Forces, and is nearly identical with that in use in the military stores in New Zealand. Stores, however, "on issue" with corps are written off the store ledger, and are not brought on any separate return, so as to show the articles belonging to the Government in the hands of military corps or individuals, nor is there any provision made in this ledger for showing the distinction between articles "on issue" and those issued for consumption. It was, however, stated by the book-keeper that the stores on issue, being all debited to one person, the Commandant of the Forces, could be readily obtained by inspection in a few minutes. The store ledger is the most important book in any store, but its value is seriously curtailed unless periodical examinations of the stock are made, and the balances in the book checked with those in the store, and the excesses or deficiencies, when allowed, brought into the store ledger.

Notwithstanding the very large amount of Government property for which this store is responsible, there has been no survey of the stock for seven years, the last having been taken in 1873.

A book is also kept in this store, called the "Register of Accounts." It contains a list of the vouchers passed on to the Treasury for payment, comprising vouchers for the salaries and contingencies of the staff in the store, as well as for the stores purchased in the colony, and the date when each voucher was sent to the Treasury. A general ledger is also kept, which is credited with the sum voted by Parliament, and debited with the several sums charged against it, so as to show the unexpended balance of the vote at any time.

The book-keeping in this department does not display so much care as that shown in other departments of the New South Wales Government. The scheme of account, with the exception of the store ledger, is unsatisfactory and inconclusive, and no system of balancing is in use, so as to secure a detection of errors. The books, so far as relates to the money-values, were not written up. The books seem to be regarded rather as useful as general information than for strictly accurate account.

#### *The Railway Store.*

Railway stores are purchased out of permanent votes contained in the Schedules to the Loan Acts, amounting to £300,000, the Stores Account is treated as a permanent Suspense Account, and is debited, and the Treasurer's Account credited, with the value of the stores purchased. The Stores Account is again credited, and the account of each separate vote debited, with the value of the stores expended upon each; hence the balance, at any moment, of the Stores Account represents the value of stores in hand. Stores are issued upon requisitions, stating the service or vote for which they are required, and are charged at their invoice value. No percentage is added, whether they are issued directly to the lines or to the workshops, but the issue in both cases is treated as a final expenditure. The

waste from the workshops and unserviceable stores are periodically sold, and the proceeds credited, not to each vote, but to General Miscellaneous Railway Revenue.

The ledger kept in the store shows values as well as quantities; the balance of the stores on hand should therefore coincide with that shown in the Accountant's office.

Stores issued and work done in the workshops, for other Government departments, are paid for by a transfer in the Treasury books or in cash, in the former case a certified voucher of the transfer, and in the latter case a Bank receipt, is sent to the Accountant's office.

In the case of stores or work sold to or done for private persons, an additional charge of 20 per cent is made upon the cost value, which charge is brought into the accounts as a part of the miscellaneous Railway revenue.

The management of Railway stores in New South Wales is simplified by there being only two stores, the chief store at Sydney, and a sub-store at Newcastle. Most of the goods are kept in the store at the Redfern Station at Sydney, but some at other places, such as Darling Harbour, also at Sydney, but the latter are all treated in account as being in the Redfern Store. The store at Newcastle is managed in the same way as the chief store, and copies of its accounts are sent monthly to the latter. The Storekeeper at Newcastle takes all his instructions from the Storekeeper at Sydney, and all correspondence is conducted by the latter.

As a rule stores are bought on yearly contracts. Where any articles are bought outside a contract, they are treated in the account in the same manner as if supplied under a contract.

Goods coming to the store are accompanied by "Receiving-notes," which, when checked with the articles, are signed by the two outside principal Storemen. They are then immediately entered in a "Rough Receiving-book," containing articles only without values. From this book the "Receiving-book" is constructed in which the stores are entered under the head of each contractor or other person supplying them, and under the heads of each article, but without values. This book is ruled off monthly so as to show all the articles received from each contractor during the month.

Contractors send in their bills in duplicate monthly, not later than the third of the next month; and these bills are copied into the "Store-book," which shows the description and value of the articles purchased, and is checked with the Receiving-book.

The import of stores and material from England is managed by the Storekeeper. Indents are furnished to the Commissioner, in the case of construction, by the Engineer-in-Chief, and for traffic requirements by the Storekeeper. These are entered in the "Indent-book" in the Commissioner's office, of which an exact copy is kept by the Storekeeper. Bills of lading are sent to the Storekeeper, who passes the entries, signs vouchers for the freight, and conducts the whole shipping business. The invoices are entered in the "Import-book," and checked with the goods received.

Stores are issued only on requisitions sent in from the stations through the Traffic Manager, by whom they are signed and sent on to the Storekeeper. In some cases the requisitions are sent direct to the store, but the Traffic Manager signs the receipt for the goods when they are issued. Stores for construction are requisitioned for by the Engineer-in-Chief. The issues to the workshops, which are adjacent to the store, and are required from hour to hour, are made on dockets signed by the foreman of the branch of the works for which the stores are required, who at the same time fills in the butt of the docket in the book of dockets. A requisition is made out covering all the dockets sent in during the day, which is signed by the officer making the requisition and also by the person who received the articles. The requisition is made out in triplicate one is kept by the officer making it, the two others he sends to the Storekeeper; on these the Store-

keeper fills in the values in the money column ; on one he certifies that the stores have been issued, and sends it on to the Accountant. The requisitions contain a column showing to what account the stores issued are to be charged, which is filled in by the officer making the requisition, and, in that sent to the Accountant, an additional column shows the "Service for which required," so that the charge can be verified. The third form is kept by the Storekeeper. Upon this certificate the Accountant is able to charge each vote or service with the values of the stores consumed.

The "Issue-book" is made up from the requisitions under the headings of the several accounts to which the issues are chargeable, with sub-headings in separate columns for each article. It is entered according to date, and the monthly total only of the value of the stores issued is entered in the money column.

The "Stores Ledger" shows all the stores received, issued, and in the store under the heading of each separate article. The debit side is posted from the stores-book, and shows the date of receipt, from whom received, the quantity, the rate, and the value. The credit side is posted from the issue-book, and shows the date of issue, the quantity, rate, value, and the account to be charged. Thus the ledger shows at any time the stock on hand of each article and the money-value. The ledger is balanced quarterly, and stock is taken yearly by an officer sent from the Traffic Audit for the purpose, and a balanced statement of the stock in hand compared with the book balances is sent to the Traffic Auditor. The excesses and deficiencies are usually found to be very small. This system of accounting for stores seems to be simple and effective, and, as the Treasury is informed of the issues, and charges the public accounts accordingly, the railway accounts as appearing in the books of the Treasury and of the department are said to be in accord.

Two weak points may be noted. First, that stores requisitioned for one service may be used for another. This may take place to a very small extent, but as the workshops for the construction are separate from those for working lines, and as there is a separate foreman for each branch in the workshops, and the issues are made on dockets for small quantities of material at a time, only as wanted, the interchange of the service in the use of material is trifling. Such discrepancies are assumed to balance one another, and are not noticed in the account.

The other point is of more importance. The system assumes that all stores are issued at cost price, but if stores of a similar kind are bought at different prices under consecutive contracts, as it is stated to be impossible in practice to keep them separate in the store, stores may be bought at one price and issued at another. No satisfactory system seems to have been adopted to correct the error arising under this head, and so maintain the complete integrity of the system. It is clear that if the error from this source is not adjusted, the value of the stock on hand cannot coincide with that on the books, even were the numbers and quantities found to be correct at the inspection. In the case of rails which have been bought at very different rates within short periods, an average price for issue has been used. But such a plan, whilst diminishing the errors arising from the cause to which I am referring, would not completely adjust the account. In fact, the errors arising from this source, as well as from discrepancies appearing on the stock-taking, have never been adjusted or written off the books. The total accumulated error is however comparatively small.

#### VICTORIA.

There is no Colonial Store in Victoria. All stores are purchased upon contracts, which are entered into by a Tender Board, and the articles are supplied when wanted, not to any store, but to the departments requiring them upon requisitions approved by the Minister of each, and in each department there is a small store for the custody of articles in current use.

#### *The Tender Board.*

The Tender Board consists of the permanent heads of departments, with a Secretary, who is a permanent officer, and manages all the shipping business in

the case of articles imported, takes charge of the samples, receives the requisitions from departments, and passes the orders for the supplies to each. He is allowed a small imprest for payment of incidental expenses. The contracts are made on the basis of estimates annually, prepared by each department, of what its requirements are likely to be during the year, and special contracts have sometimes to be made in the course of the year for special requirements.

The books kept by the Secretary to the Tender Board consist of a Register of Tenders, stating the amount of deposit in each case, which is sent in the form of notes or Bank drafts to the Secretary, and which, beyond a certain amount, he is required to deposit in the Treasury, a Book of Contracts; a Book of Contractors' Securities, containing the description and amount of each security entered into for performance of contract; and a Trust Account Book, which is a cash-book of the deposits lodged and returned or paid into the Treasury. Articles made in the gaols and used in the departments are treated as if supplied by contractors.

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The Military Store in Victoria has charge of all the arms and equipments for the Artillery garrison, a permanent force about one hundred strong, and the various Volunteer corps which number in all about four thousand. The value of the goods in custody of the store and on issue is about £200,000, inclusive of the battery-guns and field-pieces. The stores are bought out of votes and finally charged, and are for the most part imported from England. The Storekeeper takes no cognizance whatever of values, and no entries of value appear in any of the books. *The Military Store.*

On the arrival of any stores in the colony, a Board of Survey is appointed, which inspects the stores, comparing them with the indents and invoices, and reports to the Colonel Commandant.

There are only two books kept in the store. That in which the stores are first entered is a monthly record in the form of a store return, having a separate column for each separate article, in which the numbers of the articles received and issued are entered under the proper date; articles received being entered with a plus sign, and articles issued with a minus sign. The left-hand column contains the name of the person from and to whom the stores are received or issued. This record is balanced every month, and the receipts and issues are brought down and the balance carried on. a fresh record being prepared every month. This document, though being in the form of a monthly return, is not sent out of the Storekeeper's office. From this record the entries are carried into a store ledger. In this the different articles are classified under some twelve or fourteen heads, and the articles under each head are entered as nearly as may be alphabetically in the left-hand column. The outside columns are divided into "Received," "Issued," and "Balance" for each month in the year; and the totals of the receipts and issues for each month are abstracted from the monthly statement above described. As the year's transactions extend over the two pages opposite, by cutting off the column of "Articles" in succeeding pages the book is made to last for many successive years, without rewriting the headings and articles. Supposing the entries in the store ledgers to be faithfully carried out, this book is a complete record of all the stores in hand. But no system of balancing by means of money-values against the total value of the invoices has been adopted. Once a year one of the Commissioners of Audit inspects the books of the store, and takes several articles here and there, tracing all the transactions of receipt and issue relating to each, and counting the balance said to be in stock. A complete stock-taking is made every year by Inspectors appointed by the Commandant, and the discrepancies if properly accounted for, whether in excess or deficiency, is brought on or written off the store ledger.

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The principle of the Railway Store management is to bring as few articles as possible into the store. All articles are bought under contracts which are in force for three years, and the largest part of the goods consumed are sent directly from *The Railway Store.*

the contractors to the officer or department requiring them, without passing into the store. All such goods are, however, included in the store accounts. The schedules for contracts are nine in number, and the list of articles very numerous. It has been found that a great saving has been effected by extending the contracts to three years.

There is no special vote for stores, they are included in the vote for working railways, which is taken in one lump sum for the whole railway expenditure, and is estimated at  $52\frac{1}{2}$  per cent. on the estimate of the gross receipts for the year.

The head of the branch of service requiring stores requisitions the contractors for them, the requisition stating on its face for what purpose the stores are wanted, and the fund and line against which they are to be charged. These orders on contractors are printed with a different coloured ink for each branch, in order to facilitate reference.

The Storekeeper has no power to order goods. If he finds that his stock is falling too low, he prepares a proper order; but sends it to the head of the branch for which the stock will be required, and gets him to sign it. In practice almost all the goods kept in the store are for the locomotive branch. With the goods the contractor sends a voucher in duplicate, stating the articles and their price, together with the original order; and these, after being checked with the goods and corrected, are sent on to the Accountant, who returns one copy of the voucher to the contractor. From this latter the contractor makes out his monthly account for payment, which is certified to by the officer by whose order the expenditure was incurred, and is then sent on to the Treasury for payment.

The Accountant is held responsible for the goods in the store, but not for those sent direct to the heads of branches; and he is required by the regulations to inspect the stock in the store periodically. There is no independent inspection or audit of the stores in the store, and there does not seem to be any check or control over the heads of branches who are authorized to order goods at their discretion; and, where any articles are not included in a contract, to procure them from any storekeeper at the usual market price. The orders on the store are usually given verbally by the head of the branch, or some one authorized by him, who signs the Issue-book for the articles he takes away.

There are only two books kept in the store, one a Rough Receipt-book in which all articles are entered as received, without values, the other, a similar book for articles issued. The Issue-book is sent up monthly to the Accountant's office, where the issues are posted into the Stock Ledger. The Storekeeper in charge of the store has no means of knowing what stock of any article is on hand, except by counting them; nor could any deficiency by pilfering or otherwise be found out until the annual examination of the stock. This is the only store in which so deficient a system is in force. It was the system adopted in the Railway Stores in New Zealand, which has recently been abolished.

The stores delivered by the contractors without going into the store are charged at once to the work for which they are ordered, and therefore are practically issued from the store accounts at the same price at which they were purchased. But in goods brought into the store the same difficulty is experienced here as in all other stores, except the Railway Store at Ipswich, namely, that from not keeping articles of the same sort but of different prices distinct, goods bought at one price are practically issued for another. The difficulty is lessened by a regulation which requires the Accountant to average the prices of old and new stock from time to time, and to issue at such average price. But it is clear that the error thus diminished does not vanish, and the difference between the values of the goods bought and issued will not accurately represent the goods in stock, which it is supposed to do.

The goods which are taken into store are not charged immediately to any line or branch of service, but to the store account, which is practically a suspense account. When issued they are charged against the line or service on which they



have been expended. From the same Issue-book they are also posted into the Stock Ledger, which shows, under the head of each article, the quantity, rate, and value of all receipts into and issues from the store, and the balance on hand. This ledger is only balanced once a year, when the whole stock is taken, and the balances on hand compared with those in the ledger

Unserviceable stores are sold, and are written off the books and charged as expended on the several services for which they were purchased, the cash received being carried to credit of the same services.

All goods are bought under contract, and are passed into the store, although it is the custom to order goods from the contractors, so far as possible, only as wanted for issue, in order to limit the amount of stock on hand in the store. QUEENSLAND:  
*The Civil Service Store.*

Articles of various kinds—clothing, saddlery, &c.—are made in the gaol workshops, the materials being supplied from the store, and the made-up articles returned to it. All stationery, account-books, &c., are supplied to all Government offices throughout the colony, with the exception of printed forms, which are supplied by the Printing Office.

The stores are purchased out of a vote in the Colonial Secretary's estimates, and are finally charged when bought. Thus the stores expended do not appear in the public accounts, but only the stores purchased. When stores are received, they are accompanied by a schedule of the articles written on the butt of the form on which the order of the Storekeeper is given to the contractor. The butt when signed by the Storeman as a receipt, after checking them with the goods, is returned to the Contractor. It is called the "Storeman's check." The orders when given are copied into a rough Receipt-book; and when the goods are received they are entered in the "Receipt-book," which shows the date of receipt, description of articles, from whom received, and the service for which required. No values are stated in this book. From the Receipt-book the entries are posted into the Contractors' Ledger, which gives, under the head of each contractor, the date of receipt, the description of the articles, the service for which required, the price, and the total value.

Contractors send in their vouchers monthly, which are checked against the entries in the Contractors' ledger, in which the prices and values are then first entered from the vouchers. From these books the debit side of the Stock Ledger is posted under the head of the several articles, to each of which a page, or sometimes half a page, is allotted. The date of receipt, from whom received, a description of the goods, and the quantity or number, but without values.

For the issues, requisitions signed by the officer requiring the goods, and approved by the head of his department, are sent to the store. They are then initialled by the Colonial Secretary, or Under-Secretary, which constitutes the order to the Storekeeper to make the issue. The issues are accompanied by invoices, which are returned receipted to the Storekeeper. The requisitions are first entered in a rough Issue-book kept by the Storeman, without values. This is copied into the Issue-book, in which prices and values are subsequently entered. From the Issue-book the entries are posted to the credit side of the Stock Ledger. The Stock Ledger is balanced every six months for each article, and the balance showing the stock in hand is carried down.

Material issued to the gaol is written off as issued at invoiced prices, and the articles manufactured are brought on charge at nominal prices, equal to the average prices at which goods of the same kind could be bought by contract.

A book is kept called the "Apportionment Ledger," in which the total of the values of each requisition are entered under the head of each department or service, so as to show the whole value of the stores consumed in each for any given period.

It does not appear that the books are ever balanced as regards money-values. The stores purchased being charged finally against a vote of Parliament instead of against a suspense account and the issues only against the vote, no use is made of the values except for statistical purposes, and for affording information required by the Government or by Parliament.

Stock is taken every half-year. The current value of goods in store at a time is under £9,000, and the value of discrepancies above excesses at the last stock-taking was only a few shillings.

*The Railway Store.*

The Railway Store and Workshops for the Queensland line in connection with Brisbane are situated at Ipswich, about twenty-four miles westward from Brisbane. The stores and workshops for the Rockhampton line are managed in the same manner, but are wholly independent of the Ipswich store. There are two sub-stores to the Ipswich store, but the accounts are included in those of the latter, and the goods are written off the books of the Ipswich store only as they are issued from the sub-stores.

All the stores procured in the colony are bought, except in cases of emergency, upon contracts. The English stores are ordered by indents prepared by the Storekeeper and approved by the Commissioner. All stores, whether for construction or for working lines, are taken on charge at the store, excepting rails, of which an account is kept separately but is not carried through the store-books. A suspense account of £20,000 is provided by permanent Act out of loan moneys for the purchase of stores. A book is kept at the store debited with the value of stores purchased and credited with the issues, and the balance carried out into the last column shows the value of the stock in hand, and the difference between this and the £20,000 shows the balance of the suspense vote available for issue at any time.

The stores are received at Brisbane by a Storeman kept there for the purpose, who also manages all the shipping business connected with imported stores. He gives a receipt for the packages, and way-bills them to Ipswich, which is taken as a sufficient receipt unless any discrepancy between the goods and the invoice is noted on their arrival. The store is roomy and well arranged, and the price of the goods is marked upon every package. Goods of the same kind but of different prices are kept separate in the store and are treated in the accounts as different articles. The Storeman at the same time keeps a book for his own information, in which the prices of all the goods in the store are entered from the invoices. By this means all goods are issued from the store at the exact price at which they were bought, increased by freight and other charges, which are distributed *pro rata* over the goods of each consignment. Hence one serious element of error is eliminated from the store accounts, and it is shown that the difficulty of keeping stock of different prices separate in a store is not, as is frequently asserted by Storekeepers, an insuperable one. An inspection of the store itself leads to the conclusion that the system here adopted is thoroughly carried out in practice. The Storekeeper asserts that at the stock-taking, which is made once a year, the discrepancies between the balances on the books and those in the store are very trifling.

Goods are accompanied by invoices. As soon as they are received they are entered by the Storeman in a Rough Goods-received Book, with their values. Contractors send in their vouchers, as a rule monthly, comprising all the invoices for the month, and the "Goods Received Book" is posted monthly, being mainly a copy of the vouchers after being checked with the rough-book kept by the Storeman, and the invoices. It states the date of receipt, from whom received, the description of the articles, the quantity, the rate, and total value. It also shows in two columns the total value of the goods bought in the colony and of those imported from England. The latter are entered in a "Store Invoice Book," which shows the additional charges for freight, package insurance, &c. These charges being distributed proportionally on the goods, the whole is carried out in

a separate column, and shows the values which are given in the "Stores Received Book." The "Stock-book" is divided into several principal accounts, such as stationery, machinery, oils and paints, timber, &c., under which each separate article is detailed. The entries are posted from the Stores Received Book, and show from whom the stores are received, the description of articles, the quantity, rate, and value.

For the issue of stores a form is sent to the Storekeeper by the officer requiring supplies, specifying the goods wanted, with a column for the issue price, which he does not fill in. These documents, which are called "Orders," are scheduled from time to time upon a "Stores Requisition," which is approved by the Commissioner, and states the department or service for which the stores are drawn. The Storekeeper fills in the values on the orders. From the orders the issues are posted into the "Storeman's Issue-book," which shows the date of the order, the articles, the issue-price, and the date of issue; and are further posted monthly into the "Stores Issue-book," which shows the account to be charged, number of the order and requisition, the articles, quantity, rate, and value. The issues are then again entered in a book called the "Classification-book" every month, and totalled for entry on the credit side of the stock-book every two months. In this book the issues are classified under the head of each article, and show the total quantity, rate, and value of issues for each month. An account is kept of the articles issued to the workshops sub-store, and periodical accounts are rendered of the consumption in the workshops on each service. These issues are subsequently included in orders and requisitions, and passed through the books as if they had been made from the store itself.

When goods are supplied to contractors or other than Government officers, a commission, varying from 10 to 20 per cent., is added to the price. This commission is not brought to credit as revenue, but is deducted from the cost of the next stores issued to the Railway Department, which it is considered should thus get the profit on the sale. A delivery-note, with corresponding entries on a butt, accompanies all stores issued; and when returned receipted is pasted to the butt.

Coal is not purchased out of the stores vote, but out of an annual vote taken for the purpose. It is procured from the mine at Ipswich at 9s. 6d. a ton delivered—a fact to be noted in comparing the relative cost of working the lines of this and other colonies.

The waste iron in the workshops is not sold, but worked up by a large steam-hammer, and used in the locomotive department. It is not brought on charge again as fresh material, but practically diminishes the cost of that branch. Old castings, however, which are used in the foundry are brought on charge.

With respect to the issue of iron, the plan is to charge it on the first order after the job is finished, the foreman-blacksmith advising the Stores Department of the quantity used. The iron is advanced to the blacksmith, and an account of each advance kept in a memorandum-book by the storeman, who credits the smith when he advises the quantity used.

The books in the store are periodically audited by a Clerk from the Commissioner's office, and stock is taken every year by the Chief Clerk.

The Military Store supplies the Military Force and Volunteers with all arms, ammunition, clothing, camp equipage, &c.

The stores are all purchased out of annual votes of Parliament, upon which the expenditure is finally charged. Most of the stores are procured on indents to the War Office in England; the rest are bought in the colonies, either under the Government contracts or elsewhere, at the discretion of the Colonel Commandant. The principal books are kept in the office of the Colonel Commandant; but there are two inferior books kept by the Storekeeper in the store itself.

SOUTH  
AUSTRALIA.  
*The Military  
Store.*

All stores coming into stock may be arranged under three heads—viz., those

procured from England, those bought in the colony, and those received into store after being on issue. All stores coming in are accompanied by invoices, which are checked against the goods by the Storekeeper, and sent on to the Colonel Commandant.

All issues are made on requisitions coming from the Quartermaster, and approved by the Colonel.

The first book kept in the store is the Day-book, in which is entered simply the date, the description of the article, and, in two columns, the receipts and issues. From this Day-book is posted monthly the Store Ledger, which is the ordinary form of ledger kept in all military stores, and in which each description of article is entered in a separate column. At the end of each year each column is totalled, the issues subtracted from the receipts, and the balance carried forward to the next year. The Storekeeper makes periodical returns to the Colonel Commandant of all stores issued.

The books kept in the Colonel's office are as follows. The Check Department-book is an account of all the money expended, under the heads of the different items as shown in the Estimates, in the vote for Military Defences. All the expenditure is entered, and, at the end of the year, totalled and subtracted from the votes. Where liabilities have been incurred under a vote, but the money has not been actually expended, the unexpended balances are carried forward for use during the ensuing year, in other cases the balances are allowed to lapse. This book will, of course, show at any time the unexpended balance of the vote. The Store-book is entered from the invoices, and shows all the stores received, it is ruled off yearly, and the final issues, as shown by the Storekeeper's and Quartermaster's returns, being subtracted, the balance is carried forward. The Distribution of Equipment-book is entered from the Quartermaster's and Storekeeper's returns also, and shows in separate columns what stores are "on issue," and where, and what are still in the store available for use, the yearly totals agree with the balances as shown in the Store-book. The Storekeeper's returns of issues are checked against those of the Quartermaster, and his returns of stores absolutely expended, such as ammunition, &c., are checked against the returns of the Master Gunner and those of the officers in charge of practising parties, showing the stores actually used by them.

Stock is taken at least once a year by a board of officers specially appointed for the purpose by the Colonel Commandant.

Stores, returned from being "on issue" as unserviceable, are not, as in the Ordnance Store in New South Wales, brought on the books again, but are written off the books as finally expended; and are sold annually by public auction, the proceeds being carried to Miscellaneous Revenue.

#### *The Railway Store.*

The railway stores in South Australia are purchased out of a Suspense Account, which appears to be operated upon without any Parliamentary authority, and to have no established limits. The votes taken on the Estimates for stores are charged, not with the stores purchased, but with the stores expended. The Suspense Account is debited with the stores purchased, and credited with the stores issued, the values of which are charged to the votes, the balance being the stores on hand.

All stores procurable in the colony are bought under local contracts entered into yearly; the rest are purchased in England through the Agent-General. Tenders are called for in all cases for the supply of goods the price of each article must be specified in the tender, but that tender which shows the lowest total on the whole, for all the goods comprised in it, is generally accepted. Orders on the contractors are issued by the Storekeeper. The contractor delivers the goods at the store with an invoice and cart-note, and takes a receipt for them, the invoices are checked with the list of contract prices and posted in a book for record, and the cart-notes, after being checked against the goods by the Store-

man, are sent into the office, and are copied into the butts of the orders, which therefore show the quantity of goods ordered as against the quantity received.

From the butts of the orders the Register of Orders is entered, giving full particulars of the goods ordered, and by this the contractors' monthly accounts are checked; the latter are then entered in the Receipt Journal, and submitted for the approval of the Commissioner.

The Receipt Journal shows the total amount and total value of all the articles of each description purchased during the month, and from it the receipt side of the Stock Ledger is posted.

Stores are issued to the departments on requisitions, and to the different branches in the workshops on the authority of dockets signed by the foreman of the branch. All stores issued are entered from the above daily, on sheets, there being one sheet for each department or service, and total value of the month's issues are posted into the issue side of the Stock Ledger.

The Stock Ledger is posted monthly from the Receipt Journal and the Issue Sheets. There is a separate account for each article, the entries show the date from whom received or to whom issued, the number of articles, the rate, and the value.

On all stores issued a charge of 5 per cent is made to cover the expenses of freight, and all other contingencies, such as extra labour, not included in the vote for the Store Department.

Articles manufactured in the workshops are brought on charge in the store, the price being made up of the original cost of the material, the wages of the regular workmen, and the cost of coal, with 10 per cent. added for superintendence and office expenses, and 20 per cent. for the renewals to tools and machinery.

Requisitions for articles to be made in the workshops are sent in in the same manner as for ordinary stores. A return of work done and articles manufactured in the stores for outsiders is made to the Railway Accountant, who sees that the money is collected.

A Suspense Ledger is kept in the store, containing the accounts against the different departments, and also a Stores Expenses Account, which is credited with the percentage charged on all goods issued, and debited with the expenses which the percentage is meant to cover.

All the scrap-iron is worked up in the shops and brought on charge, and credited generally to the Locomotive Department.

The Storekeeper sends a monthly return of his issues to the Railway Accountant, for incorporation in the general books of the Railway Department.

There are small sub-stores on all lines not in connection with Adelaide, which are supplied from the general store. They are supposed to be part of the general store, and make monthly returns of their issues to the Storekeeper for entry in his books.

It is not considered necessary or feasible to have a general stocktaking more frequently than every three years, as the stock is very large and the deficiencies comparatively trifling. The books are balanced and ruled off yearly.

All goods are issued at an average price calculated annually from the receipts of the preceding year and the balances in hand.

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All the waterworks in the various towns in South Australia are sanctioned by Parliament, and are constructed and maintained by the Government, and the General Waterworks Store supplies all stores for their construction and maintenance throughout the colony. It also occasionally supplies other Government departments.

*The Water-works Store.*

These stores are purchased out of a suspense account—the Waterworks Stores Account—apparently without any special Parliamentary authority, and which is practically unlimited.

Where practicable all stores are imported from England, printed indents being sent Home and tenders being called for by the Agent-General. An engineer is appointed in England to examine and approve all waterworks stores before they are shipped. All other goods are bought under local contracts entered into yearly.

Orders on the contractors for stores are first approved by the Hydraulic Engineer, and are made out in duplicate, the duplicate being kept in the store. The contractors send the goods to the store accompanied by an invoice containing prices the contractors' bills are sent in monthly, accompanied by the orders, are checked against the invoices, and sent on for audit and payment.

All stores received, whether from England or from the contractors, are entered in the Day-book or Journal, the English invoices having been first entered in an Invoice-book, and the contractors' accounts into a Detail-book.

The waterworks stores are issued in various ways. For all services outside Adelaide they are issued on regular requisitions; in Adelaide and the suburbs, stores for construction are issued by order of the Hydraulic Engineer, and for maintenance by the weekly requisitions of the Local Board. All issues are made on the approval of the Hydraulic Engineer, excepting in cases of emergency, such as to replace a main that has burst, when they are issued at the discretion of the Storekeeper.

The Journal is a current account of all goods received and issued, with their values, and of all labour paid for out of the Store Account for fixing meters, &c. The entries in this book are abstracted on sheets both for receipts and issues, and are posted into the Stock Ledger monthly.

The Stock Ledger is detailed under the head of each article severally, the price being put at the top of the page, the receipts and issues entered in monthly totals, and the balance carried into the outer column as often as necessary. All articles not used from a previous issue, and returned to stock, are brought on the books as fresh articles.

Stores issued in small quantities to the workshops are entered from day to day in the Mechanical Shop's-book, are abstracted on sheets, and posted monthly into the Stock Ledger. All articles manufactured in the workshops are received into store as fresh goods, at a price determined from the original cost of material, and the cost of labour employed, with 10 per cent. added.

The Store Ledger, which is posted from the Journal, is kept by single entry, and contains accounts against the waterworks of each town, against other Government departments, and against private persons to whom stores have been sold.

The accounts of the separate waterworks are debited with the stores issued to each, and are paid for by transfers in the Treasury books, and stores returned unused. The accounts against other Government departments are debited with the stores issued to them and the cost of any labour employed for them, with 10 per cent. added to the latter, and credited as above. Private persons' accounts are debited with the price of stores with 5 per cent. added, and the cost of labour with 10 per cent. added. The store has a large quantity of tools and machinery, bought out of the Suspense Account, which are used on different works, and returned to store when done with, these tools, &c., are always accounted for as stores on hand. Ten per cent. on the whole cost of labour employed on any waterworks is charged, and credited to the Suspense Account by Treasury transfers. The General Store Account is credited with all the above percentages, and debited with the cost of preserving and improving the plant, and with the cost of repairs and renewals of all tools and machinery, whether in use in the workshops or out on issue on the various works.

From the Store Ledger the accounts are made out, and certified by the Accountant and Hydraulic Engineer, and sent to the Audit Office for audit, they are then passed on to the Treasury, where the transfers to the Waterworks Stores Account are made.

Stores are not issued at the price they came into stock, but at an average price calculated from the receipts of the two preceding years and the value of the stock in hand, to cover the original cost of the stores and all expenses, such as freight, &c. The Storekeeper represents it as impossible to keep separate in the store articles of the same kind bought at different prices, and so issue everything at the exact price it came in.

Stock is taken annually by the Waterworks Accountant or some one deputed by him. The deficiencies or excess are stated to be very trifling, at the last stock-taking there was found to be a small excess.

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The Colonial Store in Tasmania supplies the Civil Service with all stores, stationery, &c., required for use in the departments. There are two different modes of treating these stores in account. First, stores which are procured by the Storekeeper and passed on to the department requiring them without being received into the store; and, secondly, goods which are taken on stock into the store itself. The first are goods supplied by contractors or other tradesmen in the colony, the second are for the most part imported from England. There is a Suspense Account open in the Treasury, which is called the "Personal Account of the Storekeeper," out of which stores of the second class are purchased. This account is debited with all purchases and charges, and credited with issues to the departments, each department having a separate vote for its stationery and stores to which the issues are debited. Stores of the first class mentioned above are not debited to the Suspense Account, but are charged at once against the departmental vote. These stores are, however, examined when necessary, by the Storekeeper, and compared with the samples; and the bills, which are sent in generally monthly, but in one or two cases quarterly, are sent in the first instance to the Storekeeper, and passed on by him to the Treasury for payment, the certificate having been received of the officer to whom the goods have been delivered. These stores are first entered in the order of date in the two ledgers, one for "Provisions, Fuel, and Light," and the other for "Stationery and Stores," under the head of each contractor or tradesman supplying them, and under the subordinate heads of each department to which they are supplied, with the money-values carried out, and the total of the charge against each department upon each invoice ruled off. These totals are then posted into two corresponding abstract-books, in which they are charged against each division and subdivision of the Estimates. The abstract-books and ledgers should balance, and together with the goods issued from the store should balance with the Treasury accounts. This does not, however, appear to be done.

TASMANIA.  
*The Colonial  
Store.*

The above accounts include all the provisions consumed in hospitals, which in this colony are entirely supported by the Government, gaols, lunatic asylums, and pauper establishments. These are all supplied by contract, the terms of the contract being that payment is made, not on the quantities supplied, but on the quantity consumed, which is ascertained by the unconsumed balance of stores in the store-room of the institution when each fresh supply is sent in. Periodical returns of the consumption to be paid for, of the numbers and names of the consumers, and of the orders of the medical attendants for extras are all sent in to the Storekeeper's office, where they are carefully checked, providing, it is believed, an efficient safeguard against peculation or extravagance.

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The public stores in New Zealand consist of the Railway Stores, the Public Works Stores, the Telegraph Store, the Military Stores, and the Marine Store. There is no Civil Service Store; and the Stationery Store is now a branch of the Printing Office, and has been spoken of under that department.

*The Railway  
Stores.*

The management of the Railway Stores has been changed several times, each successive system having been superseded before it had time to get into full working order. The result has been, as might have been anticipated, great confusion in the stores accounts, which are not at present fully adjusted. The system at present in force is, in the minor details, all that can be desired, but the form of the final account is still unsettled, and the relations between the Treasury accounts and those of the Railway Department are still to be determined.

There are four principal stores—those at Auckland, Wellington, Christchurch, and Dunedin—that is to say, stores into which purchased goods are delivered, but there are sub-stores at Napier, Wanganui, New Plymouth, Picton, Nelson, Westport, and Greymouth, which are supplied with goods from the principal stores, but issue to the lines. The books kept in the sub-stores are in the same form as those kept in the principal stores.

The book of chief importance kept in all the stores is the Stock Ledger, in which the numbers of the articles received and issued are entered in columns, a separate column being allotted to each separate article. The entries are of numbers and quantities only, without rates or values.

In the principal stores the vouchers for goods purchased are supplied by the contractors weekly in duplicate, one copy being retained in the store, the other sent to the Stores Manager at the seat of Government. In the sub-stores, the invoices accompanying the goods transferred from the principal stores are supplied in duplicate without values, and are treated in the same manner as invoices for purchased goods in the principal stores. In all, the requisitions for the issue of stores are in triplicate, one copy being retained by the sender, and, of the two others, both of which are receipted, one is filed in the receiving store, and one is sent to the Stores Manager. The two first contain no values. On the third the values are inserted by the Stores Manager. The Storekeepers have therefore a complete account of the stock in their charge, but have nothing to do with its value.

All the accounts relating to the values of the stores are kept by the Stores Manager, whose office is at the seat of Government. His duty consists in managing the purchase of all the railway stores, and passing all vouchers for payment, in keeping all the accounts of their receipt, and of their issue to the several branches of the railway service. All his books, therefore, comprise values as well as quantities. He keeps a store ledger against each of the eleven stores throughout the colony, showing the goods received into and issued out of each, with their values. These ledgers are posted from the vouchers before the latter are sent up for payment, and, for the issues, are posted from abstract sheets made up four-weekly from the requisitions. Upon the latter are entered the several departments of the Railway service to which the stores are issued, and a schedule is made monthly from the abstracts, and sent to the Accountant, by whom each department is charged with the stores it has consumed.

The workshops are treated as a separate department, and materials are issued to them from the store, as to any other department, at cost price. The articles made in the workshops are brought into the store as fresh goods, as if supplied by a contractor, the price being made up of the cost of the material and wages, with 10 per cent. added as commission to cover the expenses of the shop. The accounts of the workshops, at least those of the Middle Island, are brought into a general balance-sheet showing the profit or loss on the establishment at the end of the year. In practice there is always a profit shown on the account, which is expended in buying fresh machinery and tools, and otherwise improving the plant. Virtually, therefore, the charges on the working expenses of the lines are, to that extent, increased by expenditure which ought to be charged to capital account.

All goods procured in the colony are, as a rule, bought on contracts, which run for one, two, or three years, according to the article. Thus, the contracts for coal, timber, iron-castings, and forage are yearly contracts, uniforms for railway servants are for three years. Goods imported from England are bought by the



Agent-General on tenders sent in by a few leading firms who are asked to tender.

Stock is taken annually by officers of the department. At the stock-taking in 1879 of all the stores in the Middle Island, and in 1880 of the Christchurch store, an Audit Inspector was present, and reported to the Audit. But the Inspector's current work was thrown so much into arrear as to render it inadvisable that this should be repeated. As the work is one which only occupies a few weeks towards the close of each financial year, it will probably be found desirable if the Audit is to take part in the survey of stores to employ special officers for the purpose.

The department of Public Works is still divided into two branches, one for the North, and one for the Middle Island, the management of the stores in the two islands is distinct, and different regulations are in force in each. There are four stores in the Northern Island, at Wellington, Auckland, Napier, and Foxton : and four in the Middle Island, at Christchurch, Dunedin, Nelson, and Greymouth. *The Public Works Stores.*

The great bulk of these stores, including the material for the construction of the railways and other public works, is procured from England, and the correctness of the invoices and bills of lading are checked by the Engineers and Storekeepers. The issues are made on the orders of the District Engineers.

The Storekeeper of each store keeps a Stock Ledger, in which the receipts and issues of each article are posted from the vouchers for payment and the Engineers' orders.

The Stores Auditor attached to the head office in the Northern Island keeps a similar ledger against each store, the debits posted from the monthly returns rendered by the Storekeepers, checked by the vouchers sent up for payment, and the credits from the receipts given by the officers to whom the stores are issued, which are sent up to the head office. The Storekeepers make a return every six months to the Stores Audit of the balances of stock in hand, which are checked against the ledger kept in the latter office.

The stores are inspected every six months by the Stores Auditor, who reports the discrepancies to the Engineer-in-Charge, upon whose authority the stores ledger is corrected, and the corrections are notified to the several Storekeepers to be entered in their local stock ledgers.

The management of the Public Works Stores in the Middle Island is now substantially the same as that in the North ; but, owing to the dismemberment of the department two or three years ago, no information is now to be obtained in the Public Works Department at the seat of Government as to the stores in the Middle Island ; and no audit or inspection of these stores outside the department has been made since that time.

All the goods in the Public Works Stores are charged finally on the Public Works votes, and are paid for out of loans, but it is admitted that the store accounts have never been kept in such a manner as to give a correct account of the cost of the several works. Rails and other material have been imported in large quantities, and charged against the votes for the several lines and works in progress, but have been used for other lines, whilst corresponding transfers have not in all cases been made in the accounts. To what extent this has gone will probably never be accurately known, it is certainly not inconsiderable, and so far, the distribution of the whole cost of the railways amongst the several lines is not to be wholly relied on. Had there been a proper system of store accounts, and had the stores been charged to a Suspense Store Account, and only charged to the votes as expended on the lines, and, if required to be transferred to other lines, passed again through the store books, all such inaccuracies might have been prevented. As the colony will no doubt undertake large public works for many years to come, it is to be hoped that the system under which the Public Works stores are accounted for may be revised and altered.

*The Telegraph Store.*

The store for telegraph material for the whole colony is at the seat of Government. The goods are imported for the most part from England, upon orders prepared by the Superintendent of Telegraphs. The articles procured in the colony are purchased as wanted at the market price, not on contract, as they have to be delivered at the numerous stations throughout the colony. Such goods are for the most part supplied by local tradesmen to the stations without passing through the store, although brought upon the store accounts. All purchases are made upon requisitions approved by the Superintendent, which are sent to the tradesmen supplying, and must be attached by him to the voucher for payment. Issues are made on similar requisitions similarly approved.

The Store Ledger is an account of the receipts and issues of the stores, posted from the vouchers and the requisitions for issue, each article having a separate page, and the balance in stock being carried out with every entry.

A Stationery Ledger similar to the Stock Ledger is kept for supplies of stationery and printed forms; the latter are procured by the department partly from local tradesmen, but for the most part from England, and not from the Stationery Store attached to the Printing Office. The debit side is posted from the English invoices and the local requisitions, and the credit side from a broad sheet prepared and totalled for each month, and the balance is carried out monthly.

There are no money values attached to any of the accounts in this store. The goods are all bought out of votes for the Telegraph service, on which they are finally charged. There is therefore no balance-sheet and no record of the value of the goods on hand or of those consumed. Hence there is no means of checking the accuracy of the entries in the Stock Ledger.

The stock is inspected about once in six months, but in the event of discrepancies between the balances in the ledger and in the store, a reference to the original requisitions alone would prove whether the stock of any article was deficient or the ledger entries incorrect. There has been no inspection of the stock outside the department for several years.

This store contains all articles necessary both for the construction as well as maintenance of the lines; and the charge on the vouchers shows to which vote the goods are debited.

Unserviceable articles, wire, poles, &c., are not brought on charge again in the store books, but are sold, sometimes by auction, but more frequently by private contract to persons in the neighbourhood of the waste stock, which would not pay for carting to a distance, and the proceeds are paid into the Public Account by the Superintendent; but there is no check on these receipts outside the department.

There does not appear to be any clear account kept of the expenditure for maintenance as distinct from that for construction. The votes for the former are taken on the Consolidated Fund, and of the latter on the Public Works Fund, and are charged on the loans; but the stores when purchased are for the most part charged on the latter; and no transfers are made when material thus charged on the loans is used for maintenance. Whereas, when a line is once opened, it is obvious that its maintenance or renewal should be a charge against the current revenue of the lines.

The departments of Post Office and Telegraph being now combined, the stores used for the service of the former are now all included in the Telegraph Store.

*The Military Store.*

From the Military Stores are supplied all arms, ammunition, accoutrements, clothing, and field equipage to the Armed Constabulary and the Volunteer forces. For this purpose there is a principal store at Wellington, and sub-stores at Auckland, Dunedin, Opunake, Taranaki, Waikato, Tauranga, and Taupo. Arms and ammunition are of course imported from England; almost all other stores are bought by the Wellington store on contracts in the colony, but some small goods are bought by the sub-stores on local contracts.

Goods are received with invoices, and the contractors' bills are sent in

monthly, and are passed on for payment with the certificate of their receipt by the Storekeeper, supported by the invoices.

All issues are made on requisitions, and a delivery-note is sent with the goods leaving the store, which is returned receipted by the Sub-storekeeper or other proper officer receiving the goods.

All receipts and issues are recorded in the order of date in a day-book—the receipts from the invoices, the issues from the delivery-notes. The ledger is posted from the day-book and is in the ordinary form of military store ledgers, the receipts and issues being recorded on opposite pages, and a separate column appropriated to each article. The ledger contains numbers only without values. It is balanced quarterly, and the balance in hand carried down. Stock is taken at the same time, and the discrepancies adjusted, written off, or surcharged. In the case of clothing, however, the ledger is balanced and stock taken every month. Arms, &c., on issue are written off the Stock Ledger, but are brought on charge on the Stores on Issue Ledger to the debit of the corps receiving them.

Goods issued on payment are entered on a pay-sheet, which is receipted by the men, and a deduction-sheet is prepared monthly and forwarded to the Paymaster of the corps, who deducts the value of the clothing or other goods issued from the pay of the men. Ammunition, in excess of the quantity allowed for practice free, is charged against the corps, and deducted from the capitulation allowance. No accounts of the values of goods are kept in this store except for the purpose of determining the prices to be charged for goods issued on payment; and for this purpose 5 per cent. commission is charged on colonial goods and 10 per cent. on imported goods to cover the charges for freight and insurance. When goods are sent to a sub-store the values are entered on the delivery-note, in order to inform the Sub-storekeeper what prices he is to charge.

Returns of balances in stock were formerly made to the Inspector of Stores quarterly, and a general survey of the stock was made once a year. No returns are now rendered for Audit, and no inspection of the stock in any of the Military Stores has been made, except by the Storekeeper, for more than three years.

The books and papers, as well as the stores themselves, in the Wellington Store appear to be carefully kept and in excellent order; but it cannot be said to be satisfactory that no account should be kept of the money values of the transactions, and no general balance-sheet showing the position of the store: still less that no audit of the books or stock should be provided for outside the department itself.

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The stores for lighthouses are procured for the most part from England; the *Marine Stores*. rest are bought upon yearly contract in Wellington, where there is a general store, but no Storekeeper. The store is supposed to be in the custody of the Chief Clerk of the Marine Department. Goods supplied by local contractors are not usually delivered into the store, but sent on board the steamer by which they are conveyed to the lighthouses. A copy of the order on the contractor for the goods is sent with them to the lighthouse-keepers. The stores are delivered on board packed, and are not examined or checked before shipment, nor is any receipt returned by the lighthouse-keeper; but the latter reports by the next opportunity, which may not occur for many weeks, if there is any deficiency in quantity or quality in the articles named in the list as ordered.

The lighthouse-keepers keep a Store Ledger, in which are entered all the goods received and expended, and make a return to the Marine Department every six months of the receipt and consumption of each article. A store ledger is kept in the Marine Department for the goods received into and issued from the store, but does not include the stores issued to the lighthouses: the only information it possesses as to the latter is contained in the returns by the lighthouse-keepers, which show the receipts, issues, and balances in hand of every article. When any shipment is made to a lighthouse, the number of articles sent is entered in red ink on the last half-yearly return, which is checked against the next return received from the lighthouse. The contractors send in their vouchers

monthly, and the bills are checked against the lists of goods ordered, and are frequently paid before any receipt or report on the state of the shipment has arrived at the head office. Any discrepancy or deficiency in the articles is adjusted in subsequent payments to the contractors.

A day-book is kept by the Chief Clerk, which is practically a copy of the vouchers sent in to the Treasury for payment. These entries are again detailed into a ledger, under the head of each lighthouse, harbour, or Government steamer to which goods are supplied, or on account of which salaries are paid.

It is obvious that the accounts are somewhat meagre, and that, as the largest part of the expenditure consists of stores, they are practically without any effective audit. The stocks in the store and lighthouses are said to be inspected occasionally by the Chief Clerk, but no inspection of the stores of this department has been made by any independent audit for several years. That the articles, such as oil, on which the efficient maintenance of the lights depend, should be supplied without a previous inspection as to quality as well as quantity, especially where no error can be rectified in some cases for several weeks after their delivery, appears to involve some risk as to the proper maintenance of the lights.

I regret I was unable from want of time to ascertain the method of managing this class of stores in other colonies.

GENERAL  
REMARKS.

From the above account of the stores in the several colonies, it will be gathered that the systems of account vary not only in detail, but also in important principles. The first question which should be settled is the relation which the store accounts should have to those of the Treasury. In some cases, stores are purchased out of the votes of Parliament, upon which the expenditure is finally charged. In other cases they are charged on a Suspense Account, established sometimes by Parliament but in many instances without such authority, and the issues from which are charged on the votes. In the first case, Parliament is informed of the cost of the stores each year, but not, so far as the public accounts are concerned, of the cost of the services for which the stores are purchased.

Thus in the case of the working expenses of the Railways, a considerable part of which is in the form of stores consumed, the departmental accounts must necessarily differ largely from the Treasury account within any period, because the Treasury account comprises the value of the stores purchased, whilst the departmental accounts for the stores consumed.

Another inconvenience arises from charging stores on the departmental votes, from the fact that stores bought or manufactured in the workshops for the service of one department are often issued for the service of another, the value should therefore be charged on the latter, and credit given to the former. But no vote can be credited unless it has first been debited, otherwise the limit of the expenditure sanctioned by Parliament would be exceeded. When stores or other expenditure has been charged on a vote within the year, no difficulty arises, but where the charge has been made upon votes of former years which have lapsed, as is frequently the case with stores, the vote of the year cannot be credited without exceeding the appropriation. The only remedy in such case would be to obtain Parliamentary sanction before the credit was allowed.

But all these difficulties are avoided by the establishment of a Suspense Store Account. It will be remembered that this plan was first adopted when the Provincial lines in the Middle Island were taken over by the General Government. It was constituted by a clause in the Appropriation Acts of the years 1875 and 1876, and was only abandoned owing to the confusion reigning at that time in the store accounts; and by the Appropriation Act of 1878 the balance of the stores account was directed to be charged on the votes of that year.

Where a Suspense Store Account is authorized it is debited with stores purchased and credited with stores issued, and the balance of the account at any time is the value of the stores in hand; and the cost of the service as shown by the Treasury and by the department should coincide. As the Suspense Account

is made a permanent charge and not an annual vote, it may be credited, so long only as it has been debited, at however remote a period, without exceeding the Parliamentary appropriation. Besides, when stores are supplied to other departments than the Railways, or to private persons or companies, the issues can be charged at once to their debit without interfering with the Railway accounts at all. It will be observed that a similar plan has been suggested for dealing with the Printing Office, including the Stationery Store accounts.

As to any practical difficulty or inconvenience arising from the keeping of the Suspense Account, it is worth while observing the extent to which it is adopted in other colonies. It will be gathered from the above description of the public stores in the Australian Colonies that no general principle is observed as to the mode in which stores are charged in the public accounts; in some cases they are charged finally on the votes; in some they are charged to a Suspense Account, and the issues only charged against the votes. In some cases both systems are in force in the same store. The following table will show the stores in each colony to which each of these systems is applied:—

—			CHARGED FINALLY.	CHARGED TO SUSPENSE.
New South Wales	...	..	The Civil Service Stores ...	The Railway Stores.
Victoria	..	..	The Military Stores. The Military Stores. The Railway Stores, for goods sent by the contractors directly to the departments	The Railway Stores, for goods taken into the store.
Queensland	..	..	The Military Stores ...	The Railway Stores.
South Australia	..	..	The Military Stores	The Railway Stores. The Waterworks Stores.
Tasmania	...	..	The Colonial Store, for goods sent by the contractors directly to the departments.	The Colonial Store, for goods taken into the stores.

Hence it appears that, whilst all military stores are finally charged on the votes, the railway stores are usually passed through a Suspense Account.

If, then, it is admitted that a Suspense Stores Account is the most convenient machinery by which store transactions can be embodied in the public accounts, it may well be asked, and it becomes a matter worthy of favourable consideration, whether the system of stores management now in force as regards railway stores may not be applied with equal advantage to all the stores of the colony?

The Railway Stores Manager occupies in respect of the railway stores much the same position as that formerly held by the Inspector of Stores in respect to all the stores in the colony.

Although the office of Inspector of Stores was abolished by the late Government, the two offices of Stores Manager for the railway stores of the Northern and Middle Island were constituted to do virtually the same work, with the additional duty of passing the store vouchers and superintending the movement of stores, when necessary, from the principal to the subordinate stores. The offices of Stores Manager for the Middle Island and Northern Island have been closed, and one Stores Manager now does the work for the whole colony. He is practically the Auditor of Stores and of store accounts, and a very moderate increase to the staff of his office would enable the machinery at his command, which is admirably suited for the purpose, to be applied to the Public Works, Telegraph, Marine, and Defence Stores.

If the powers of the Audit Office over the public moneys, and over the officers concerned in their receipt and payment, were extended to the public stores, as is provided by the English and some of the Colonial Acts, the audit might be practically entrusted to the office of Stores Management, and the powers of the Audit Office could be called into action only when necessary, upon the report of the Stores Manager, without throwing additional work on, or increasing the staff of, the Audit Department. The number of stores subject to the Stores Manager

is eleven. If all stores were placed under his control, the only increase to his work would be in the additional ledgers required for the Military, Telegraph, Public Works, and Marine Stores. The whole stores of the colony would then be brought under one efficient system of management and audit, and both saving and security would be a necessary result. Under the system here suggested the Stores Manager would cease to be an officer of the Railway or any other department exclusively. The railway accounts would no longer include the accounts of stores purchased, taking cognizance only of the stores issued to it for consumption. Each department might supply the Stores Manager from time to time with estimates of the stores which would be required for a given period, say yearly, and it would be the business of the Stores Department to maintain the stock necessary or each department might, as now, have the full power and responsibility of ordering what stores it required; but all would be brought on the books of the Store Manager's office. This, it will be observed, is similar to the plan adopted in those colonies where the stores are purchased on contracts made by a Tender Board.

It may be objected that this system is really only a revival of the Inspector of Stores' Department under another name, but it must not be forgotten, as has been above remarked, that that office had no sooner been abolished than it was found necessary to replace it, so far as the railways were concerned, by an office of Stores Manager for each Island, which was virtually a re-establishment of the old inspectorship for a single department. It is difficult to understand why a different system of control and audit should be found necessary in the Railway Stores, than in those which are probably of equal value in the Public Works, Telegraph, Defence, and Marine Departments.

## Appendix E

In order to show the nature of the accounts which should be kept by the Stores Manager, I have appended a skeleton scheme of a general journal and ledger, which would secure a uniformity between the Stores accounts and those of the Treasury, and would present in a simple form the results of all the transactions in stores.

Should it, however, be thought undesirable to unite all the stores under one office, I submit that a separate Suspense Account should be opened for the stores of each of the departments above referred to, and that some such form of general ledger should be opened in each. The balance of stores in hand, in all the departments, would then coincide with the balance of the Suspense Account in the Treasurer's annual balance-sheet. Where so large a part of the public expenditure is in the form of stores consumed, it is difficult to see why the Treasury balance-sheet should show, as a part of the balance in hand, the moneys in the hands of imprestees unaccounted for, and should not also show the value of the stores in the hands of the storekeepers into which public money has been converted.

#### XI. OF THE COST OF THE ENGLISH AGENCIES.

In obedience to your request conveyed to me by letter, that I would ascertain the cost of the office of the Agent-General of each of the colonies, I am able now to give the expenditure of each, as follows:—

NEW SOUTH WALES.—The expenses of the New South Wales Agency in England are as follows:—

	£
Agent-General .. ..	2,000
Extra expenses .	250
Secretary .	500
Chief Clerk .	200
Clerk .	120
Clerk .	80
Emigration Officer .	350
Contingencies .	250
Total .. ..	<u>£3,750</u>

The Agent-General's salary is fixed, but his duties are not defined by statute.

VICTORIA.—The estimated cost of the Victorian Agency is as follows :—

	£	s.	d.
Agent-General .	2,000	0	0
Secretary ..	700	0	0
Clerk .	225	0	0
Clerk .	165	0	0
Clerk ..	130	0	0
Clerk, 6s. 5d. a day, say ..	98	16	0
Clerk, 2s. 6d. a day .	39	0	0
Occasional assistance, at £1 1s. per day .	.	.	.
Total ..	£3,357	16	0

By the Finance Accounts, however, for the year ending 30th June, 1880, the expenses charged are,—

	£
Agent-General . ..	2,000
Appropriation .	2,662
Total ..	£4,662

The Agent-General is appointed under the Immigration Statute, 1864, No. 195, section 3. His duties are fixed only as regards immigration. He is “to receive such salary as the Parliament of Victoria may from time to time “provide.” The salary is fixed, and his appointment is limited to three years; but he may be reappointed. He is required to give security.

QUEENSLAND.—The expenses are given as follows :—

	£
Agent-General .. ..	1,300
Secretary .	600
Indent Clerk .	300
Executive Engineer .	600
Assistant, at 10s. per day .	182
Despatching Officer .. ..	300
Clerk .. ..	250
Clerk . ..	175
Clerk .. ..	156
Clerk .. .	91
Clerk .	91
Clerk .	80
Total ..	£4,125

The duties of the Agent-General are defined by the Immigration Act only as regards emigration. His salary is voted annually.

SOUTH AUSTRALIA.—The cost in South Australia is,—

	£
Agent-General .. ..	1,500
Assistant and three clerks .. ..	1,605
Total .	£3,105

The duties of the Agent-General are defined only by printed instructions. The salary is fixed by Act.

TASMANIA.—The total cost of the English Agency is £210 a year.

NEW ZEALAND.—The vote for the current year is,—

	£
Agent-General .. .	1,500
Staff .	2,500
Total ..	£4,000

But this should perhaps be increased by the salary of the Audit officer, £400 a year.

## XII. OF LOCAL BODIES.

Of the audit of the accounts of local bodies, into which I was instructed to inquire, there is little to be said, such audit being mostly conducted by local Auditors elected or appointed for the purpose. It may, however, be thought not outside the subject-matter of this report to give a very brief description of the provisions in the several colonies for the local government of the towns and country districts, and the management of the roads and other local public works, confining this description to a notice of the constitution of the local governing bodies, of their revenues, and accounts.

NEW SOUTH  
WALES.

The Acts relating to local government at present in force in New South Wales are the Sydney Corporation Act of 1879, the Municipalities Act of 1867, the Main Roads Act of 1858; and a variety of Acts for the management of the roads in particular districts of the colony

*The Sydney  
Corporation  
Act.*

The Sydney Corporation Act of 1879 repeals the whole, or such parts as relate to Sydney, of thirty-one Acts under which the affairs of the city had previously been conducted. It divides the city into eight wards, for each of which there are three Aldermen, constituting a Council of twenty-four, who elect one of their number on the 9th of December in each year to be the Mayor. The annual election of Aldermen takes place on the 1st of December, when one retires in each ward. The list of citizens for each ward is made up on the 1st of July, and is revised by the Mayor and two Aldermen. It is "made up from the receipts for "city rates paid to the 30th day of June in each year, given to citizens by the City "Treasurer." Every citizen on the list may vote at elections, according to the following scale. If he pays rates upon property assessed at not more than £25 a year, one vote, from £25 to £75, two votes, from £75 to £150, three votes, and above £150, four votes, and he may vote in each ward in which he is assessed. The elections are by ballot, with the usual provisions, each elector receiving as many ballot-papers as he has votes. Two Auditors are elected at the same time as the Aldermen, and in the same manner. The Mayor is *ex officio* a Justice of the Peace, presides in all Courts except those of General and Quarter Sessions, and takes precedence next after members of the Legislative Assembly.

The "ward assessment-book" is made by valuers "from time to time," and contains "an assessment of all rateable property of whatever kind within the city, "whether occupied or unoccupied, such assessment being made according to the "fair average annual value of such property, with a deduction therefrom for out-goings not in any case exceeding ten per cent. upon such annual value."

The Council may, on or before the 31st March, raise a rate on the assessment for the general expenditure of the city (exclusive of lighting) not exceeding two shillings in the pound; and notice of the rate must be gazetted. Buildings used solely for charitable purposes, churches, hospitals, and schools under the Public Schools Act, are exempted, but the exemptions do not apparently include the property of the Government or of the Corporation. Special rates on particular localities in the city, not exceeding sixpence in the pound in the year on any locality, may be levied for the benefit of the locality so valued; but they can only be made on a petition of two-thirds of the ratepayers of the locality, and by consent of the Governor in Council.

Full provisions are made for the supply of water and the levying of water-rates, which are payable in addition to all other rates "in respect to any premises "in the city or suburbs situate within one hundred and fifty feet from the alignment of any public-way along which a main water-pipe belonging to the Council is laid, although such premises are not actually supplied with water "from such main;" "such water-rate shall not exceed five shillings per annum "for every room in each building, including kitchens, warehouses, outhouses, and "water-closets." On a petition from two-thirds of the ratepayers in any public-way or any part of a public-way, or at the discretion of the Council, the Council may water such public-way, and may levy an additional rate on its inhabitants, sufficient to cover the expense.



The Council is also intrusted with the drainage of the city, and has power to levy sewerage rates, not exceeding one shilling in the pound, on every building assessed for city rates situated within one hundred and fifty feet of any sewer or drain vested in the Council, whether or not there is any communication between such building and the sewer.

The Council is endowed with a subsidy of £25,000 a year out of the Consolidated Fund for ten years from 1879. The loans previously advanced to it by the Government for sewerage and water supply are cancelled, and the loans raised for such purposes are made a charge on the Consolidated Revenue.

The accounts of the "City Fund," the "Water Fund," and the "Sewage Fund" are kept separate, the first comprising all the general revenue and expenditure of the city, and the two latter the expenditure connected with the water-supply and drainage respectively. Full accounts are required to be kept and to be audited by the Auditors in the months of January and July in each year, for the previous half-year; and, if correct, the Auditors are to sign and certify them. In the month of February an abstract of the previous year's accounts is to be made, audited, and gazetted, and laid before Parliament. As soon as the ten years during which the city receives the above-mentioned endowment have expired, but not before, the Council may borrow, by mortgage, debentures, or otherwise, on the security of its property and of the rates, any moneys not exceeding in the whole the entire revenue of the city for five years, exclusive of any property held in trust for specific purposes, and exclusive of any grant by the Government.

Collectors are required to pay all moneys belonging to the Council to the City Treasurer within three days after receiving them, and to render accounts at the times determined by the by-laws or otherwise.

The local governments of boroughs and county districts, excepting Sydney, are constituted by the Municipalities Act of 1867. Boroughs and municipal districts created under former Acts are continued and brought under this Act, and power to create new municipalities is vested in the Governor, upon petition from fifty ratepayers, unless opposed by a petition similarly and more numerous signed. A new borough must contain at least one thousand inhabitants, and its area must not exceed nine square miles, of which no one point is more than six miles distant from any other point. A municipal district, which must not include any borough or any part of an existing municipal district, must contain a population of not less than five hundred, and must not exceed fifty square miles in extent, and no point in it may be more than twenty miles from any other point. The constitution, powers, and duties of boroughs and municipal districts are identical, and are provided for under the name of municipalities. Provisions are made for the division and amalgamation of municipalities, and for their subdivision into wards.

*The Municipalities Act.*

The government consists of a Mayor, and a Council of Aldermen varying in number with the population, thus with a population of under a thousand, there are six Aldermen, from one to four thousand, nine Aldermen, more than four thousand, twelve Aldermen. Where two municipalities are united, the number may reach eighteen. The Mayor is elected annually by the Aldermen out of their own body, within seven days after the annual election of Aldermen. A number of Aldermen retire every year proportionate to the number of the Council if it consists of six, two retire; if of nine, three retire; of twelve, four, of fifteen, five; and of eighteen, six retire, and the annual election takes place on the first Tuesday in February in each year. Two Auditors are elected annually at the same time. The elections are by ballot in the usual manner, each voter receiving as many ballot-papers as he is entitled to give votes. Women apparently may vote, but not be elected. Every "person" of the full age of twenty-one, who on the 7th of January is occupier, lessee, or owner of rateable property within the municipality or in any ward, and is liable to be rated for the same, is entitled to be enrolled on the municipal roll and to vote at all elections on the following

scale : If assessed at an annual value not exceeding £25, one vote ; from £25 to £75, two votes ; from £75 to £150, three votes ; upwards of £150, four votes. If the municipality is divided into wards, there is a separate roll for each, and an elector may vote in each ward in which he is enrolled. Service as Mayor, Alderman, or Auditor is compulsory on any one elected under a penalty of twenty-five pounds ; but any candidate nominated may retire before the election. The same penalty is payable on resignation.

“ All lands, houses, warehouses, country-houses, shops, and other buildings, “ tenements, or hereditaments,” are rateable property, excepting those belonging to and occupied by the Crown, the Colonial Government, or the Corporation, and the religious, charitable, or educational establishments usually exempted. The valuation and assessment is made annually, and is entered on the rate-book at the same time as the general rate is made ; it is made “ at nine-tenths of the fair average “ annual rental of all buildings and cultivated lands, or lands which are or have “ been let for pastoral, mining, or other purposes, whether such buildings or “ lands shall be then occupied or not, and at the rate of five pounds per centum “ upon the capital value of the fee-simple of all unimproved lands.”

Before imposing the general rate, the Council must make an estimate of the amount that will probably be required, in addition to its funds derived from other sources of revenue, and the rate is limited to one shilling in the pound on the assessed value. A special rate, not exceeding one shilling in the pound, may be levied for purposes of drainage, water-supply, sewerage, or lighting, “ upon the “ owners or occupiers of property deriving any benefit or advantage from such works ;” and for “ the watering of any street or road,” the Council may levy a “ special “ rate or charge on the rateable property in such street or road not exceeding sixpence “ in the pound in any one year,” and “ may levy the same in addition to any special “ rate for drainage, water-supply, or lighting.” For constructing and maintaining waterworks, the Council may levy special water rates “ upon the owners or occupiers of all houses in streets where the water-mains are laid down, provided that “ no such special water-rate shall exceed five shillings per annum for every separate room in a dwelling-house.” A rate not exceeding threepence in the pound may also be levied for the establishment and maintenance of free libraries and infant schools. But “ the special and general rates taken together ” may “ not at “ any one time exceed two shillings in the pound,” and no special rate at any time may be made “ so that together with any special rates theretofore made, and “ for the time being in force, it shall exceed one shilling in the pound for the time “ being.”

All moneys amounting to twenty pounds and upwards must be paid into the Bank by the Treasurer or other proper officer within seven days after it is received ; and can be withdrawn only by cheque signed by the Mayor and one Alderman appointed for the purpose, and countersigned by the Clerk. The Council are to keep full accounts, which are to be open to the inspection of all Aldermen and ratepayers and creditors of the municipality. Separate accounts are to be kept of the receipts and expenditure of each special rate. On or before the 15th of March and the 15th of September the accounts of the previous half-year must be submitted to the Auditors, certified by the Mayor, and no endowment may be paid to any Council until its accounts have been certified by the Auditors to be correct, and have been published in the *Government Gazette* and in some newspaper circulating in the locality. On being required to do so by the Minister, or by fifty ratepayers, or by any creditor, the Governor may appoint two special Auditors to hold a special audit of the accounts. The books must be balanced for the purpose, and the special Auditors report the result to the Minister. The expenses are to be paid by the Council if undertaken at the instance of the ratepayers ; at the expense of the creditor if made at his request ; and out of the Consolidated Revenue if made by direction of the Minister.

On the 31st of March and the 30th of September the Council is required to send to the Colonial Treasurer a detailed statement of “ all sums of money actually “ raised by rates, and all subscriptions paid up for corporate purposes ” during the

last half year; and the Treasurer is empowered to pay the Council out of the Consolidated Revenue “by way of endowment for corporate purposes,” for the first five years after the incorporation of the municipality, a sum equal to the “whole amount actually raised by rates or assessments and subscriptions” “for general purposes,” in each of the next succeeding five years “a sum equal to one moiety of the amount so paid up,” and in each of the next succeeding five years “a sum equal to one-fourth of the amount so paid up;” “and thenceforth all contribution from public funds by way of endowment shall absolutely cease.”

The Council “may borrow by debentures, mortgage, or otherwise,” on the credit of its property or annual revenues, for the purpose of permanent improvements, “any moneys not exceeding in the whole the estimated revenues thereof for five years,” but all loans must be sanctioned by the Governor, and may be lent by the Government, and fourteen days’ public notice must be given of the intention to borrow, of the object of the loan, and of the rate to be raised. If the loan is to be raised on the general rates, the maximum of one shilling in the pound must be levied yearly, and if on a special rate, the proposed rate must not be reduced till the loan is paid off.

The roads in New South Wales are partly managed by Boards of Trustees appointed by the Governor, under the provisions of various Acts passed for special districts of the colony. These Boards have the power to erect toll-gates and levy tolls; but not to make rates, and votes of Parliament are taken from time to time in aid of their expenditure. By the Main Roads Act of 1858 the three principal main roads northward, westward, and southward from Sydney were taken out of the hands of the Trustees of the districts through which they passed and placed under the management of the Government, the Governor being empowered to appoint a Commissioner or Commissioners for the purpose. They were authorized to levy tolls on roads and bridges, which, however, were all to be paid into the Treasury, and the roads were to be maintained solely out of moneys voted for the purpose. The Governor can exempt from the operation of the Act any part of a main road within the limits of any municipal town and hand it over to the local authorities.

*Roads.*

The roads not provided for by the above enactments are managed by the boroughs and municipal districts, under the Municipalities Act of 1867, which excepts from its operation main roads and roads not constructed or maintained by the Council, or which by Proclamation of the Governor may be excepted from its jurisdiction; and also all roads “for which separate provision shall have been made or shall be made by any Act.”

Two important Acts were passed in the year 1880, the Metropolitan Water and Sewerage Act of 1880, and the Country Towns Water and Sewerage Act of 1880. *Water Supply and Sewerage.*

By the first of these Acts a Board of Water Supply and Sewerage was constituted, consisting of seven members;—three “official members” appointed by the Governor, of whom one is President of the Board; two “city members” elected by the Municipal Council of Sydney; and two “suburban members” elected by the Mayors and Aldermen of the boroughs and municipal districts within the County of Cumberland. The Board elects a Vice-President. The members hold office for four years, and one official, one city, and one suburban member retire every two years, when a fresh appointment or election, as the case may be, takes place.

The “catchment area” and the “sewerage district” for Sydney, and for any of the boroughs or municipal districts in the County of Cumberland, are to be defined by Proclamation. Full powers are given to the Board to do everything necessary to constructing and maintaining a supply of water and a complete system of sewerage. The Board is a Public Board, and all its revenues are paid into the Public Account, to the credit of two separate accounts—the Metropolitan Water Rates, and the Metropolitan Sewerage Rates Accounts. No borrowing powers are conferred by the Act, whence it may be inferred that special legislative sanction is necessary for obtaining the means with which to carry out the purposes of the Act.

The payment for water supplied for domestic purposes is by rates fixed by the Board, and for other purposes by agreement according to the quantity supplied by meter. The rates are to be levied on a valuation of lands and tenements which must not exceed the valuation for municipal purposes, and the rate must not exceed five per cent. on the valuation; but no charge may be less than ten shillings per annum. Property more than sixty yards distant from any main is exempt, but the rate is payable on all tenements within that distance, whether supplied with water or not, after notice has been gazetted that pipes have been laid for the supply. Separate rates may also be levied for sewerage.

As soon as the whole scheme of the proposed waterworks is complete, all the existing waterworks belonging to the Corporation of Sydney may, by consent of Parliament, be transferred to the Board. If Parliament does not consent to this transfer, the Board is to retain all the works outside the city, and the Corporation those within it; and the cost of the works constructed by the Board is to become a debt to the Government, divided amongst the several municipalities concerned, upon a basis laid down by the Act, and on this debt six per cent. is to be paid to the Government, four per cent. as interest, and the remainder a sinking fund in discharge of the debt.

By the County Towns Water and Sewerage Act, the Councils of boroughs and municipal districts are empowered to borrow to the extent of five times the gross amount of rates raised in the previous year, but the plans of the works proposed to be undertaken must be first approved by the Governor. The Colonial Treasurer must pay any interest or principal as to which the Council makes default, and may enforce repayment by seizing the rates and other revenue on which the debt was secured. A sinking fund must be provided and invested in Government securities.

The catchment area and sewerage district are in each case to be proclaimed by the Governor. The provisions for enabling the Councils to carry out the works required and for levying water and sewerage rates, are the same as those in the Metropolitan Act.

Where any waterworks or drainage works have been or may be constructed by the Government, they may upon completion be handed over to the municipality in which they are; and the cost becomes a debt on the municipality, and must be discharged in the same way as similar debts are required to be discharged by the Metropolitan Act.

The provisions for the municipal government of the City of Melbourne have never been incorporated into one statute, but are contained in a considerable number of Acts from the year 1842, when the first Act was passed by the New South Wales Legislature before the separation of the two colonies, down to the present time. The main features of the municipal Constitution have never been altered, except in the substitution of the ballot for open voting, and of a plurality of votes for a single vote, as was at first the case. Numerous amendments have, however, been made in details, and in the powers originally granted to the Corporation. By the Melbourne Incorporation Act of 1842 the Corporation was made to consist of a Mayor, Aldermen, Councillors, and Burgesses, and the city was divided into four wards. Powers were subsequently given to the Governor to subdivide the city by the creation of new wards. The Mayor is elected annually on the 9th October, by the Aldermen and Councillors, out of their own number, but comes into office on the 9th November. He is a Justice of the Peace, *ex officio*, and takes precedence in all Magisterial Courts next after members of the Legislative Council. One Alderman in each ward is elected by the Councillors, out of their own number, and holds office for four years. The Councillors are elected by the Burgesses; three in each ward, of whom one retires every year. The annual election takes place on the 1st November, and the election of Aldermen on the 9th. Aldermen, when elected, vacate their offices as elected Councillors, and the vacancies are filled by fresh elections of Councillors. Two Assessors and two Auditors are elected by the Burgesses on the 1st March. Councillors must possess

a qualification of £1,000 in real or personal property, or be rated at not less than £50 a year

The burgess roll is made up by collectors appointed by the Mayor, before the last of August, and every male person of the full age of twenty-one years who is the owner or occupier of lands or buildings of the annul value of £10 for six months prior to the last day of August, and who is "an inhabitant householder" within the city or within seven miles of its boundary, and has paid all the rates due up to the 31st May previous, is entitled to be enrolled as a burgess. A Revising Court, consisting of an Alderman and two Assessors, revises the roll before the 15th of October, and the roll comes into force on the 1st November. The burgesses originally only had one vote, but by the Act 27 Vict. 178, plurality of voting was introduced. A citizen "assessed at a rateable value of less than "fifty pounds" was to have one vote. "If such rateable value amount to one "hundred pounds and be less than one hundred and fifty pounds," "two votes, and "if it amount to or exceed one hundred and fifty pounds," "three votes." Hence it does not appear how many votes a rateable property of from fifty to one hundred pounds would confer

Service as Mayor is compulsory under penalty of not less than £50 or more than £100, and as Alderman, Councillor, Assessors, or Auditor, under a penalty of from £25 to £50, the penalty to be fixed by the Council, and on resignation or vacation of office by non-attendance at meetings, the same penalty is incurred.

The assessment is made "of all land beneficially occupied in any manner "whatsoever," "according to its full, fair, and average annual value clear of all "out-goings, together with all land not belonging to the Crown," although there may be no building thereon, and "all land attached to and held in conjunction "with any building," "but the annual value of unimproved land" is not to be "estimated at a higher value than six per centum upon the average net value of "the land." A proportionate part of the rates may be remitted on buildings unoccupied for not less than three months continuously.

General town rates may be levied after making an estimate of the amount required in addition to the income of the city from other sources, but the original limit of one shilling in the pound has been repealed. The Council may also levy police rates not exceeding sixpence in the pound, and lighting rates not exceeding fourpence in the pound on the portion of the city lighted.

The exemptions from rates are buildings the property of the Crown or hired by the Government and used for public purposes, hospitals, buildings used for charitable purposes, churches, and "any building used as a school, provided it be "inhabited only by the master or mistress of the school, or his or her family, and "the school be one receiving aid from the Government, or otherwise of a public "character"

The Corporation of Melbourne possesses no general powers of borrowing, but Acts have been passed from time to time for enabling loans to be raised, and the interest and principal are made a "first charge on and are payable out of the "entire revenues of the Corporation, from whatsoever source arising." By the 18 Vict. No. 21, a grant of twenty-five thousand pounds a year for twenty-one years was made out of the public revenue to enable the Corporation to pay interest on a loan of £525,000, which it had been authorized to borrow, and if the principal or interest failed to be paid to the debenture-holders when due, the Lieutenant-Governor was empowered to dissolve the Corporation, and to vest all their powers, estates, and revenue in a Board of Commissioners to be appointed by the Lieutenant-Governor.

Very ample powers are granted by a variety of Acts for dealing with the maintenance of streets, the supply of water, the drainage of the city, the regulation of buildings, and the establishment of markets and public institutions.

Collectors must pay in all their collections to the Treasurer when directed, but within seven days after receipt, and the Treasurer must pay in all moneys within four days to the credit of the City Fund.

Full accounts are to be kept of all receipts and disbursements, and to be audited half-yearly to the 1st of March and the 1st of September, by the two Auditors and one of the Councillors appointed by the Mayor for the purpose, and if the accounts are correct the Auditors and the Councillor so appointed are to sign them. An abstract of the accounts to the 1st September in each year is to be made up, and a copy given to any ratepayer demanding it, on the payment of a reasonable sum, to be fixed by the Council. No special provision is made for the disallowance of any account by the Auditors.

*The Local Government Act.*

The Local Government Act of Victoria of 1874, consisting of 532 clauses, is the most complete and elaborate Act yet passed in any of these colonies on the subject of local government. Repealing or consolidating all former legislation, it divides the colony into 106 shires and 56 boroughs, the boroughs not being included in the shires. The boundaries of each borough and shire are set out in a Schedule; and any districts not included in such description are called outlying districts. Full powers are given for the union and severance of boroughs and shires, for the alteration of their boundaries, and for the creation of new shires and boroughs. A borough having a gross income of £10,000 a year may be declared to be a "town," and of £20,000 a year a "city." All boroughs and shires are included under the name of municipalities, and the same form of government applies to all, the only difference being in the number of Councillors. The number existing under previous Acts is unchanged, but for new municipalities undivided, the Council consists of nine, and, if divided, of three for each ward of a borough, or riding of a shire, not exceeding twenty-four. All creations of new, or alterations of existing municipalities, must be made on petition of the ratepayers not opposed by more numerous signed counter-petitions, or in some cases under the seal of the Corporations concerned.

The qualification of a Councillor is the liability to be rated on property of twenty pounds or upwards. One-third of the whole number in an undivided municipality, and one-third of the numbers for each ward or riding in a divided municipality, go out of office yearly.

The Chairman, who is called Mayor in a borough and President in a shire, is elected out of their own number by the Council, on the fourth day after the annual election of members.

The qualification of voters is as follows: "Every person of the full age of twenty-one years, who, on the tenth day of June in any year, is liable to be rated in respect of any rateable property within any municipal district in respect of which all sums payable in respect of any rates made three months or more before such day shall have been paid, shall be entitled to be enrolled in that year, according to the provisions hereinafter contained, upon the municipal roll, according to the following scale:" Upon property rated in a borough, at less than £50, one vote; from £50 to £100, two votes; above £100, three votes; and in a shire, at less than £25, one vote; from £25 to £75, two votes, and above £75, three votes. Owners of less than £10 may not be enrolled unless they are occupiers. A separate list is kept of persons not enrolled for non-payment of rates, for the purpose of enabling them to vote at election of members of Parliament. The list of voters is made out before the thirtieth of June, and revised by the Council in open Court between the fourteenth and twentieth of July, and the roll is printed before the first of August. In a divided municipality a separate roll is made for each ward or riding. The annual election is held on the second Thursday in August. Every candidate must deposit ten pounds with the Returning Officer; any candidate may retire before the poll. The voting is by ballot, each voter receiving as many ballot-papers as he is entitled to give votes. The deposit of any candidate not receiving more than one-fifth of the least number of votes given for a successful candidate is forfeited, and applied towards the expenses of the election. All other deposits are returned to the depositors.

No person can hold office as surveyor or engineer to any Municipality, unless he hold a certificate of competency from a Board called the Municipal Surveyors

Board, consisting of three persons appointed by the Governor, to examine all persons desiring to become qualified to hold the office as Municipal Surveyor or Engineer.

The Auditors are elected at the same time and in the same manner as the Councillors. The number as fixed when this Act comes into force is unaltered, but in new municipalities only one is elected, the Governor may appoint an Auditor in addition. The salaries of Auditors are fixed by the Governor, and paid by the Municipality.

Collectors must pay in all moneys within three days after receiving them to the Treasurer. Full accounts are to be kept, and balanced to the thirtieth of September yearly, and audited "as soon as conveniently may be." "If the accounts be found correct, the Auditors shall sign the same in token of their allowance thereof, but if they think there is just cause to disapprove of any part of the said accounts, they may disallow any parts of the said accounts so disproved of." An annual statement of accounts is printed, including all transactions, assets, and liabilities, and laid before an annual public meeting of the Council; and, if signed by the Auditors and Chairman, "shall (except as herein provided with regard to an audit by special Auditors) be final in regard to all persons whomsoever"

The Councillors are made personally liable for any money borrowed illegally or any borrowed money expended illegally, which may be recovered from them or any of them at the suit of any ratepayer on behalf of the Municipality; and are, in addition, liable to a penalty of £200 for binding the Municipality to any payment which it is not legally empowered to make.

Upon the petition of a Council, or of any twenty ratepayers of a municipality, the Governor may appoint special Auditors to audit the accounts, and to report to the Ministers, and if it appear to them "that any money forming part of the Municipal Fund or any other fund or account under the control of the Council has been wilfully or through culpable negligence misapplied to purposes not authorized by law, and that any Councillors have wilfully or by culpable negligence misapplied, or connived at, or concurred in the misappropriation of such money," they give a certificate to that effect, and the Governor in Council may within three months wholly or in part confirm or disallow such certificate. An order of confirmation is made conclusive evidence of misapplication of such moneys, which may then be recovered from any of the Councillors named therein, at the suit of the Municipality or any of the ratepayers. A sum not exceeding £50 must be deposited by the petitioners for a special audit, and the costs of the inquiry are paid wholly or partly out of such deposit, or out of the Municipal Fund, as the Governor directs.

As evidence that the power to appoint Special Auditors on petition by the ratepayers is not a dead-letter, it appears in a *Gazette* published on the 22nd November, 1880, that, on the report of two Special Auditors, certain of the Councillors of the Shire of Wimmera are declared to have wilfully misapplied to purposes not authorized by law various sums amounting in the whole to £856 6s. 4d.; and the sums of £144 15s. and £144 7s. 9d. are ordered to be paid out of the Municipal Fund to the said Auditors respectively as costs and expenses connected with the audit. The deposit of £30 lodged as security for costs is ordered to be returned to the depositors. That the certificate of the Executive Council is not granted formally, is shown by the fact that it reduces the surcharge on the Councillors by £2 12s. below the award of the Auditors. The debt thus established against the Councillors is left to be recovered at the suit of the Municipality, or of any of the petitioning ratepayers, or of any creditor of the shire. A single case, such as the above, would be sufficient to induce very careful dealing with the municipal funds on the part of the Boards.

The Municipal Fund consists of all the revenue of the Council, excepting special rates and loans, including grants of Parliament not specially appropriated. All moneys belonging to the Council, amounting to twenty pounds and upwards,



are required to be paid into the Bank within seventy-two hours of their receipt, and can be drawn out only by the cheque of three Councillors appointed to draw cheques. The Council in any divided municipality must appropriate one-third of its net revenues to be expended on the separate wards or ridings in the proportion to the amount of general rates raised in each.

The valuation may be made from time to time, and the rateable property is to be “computed at its net annual value, that is to say, at the rent at which the same might “reasonably be expected to let from year to year, free of all usual tenants’ rates and “taxes, and deducting therefrom the probable annual costs of insurance and other “expenses (if any) necessary to maintain such property in a state to command “such rent. Provided that no rateable property shall be computed as of an “annual value of less than five pounds per centum upon the fair capital value of “the fee-simple thereof; but that every person occupying (otherwise than under “any lease) Crown lands for pastoral purposes only shall be rated in respect of “annual value thereof as aforesaid, and not on the capital value thereof.” Lands belonging to or occupied by the Crown or the Municipality, or by the usual religious and charitable institutions, and lands vested in the Minister of Public Instruction, are exempt.

The general rates, to be made at least once in every year, on an estimate of the proposed expenditure, may not exceed two shillings and sixpence or be less than sixpence in the pound for any one year. Separate rates, not exceeding sixpence in the pound, may be made for expenditure in any particular part of the municipality so rated, and separate accounts must be kept of each such rate. Unoccupied land, on which no rates have been paid for five years, may be taken and let by the Council on seven years’ leases, the rents being used to pay rates and expenses, and the balance held in trust for the owners, but after thirty years the land and rents, if unclaimed, revert to the Council.

The Council may borrow for permanent works to an amount so that the outstanding debt, deducting any sinking fund, shall not exceed ten times the average net income of the Municipality for three years previous to the date of raising any loan. The purposes for which loans may be raised are defined, including the formation of streets, gasworks, waterworks, drainage, municipal buildings, markets, hospitals, libraries, museums, &c. Before borrowing, a statement must be published of the amount and purpose of the loan, and any twenty ratepayers may demand that the question of raising the loan shall be submitted to the ratepayers, upon which a poll must be taken by ballot. A sinking fund of two per cent. per annum must be paid on every loan, and invested in Victorian Government stock, in the name of the Treasurer of Victoria, and of the Municipality, until the Commissioners of Audit certify that the accumulated sinking fund is sufficient to pay off the loan. Each loan must be kept in a separate account at the Bank, and if any balance is left, not required for the work for which the money was borrowed, it must be paid into the sinking fund account of that loan.

An endowment at the rate of two pounds for pound in shires, and pound for pound in boroughs, on the general rates raised was made payable out of the Consolidated Fund from the 1st June, 1875, till the 31st December, 1879.

The Governor may declare any Crown lands, and the Council may declare any land it has acquired, to be a public highway; and “the absolute property “in the land heretofore or hereafter reserved or proclaimed under any Land Act “as a road, street, or highway, is and shall be vested in the Crown.” The Governor may proclaim any road on which toll is collected to be a “main road,” or to be a “common toll road”; and, in the latter case, may determine what Municipalities shall share the tolls taken on it, and in what proportion, the tolls are then taken by a manager of the common toll road appointed by the Councils concerned, or in default by the Governor, who pays them over to the Municipalities. The tolls both of main roads and common toll roads must be expended upon the maintenance of the road so proclaimed.

Very ample powers are given for the construction and maintenance of the



necessary public works, and for purpose of water-supply the Council may levy a water-rate in addition to all other rates, but “not exceeding one shilling in the pound on the assessment of the rateable property of the Municipality, and may be assessed upon such property according to such assessment on any other scale which the Council may by such order determine.”

The water-supply to the City of Melbourne and to the other towns in Victoria is undertaken and maintained entirely by the Central Government, and is under the management of the Board of Land and Works established by the Public Works Act of 1865. Although this can hardly be called a branch of local Government, seeing that the whole management is vested in a central department, yet, as the object is a purely local one, and is attained elsewhere by local institutions, some notice of it may be thought not out of place in a notice of the local bodies of the colonies. *Water Supply.*

The supply of water for Melbourne and the suburbs, and the Town of Geelong, is provided for by “The Public Works Act, 1865,” by which all the powers usual and necessary to extensive undertakings of this nature are vested in the Board of Works. The Board is empowered to sell or lease the works to the Corporation of Melbourne, or in default to any other person, but these powers have not hitherto been exercised. The Board may supply water for domestic purposes on a scale of rates, and for domestic and other than domestic purposes, by agreement in proportion to the quantity supplied by metre. After notice has been publicly given that a main is laid down in any street, the inhabitants are liable to rates whether they avail themselves by laying service-pipes or not. The rates and charges do not appear to be fixed or limited by the Act, but are made by the Board. Water must be supplied by the Board, unless prevented by drought, or some unusual accident, for cleansing the drains and sewers, for watering the streets, for supplying public hospitals and charitable institutions, and for public pumps and warehouses, on conditions to be arranged with the City Council. Water for putting out fires is supplied free, but the fire-plugs are maintained at the expense of the city.

By “The Waterworks Act, 1865,” the Board of Land and Works are empowered to construct waterworks for the supply of water to thirty-nine boroughs and districts named in the Schedule, out of loans to be raised for the purpose; but the Governor in Council must be satisfied that 6 per cent. on the cost can be raised by the water-rates and charges in each case. The limits of the districts to be rated, and the amount of the rates and charges for the water supply are to be fixed by the Governor in Council. The valuation of lands and tenements for the purpose of the water-rates are not to exceed those made by the Borough or Shire Councils in the same district, and no rate is to exceed 5 per cent. on the valuation, but the total charges and rates must not be less than 6 per cent. on the cost of the works.

All the moneys received on account of any of the waterworks are paid to the Public Account, and are subject to the provisions of the Audit Act, and all such moneys in excess of 6 per cent. on the cost of construction, after paying the expenses of management and collection, are required to be invested at compound interest, and to form a fund to the credit of the works. Any waterworks so constructed may be sold to the local body for not less than the cost price, and in such case this accumulated fund is to be credited off such cost.

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The government of local bodies in Queensland is provided for under two Acts: the Local Government Act of 1878, and the Divisional Boards Act of 1879. The former appears to be taken in almost all important particulars from the Local Government Act of Victoria of 1874. *QUEENSLAND.*

The Local Government Act empowers the Governor in Council to constitute any town or country a municipality. A town so constituted is called a “borough;” a country district is called a “shire.” The constitution of both is the same; but *The Local Government Act.*

in the case of a borough, the members of the governing Council are called "Aldermen," and the Chairman is called "Mayor," and in the case of a shire, the corresponding titles are "Councillors" and "President." One-third of the Council retire yearly, and the annual election takes place on the first Tuesday in February. The votes are taken by ballot.

All ratepayers of twenty-one years of age and upwards, and who have paid rates made before the 1st August, may be enrolled as voters on the 1st November each year; but no one who is rated on a property of less value than £10 in a borough, or £2 in a shire, may be enrolled as a voter, unless he is an occupier of such property. A property of not more than £50 carries one vote; from £50 to £100, two votes; and above £100, three votes. Where the municipality is subdivided, the electors vote upon their rateable property in each division separately. Women may be enrolled as voters, but may not be members of Council.

The Corporation has all the usual powers vested in Corporations for making and maintaining the streets and roads, and for all other municipal purposes which are detailed in the Act, including the powers of making valuations, imposing rates, and raising loans.

The valuation is made upon "the net annual value, that is to say, the rent at which the same might reasonably be expected to let from year to year, free of all usual tenants' rates and taxes, and deducting therefrom the probable annual average cost of insurance and other expenses, if any, necessary to maintain such property in a state to command such rent. Provided that no rateable property shall be computed as of an annual value of less than £8 per centum upon the fair capital value of the fee-simple thereof. And provided that every person occupying Crown lands, for pastoral purposes only, shall be rated in respect of such annual value thereof as aforesaid, and not on the capital value thereof." Unoccupied or reserved Crown lands, lands occupied by the Crown or any Corporation for public purposes, or vested in or occupied by the Municipality, commons, mines (meaning the minerals and mining machinery, but not the land or buildings), churches, schools, mechanics' institutes, schools of art, libraries, and cemeteries, are exempted from rates.

Rates are "general" for all purposes of the municipality, or "separate" for any particular area, or "special loan rates" for the payment of the interest on loans; and special rates may also be "separate," that is, for interest on a loan expended on a particular area. A general rate must not exceed one shilling, or be less than sixpence in the pound in the valuation, in any one year, but no limits are imposed upon separate or special rates.

Loans can be obtained only from the Government out of "the Consolidated Revenue of Queensland," and only for permanent works. Plans, specifications, and estimates of the proposed works must be prepared and declared open for the inspection of the ratepayers for a month, by notice in the *Gazette* and newspapers, and any twenty ratepayers may demand a poll as to whether the money shall be raised. If agreed to, a special rate must be made, and if the Governor is satisfied the rate will suffice to provide five per cent. interest on the loan, he may issue his warrant to the Treasurer to make the advance.

Municipalities have a permanent endowment out of the Consolidated Fund, during the first five years after the incorporation of the Municipality of "a sum equal to but not exceeding twice the whole amount actually raised by rates in the year last past;" and in every subsequent year "a sum equal to but not exceeding the amount so raised in the year last past."

All the accounts of general, separate, and special rates, and of the general, separate, and loan expenditure, are required to be kept distinct.

Two paid Auditors are elected by the ratepayers annually at the general election; but the Governor may remove an Auditor on petition from the Council. The Governor in Council prescribes the manner in which the account-books are to be kept. The accounts are to be balanced for the 30th of June and the 31st

December within the following six months, and laid before the Auditors for audit, at which any person interested may be present.

The Governor in Council may at any time appoint some person to examine the accounts of a Municipality, and, at the request of twenty ratepayers, he may also appoint two fit persons to be special Auditors, who may hold a special audit after fourteen days' notice given in the local newspapers; and the Council must balance the books for the purpose. The report of the Auditors, if confirmed by the Governor in Council, is made conclusive evidence in all Courts of the misapplication of any moneys, which may then be recovered "from any one or more of the " Councillors mentioned in such order as liable to pay the same, at the suit of the " Municipality, or any creditor of it, or of any of the petitioning ratepayers." Auditors have the full powers of Justices of the Peace to require the production of evidence, written or verbal, and to administer oaths.

The Divisional Boards Act provides for the constitution by the Governor in *Divisional* Council of districts not included in any municipality under the Local Government *Boards.* Act. Each division is governed by a Board, the number of which is determined by the Governor, of not more than nine, and not less than three members. A divisional district may be subdivided, in which case there may be not more than three members for each subdivision.

There is no separate roll of voters, but all persons on the books as liable to be rated, and who have before noon on the day of nomination paid all rates due, may vote at an election. The number of votes in proportion to rateable property is the same as in the municipalities.

The Returning Officer on or before the 10th January publicly notifies the day of nomination for the annual election, and the election, if contested, must take place within thirty days thereafter. One-third of the Council retire annually. Candidates must deposit £5 with the Returning Officer, which is forfeited to the Divisional Fund unless the candidate receives at least one-fifth of the smallest number of votes given for an elected candidate.

The election is by ballot, the ballot papers being sent free by post by the Returning Officer to the voters, in envelopes marked "Ballot paper." These are returned in envelopes similarly marked, but prepaid by the voter, to the nearest post office to the place of nomination, where the ballot-box is deposited. The ballot-papers must be signed by the voter in the presence of, and witnessed by, a Justice of the Peace or by any other ratepayer.

The duties of the Board are to construct all highways, roads, streets, bridges, and all other public works in the district, except such as are reserved from their control by the Governor in Council, and the Governor in Council may by Proclamation place under their temporary management, or may vest in them, any reserves or public works and buildings constructed or bought out of public moneys, and may rescind any such Proclamation.

The Board may make general rates of not less than fourpence and not more than one shilling in the pound in any one year; and may make special rates to meet the interest on money borrowed for permanent works, or so much of such interest as the works constructed fail to produce; and the special rate, if not made by the Board when required to do so, may be made by the Colonial Treasurer. The rates are made upon a valuation of "the net annual value, that is to say, the rent " at which the same might reasonably be expected to let from year to year, " deducting therefrom an amount equal to one-half that portion of such rent as " shall be deemed to arise from any houses and buildings that may be situated on " such rateable property;" but no valuable property is to be computed "as of an " annual value of less than five pounds per centum upon the fair capital value of " the fee-simple thereof." No rateable property "held as a homestead or con- " ditional selection, upon which the selector is *bonâ fide* resident, shall, apart from " any valuation which may be put upon any houses or buildings thereon, be com-

“puted as of a capital value greater than the selection price thereof.” No land held as pastoral runs only “shall, apart from any valuation which may be put on “any houses or buildings, be valued otherwise than in respect to the annual rent “thereof.”

The permanent endowments are the same as those under the Local Government Act, during the first five years double the rates raised, and subsequently pound for pound.

The Governor in Council may advance loans to any Divisional Fund to be spent on permanent works, the plans and specifications of which have been first approved by the same authority. Loans are limited to an amount the interest on which at five per cent. is equal to the net revenue arising from works already constructed by loan, added to the rates collected in the year then last past, and the Treasurer is to deduct the interest on the loans from the annual endowments of the Board.

All accounts are to be audited by the Auditor-General, or such officer of his staff as he appoints, at least once in every year, and if the books and accounts are negligently kept, or are falsified, the Colonial Treasurer is to withhold any further payment of endowment until they are kept to the Auditor-General's satisfaction.

Pursuant to this Act the Audit Office has prepared all the forms of books and accounts, which are to be kept by the Divisional Boards by double-entry, and has issued full instructions as to the manner in which they are to be kept. It has further taken the accounts of one Board for the year, and printed them in full, as detailed in the general cash-book and ledger, so as to present a complete specimen of the mode in which the entries are to be made.

It will be observed that the accounts of Municipalities are not required by the Act to be inspected by the Audit Office, but may be so at any time by order of the Government; and they will, I believe, in future be all inspected by the Audit Office.

On the other hand, whilst the accounts of the Divisional Boards are subject to the Audit Office, there is no special power to proceed against individual members of the Boards, or to do more than to stop the payments of endowments.

There are at present seventeen Municipalities and seventy-five Divisional Boards.

#### **SOUTH AUSTRALIA.**

The local government of South Australia is provided for by four Acts (1) the Municipal Corporations Act of 1861, with several short amending Acts, (2) the Main Roads Act of 1874, (3) the District Councils Act of 1876; and (4) the Waterworks Act of 1874.

#### ***Municipal Corporations.***

1. The Municipal Corporations Act applies to the City of Adelaide and certain other towns having Corporations, but the Governor may, on a petition from not less than two-thirds of the ratepayers of any district, proclaim it to be a Corporation under the Act, with certain modifications, so as to be suitable to the proposed borough.

Every resident in the colony of full age, who is owner or occupier of any land or buildings, and whose name appears in the assessment roll, is entitled to be enrolled on the “citizens’ roll,” and may vote, or be elected to any office, at any election, provided that he has paid all rates payable at the time of his application to be enrolled. The Council consists of the Mayor and two Councillors for each ward, and on the 1st of December the Mayor and one Councillor for each ward, and the Auditors, go out of office. Any person elected to be Mayor, and not accepting office, is liable to a penalty of £50; and any Councillor or Auditor to a penalty of £25, and the same penalties are payable upon vacancy of office by absence from meetings, in the case of the Mayor for one month, and of Councillors for three months, and of Auditors for six months, but the Council may remit or reduce

the fines when sufficient reasons are shown. Any candidate may however retire before election.

The words used in the Act, as regards the assessment roll and the citizens' roll, are "every person", there is nothing apparently to debar females from voting or being elected to any office.

All elections are by ballot, each citizen having only one vote for each ward in which he is enrolled. On or before the 1st of September the Council must prepare and publish an estimate of the income and expenditure of the city for the ensuing year; and, in order to meet the expenditure, may order an assessment to be made "according to the principles following; that is to say, as to all land being the site of any building and of appurtenances not exceeding one acre in superficial area, which may be occupied therewith, according to the fair, full, and average estimated annual rent (clear of all outgoings) at which the whole would let for a term of not less than twenty-one years, and as to all land being the site of appurtenances which shall exceed one acre in area, and all land unbuilt upon, and all vacant land within the city, according to a percentage of five per cent. on the value of the freehold." Lands and buildings used by the Government for public purposes, hospitals, lunatic asylums, benevolent institutions, churches, and schools, are exempt. Rates are made on the assessment not exceeding one shilling in the pound, except by consent of the ratepayers assembled in public meeting, and, with such consent, not exceeding two shillings in the pound, in any one year. Full accounts of all revenue and expenditure are to be kept, and balanced on the 31st December in each year, and are to be delivered within one month to the Auditors, who may correct and alter the account. The detailed account is to be laid before Parliament, and to be printed and published before the 31st March.

The Council may borrow to the extent of £40,000, and may assign the rates as security, upon interest not exceeding six per cent.; and must set aside £2,000 a year as sinking fund; but any proposed loan must be approved by a resolution of a special meeting of the Council, at which two-thirds of the members must be present, and also by a public meeting of the ratepayers specially convened for the purpose. If a poll is demanded by any six ratepayers, the ratepayers vote on a scale according to the value for which they are assessed one vote for not more than £25, two votes for £35, three votes for £45, four votes for £55; five votes for £65; and six votes for £75 and upwards. The votes are given on papers delivered to the presiding officer of the meeting

There is no provision in the Act for any audit by the Audit Office, or for any special audit at the instance of the Government; and the provisions as to the form of the accounts, and the duties and powers of the Auditors, are vague and meagre.

By the Main Roads Act, certain roads described in a Schedule are declared to be "main roads," and certain districts similarly described are declared to be "road districts." A "road district" comprises any municipality or "district" under the District Councils Act contained within it. The Governor may proclaim new road districts, or may alter the boundaries of existing districts. *Main Roads.*

Each road district is under a "Local Board of Main Roads," consisting of five members, and who must be residents in the district, and possessed of freehold or leasehold property of not less than fifty pounds annual value. Two members are appointed by the Governor, and the others are elected by the Municipal Corporations and District Councils within the road district, and if any part of a road district contains no such Corporation or Council, the Governor may limit the number of elective members, and appoint so many as to make up the full number of the Local Board. Each Corporation or District Council nominates five candidates, and if the assessment of the town or district exceeds £10,000 in value, it has two votes for each candidate. The candidates having the majority of votes are elected to the vacant seats, and hold office

for three years. The members may be paid one shilling a mile for going to the place of meeting, and twenty-one shillings for attendance, for the meeting in each month, and reasonable expenses for special meetings, but they must be in attendance within five minutes after the time appointed for the meeting.

The main roads are vested in, and are under the control and management of, the Local Board.

The only revenue of the Board consists of sums appropriated to each district out of moneys voted by Parliament for the maintenance of main roads, and each Local Board is required to appropriate the funds allotted to it amongst the main roads of the district, after giving a week's notice to the Corporations and District Councils of their intention to make such appropriation.

The Minister for Public Works is constituted the Commissioner for Main Roads, and in the absence of a Local Board its duties devolve upon him, and when any Board is dissolved by the Governor for neglecting its duties, the Commissioner administers the Act in its place.

The Governor appoints two Auditors for each road district. All the accounts have to be kept according to a form supplied by the Commissioner, and annual accounts of receipts and expenditure have to be sent to him by each Board and gazetted; but the Act contains no provisions for enforcing the powers of the Audit, or for surcharging the Board for misuser of moneys.

The Boards may open new main roads and may alter or close existing ones, and if a main road ceases to be a main road, it is handed over to the Corporation or District Council of the town or district in which it may be.

The Local Boards have no power of rating, or dealing with other funds than those supplied by the Government. they are, in fact, no more than subordinate branches of the Public Works Department, to which the care of the main roads in the colony is delegated.

*District Councils.*

The District Councils Act of 1876 provides for the management of all the roads in the colony other than the main roads and the roads and streets in municipalities. The "districts" in existence under former Acts repealed are preserved, and the Governor in Council is empowered to form new districts. Municipalities are not included in districts. The Council consists of five members, or, where the district is divided into wards, of a member for each ward, but if other numbers have been fixed by former Acts they remain unchanged. The annual election takes place on the first Monday in July, when three of the Council go out of office. Two Auditors are elected at the same time, annually. Any resident ratepayer may be elected to the Council, or to be Auditor. Service on the Council is compulsory, under a penalty of £20, and as Auditor, under a penalty of £10, unless the candidate has retired before the election. The Chairman is elected by the Council at the first meeting after the annual election. Every person whose name is on the books as a ratepayer may give one vote at an election, and, where the district is divided into wards, may give one vote in each ward in which he is a ratepayer.

The district roads are under the care and management of the Council, and the uninterrupted use of any street in a town or village, for five years after it has been laid out, is evidence of its having been dedicated to the public, upon which it becomes a district road. Reserves may be granted to District Councils or placed under their control and management.

The Council elects constables for the district from a list of persons liable to serve as constables, made out yearly by the Clerk to the Council. Service is compulsory, subject however to providing a substitute, under a penalty of £10.

The revenues of the Council are derived from the rents and profits of property, fines and penalties imposed by the Act and by certain other Acts mentioned in a schedule, fees, licenses, and general and special rates and loans. There is however no endowment out of the public revenues.

Moneys the property of the Council are required to be paid into the Bank as soon as it amounts to twenty pounds. Accounts of revenue and expenditure are required to be kept, and to be balanced twice a year, and an annual balance-sheet to the 30th June must be prepared on or before the second Monday in July in each year. The Auditors are required to audit the half-yearly balance-sheet, and to sign it "if correct"; but the Act is silent as to any proceedings to be taken if the account is incorrect. The yearly balance-sheet must be gazetted within a month after the Auditors have signed it. The Auditors may refuse to allow any one except the Chairman to be present at the audit of the accounts.

The Council may make an assessment of the rateable property in the district whenever it thinks necessary, "to be made according to the principles following; "that is to say, according to the full, fair, and average estimated annual rent, "clear of all outgoings, at which such property would let from year to year, in "cases where such annual rent, so estimated and clear of all outgoings, shall not "exceed the sum of fifty pounds, but in cases of property, where such annual "rent, so estimated as aforesaid and clear of all outgoings, shall exceed the sum of "fifty pounds, then the assessment of such property shall be made according to "the full, fair, and average estimated annual rent, clear of all outgoings, at "which the whole of such property would let for a term of not less than fourteen "years." Upon this assessment the Council may make rates not exceeding one shilling in the pound for the year ending the following 30th of June, without the consent of the ratepayers in public meeting assembled, and, with such assent, not exceeding two shillings in the pound.

The Council may raise loans subject to the following provisions. The loan and the special rate to provide for its interest, must be agreed to in a public meeting of the ratepayers by not less than two-thirds of the votes given. The special rate must not, with all other rates for the year, exceed two shillings in the pound on the assessment, and it must be sufficient to insure the repayment of the loan, with interest, within fifteen years at furthest from the time of raising it, allowing 10 per cent. on the rate for collection and contingencies. The amount of the loans is therefore limited by the sum arising from a computation made on the above basis.

The Adelaide City, Port, and Suburban Waterworks Act of 1874 is an Act under which the towns in the colony are supplied with water, and applies to twenty-eight towns named in the Act or in the Second Schedule to it, which are defined as the "water area." The Commissioner of Public Works for the time being is constituted the Commissioner of Waterworks for the purpose of administering the Act; and the power of appointing all officers, making assessments, collecting rates, and making regulations subject to the approval of the Governor, and of doing everything necessary for the construction and maintenance of the waterworks in all the towns to which the Act refers, is vested in him alone; as are also all the plant and machinery belonging to the works. The Act is an elaborate one, detailing with sufficient minuteness everything which may be done by the Commissioner for supplying water, and appears to be working successfully for the purpose.

*The Water-  
works Act.*

The Commissioner makes every year an assessment of the property in each town supplied with water, which is declared to be in force from the first to the last day of the year, and it is to be "made according to the full, fair, and average "estimated annual value of the lands and premises assessed, and clear of all out- "goings." This is further defined by a subsequent clause, which states that "The "annual value of all vacant lands shall be estimated at five per centum per annum "on the market value thereof, and the annual value of all other lands shall be "estimated at the full, fair, and annual estimated average rent, clear of all out- "goings, at which such lands would let on a lease of not less than twenty-one "years, or by the foot frontage on a building or improving lease for the same "term." Instead of making a new assessment the Commissioner may take that in force in any municipality or district; and he is given access to all their rate-books and assessment rolls for the purpose.

The water-rate is imposed on the following scale “On all tenements assessed at or below ten pounds a year, twenty-five shillings, on all tenements assessed above ten pounds, and not above forty pounds a year, twelve and a half per centum; five per centum additional on the assessed annual value above forty pounds and not above one hundred pounds, two and a half per centum additional on the assessed value above one hundred pounds, and on unoccupied land or vacant land, three per centum on the assessed annual value. Such water-rates shall be taken as payment for water supplied by the Commissioners from the waterworks for domestic purposes only.” An additional charge is made of five shillings for every head of great cattle, and for every five head of small cattle, and two shillings and sixpence for every two-wheeled carriage, and five shillings for every four-wheeled carriage, the numbers of which are required to be returned to the Commissioner by the owner every year. The Commissioner has power to reduce the rates upon the whole or any part of the water-area in any year. The usual public buildings and schools are exempted from rates. Water-rates are only payable when the Commissioner has notified in the *Gazette* that a main pipe has been laid down in any street, and that he is prepared to supply water to the houses or lands therein. Water is supplied free of charge to Government or municipal lands or buildings, and for the purpose of watering the streets and extinguishing fires. The Commissioner is further empowered to fix the quantity of water which will be supplied for domestic purposes, and to supply water for other than domestic purposes, by special agreement, at a price in proportion to the quantity used. Water for cleansing the sewers and supplying public baths, wash-houses, and fountains is to be supplied at a price agreed on by the Commissioner and Municipality, and is paid for out of rates.

The revenue from the waterworks is paid to the Commissioner. Out of it he pays all expenses for maintaining the works and supplying water, and the balance at the end of each year he is required to pay over to the Colonial Treasurer, who is “to pay thereout such amount of capital and interest in respect of the moneys raised for the purposes of the undertaking as may from time to time fall due.”

#### TASMANIA.

The Acts providing for local government in Tasmania are the Hobart Town Corporation Act of 1857, amended by a short Act in 1872, the Launceston Corporation Act of 1858, the Rural Municipalities Act of 1865, with some brief amending Acts, the Cross and Bye Roads Act of 1870, the Main Roads Act of 1880, and the Audit Act No. 2 of 1875.

#### *Municipal Corporations.*

Under the Hobart Town Corporation Act every male of twenty-one years of age named in the assessment roll as the occupier of any land or building of the annual value of ten pounds or upwards, is a citizen.

Nine Aldermen, one of whom is the Mayor, constitute the Municipal Council. Three Aldermen go out of office on the first of January every year, and their successors are elected on the last Friday in the December previous.

All citizens on the assessment roll in force, and who have paid all rates due up to the day of election, can vote on the following scale. Assessed at a value of from £10 to £50, one vote, from £50 to £100, two votes, from £100 to £150, three votes; from £150 to £200, four votes, from £200 to £250, five votes; from £250 to £300, six votes; and above £300, seven votes. The election is held by the Mayor, who has to prepare polling lists and provide all other requirements for the election. The election is by ballot, and the Mayor has to “provide such number of ballot papers, marked with each particular number of votes, as there are citizens on the assessment roll on the twentieth day before the day of holding the election.” Every voter is required to sign a declaration as to his identity, and that his rates are paid, before receiving his ballot paper, and any one making a false declaration is guilty of perjury.

The Mayor is elected by the Aldermen out of their own number on the day after the annual election of Aldermen, and two Auditors are elected by the citizens



on the day on which the annual election of Aldermen is held. Aldermen and Auditors must hold a property qualification of £500, or £100 a year, in the city. Service after election is compulsory, under a penalty of £100 in the case of a Mayor, and £50 in the case of an Alderman or Auditor.

The assessment is briefly described in the words, "The Municipal Council shall on or before the first day of March in every year assess, by a just and equitable assessment, the annual value of all lands and buildings within the city."

The assessment roll must be published in the *Gazette*, and a copy affixed to the City Council offices, the Courthouse, and the police office for ten days before the hearing of appeals; and must contain the names of owners and occupiers with a description of the lands or buildings and the value at which they are assessed.

No limit is imposed on the amount of rates which may be imposed by the Council, nor does there indeed appear any specific power in the Act to make rates further than is implied by the words of the ninety-seventh section: "Upon the making of any rate which the Municipal Council is by any law empowered to make," a notice is to be published in the *Gazette* stating the amount of the rate in the pound proposed to be levied.

The power to raise loans is contained in the words, "Whenever the Municipal Council is by any law authorized to borrow any money upon the security of the municipal rates, and no other mode is specially provided, such money shall be raised by mortgage of such rates." Hence special legislative power would seem to be necessary to enable the Council to borrow. No limit is placed on the amount which may be borrowed or on the interest which may be paid, but the mortgage must be charged on a separate rate which may be collected by mandamus of the Supreme Court if not levied, and by the mortgagee, who may enter and take possession if the interest is not paid.

All moneys belonging to the Corporation must be paid into the Municipal Fund, and Collectors must pay all moneys to the Treasurer within seven days after the receipt.

Accounts of all receipts and payments must be kept and balanced during the first week in January up to the previous thirty-first December, and must be audited by the Auditors during the month of January; any creditors of the Corporation may be present at the audit, and may object to any part of the account. "If the said accounts are found correct, such Auditors shall sign the same in token of their allowance thereof." There are, however, no provisions in the Act to meet the case of a disallowance of the account or any part of it by the Auditors. The accounts as audited have to be published in the *Gazette* within fourteen days, and to be laid before Parliament. The Council may not dispose of any real property without the consent of the Governor.

The powers of the Council are meagrely defined. The streets are not vested in them, and there are no specific powers given for making, maintaining, or temporarily closing the highways in the city for purposes of repair. Amongst the purposes on which the Municipal funds may be expended, no provision is found for maintaining streets or drains, unless the words "and generally in the improvement of the city," may be supposed to sanction expenditure on these objects, nor are the management of streets or sewers and drains, or regulations as to buildings, prevention of fires, water-supply, or markets, mentioned amongst the subjects on which by-laws may be made.

The Launceston Corporation Act is a reprint almost word for word of the Hobart Town Act.

By the Rural Municipalities Act the Colony of Tasmania is divided into thirty districts, excepting the Towns of Hobart and Launceston, and Tasman's Peninsula, *Rural Municipalities.* and the boundaries of the districts are set forth in a Schedule. The Governor may, however, alter the boundaries on petition from a majority of the ratepayers

affected by the alteration. Certain of these districts, seventeen in number, are declared to be “municipalities,” and the Governor in Council may, on a petition from fifty persons, being the owners or occupiers of property to the value of twenty pounds on the assessment roll in any district, unless a counter-petition is presented from a larger number of similar persons, constitute such district a rural municipality under the Act. There were nineteen municipalities in 1879. Every municipality is a police district, and the Clerk of Petty Sessions is the Clerk of the Municipality. “Every male of the age of twenty-one years whose name is on the assessment roll as proprietor of property within the municipality of the annual value of not less than five pounds, or as occupier of property within the municipality of the annual value of not less than ten pounds,” is an elector.

The municipality is governed by a Council of seven Councillors, one of whom is the Warden. Two Councillors on the second Friday in December every year, and on every third year three Councillors, go out of office, the annual election is held on the day previous. The Warden is the Returning Officer, and all electors who have paid all rates due up to four o'clock on the day preceding the election, may vote, according to the following scale as shown by the assessment roll :—

Annual Value of Property.		Number of Votes.
£5	and under £40 in the case of a proprietor	1
£10	„ £40 in the case of an occupier	1
£40	„ £80	2
£80	„ £120	3
£120	„ £160	4
£160	„ £200	5
£200	„ £240	6
£240	„ £280	7
£280	„ £320	8
£320	„ £360	9
£360 and upwards	„	10

The election is by ballot, each elector having to sign a similar declaration as to identity and payment of rates as in the election in Hobart or Launceston, and receiving a number of ballot papers equal to the number of votes he is entitled to give; not, as in those towns, one ballot paper marked with the number of votes to which he is entitled.

The Warden is elected from their own body by the Council on the day after the annual election. Two Auditors were to be annually elected by the ratepayers at the same time and in the same manner as the Councillors, but this is now repealed, and the accounts are audited by the Audit Office. Acceptance of office is compulsory, under a penalty, in the case of the Warden of £50, and in case of a Councillor or Auditor of £25. The same fines apply to resignation of office. The Warden is *ex officio* a Justice of the Peace, and is invested within the municipality with all the powers of a Police or Stipendiary Magistrate. The power of the Governor to raise a “rural police rate” ceases within a municipality.

The provisions as to assessment are in the same words as in the Hobart Town Act, and the roll must be affixed to the Municipal Council chambers, and to all police offices and post offices in the municipality ten days before the hearing of appeals.

The Council is empowered to make general rates for all purposes, or separate rates for special purposes. But “such rates shall not, exclusively of the police rate and the road rate, in any case collectively or separately exceed the sum of one shilling and sixpence in the pound in any one year.” Occupiers of Crown lands under lease or license are liable to pay only half rates. Government property and the usual institutions are exempt.

Loans may be raised on the security of special rates made for the purpose, but only on a resolution adopted by a majority of the ratepayers assembled in public

meeting. No direct limit is imposed on the amount of the loans, but the special rate must be sufficient to pay the interest and capital within twenty-five years; and as the total rates are limited to one shilling and sixpence in the pound, the sums which may be borrowed are practically limited by the above condition. The loans are raised by mortgage of the special rate.

The provisions as to accounts and audit are the same as in the Hobart Town Act, except that moneys must be paid by collectors to the Treasurer within fifteen instead of within seven days, but the clauses as to audit are repealed, and the accounts are now audited by the Auditor-General.

The Municipal Fund may be appropriated by the Council "generally in the improvement of the municipality and in carrying out and effectuating all or any of the objects or purposes of this Act, and any other Act relating to municipal ties." But whilst the supply of water, prevention of fires, prevention of nuisances, and all other matters which are usually intrusted to municipal bodies, are amongst the subjects enumerated on which by-laws may be made, including "the erection, preservation, and repairing of new or existing bridges and public buildings," nothing is said in the Act as to the care or maintenance of roads and highways in the district.

The main roads in Tasmania are managed under the Main Roads Act of 1880, *Main Roads.* by which "main road districts" are created, as distinguished from road districts, which deal only with cross and by-roads. The Minister of Land and Works is the "Commissioner for Main Roads." Where a main road runs through a rural municipality, the Municipal Council is constituted the "Main Road District Board," and the Warden of the Municipality is Chairman of the Board, and where the main road runs through a road district not contained in a municipality, the Trustees of the road district become the Main Road District Board, and the Chairman of the Trustees the Chairman of the Board. The main roads are specified in a Schedule to the Act, and they are to be maintained in each district by the Board, "at an annual average cost per mile not exceeding the amount per mile to be provided by Parliament." Main roads not in any main road district, and the road from Hobart to Launceston, and certain bridges specified, are vested in the Commissioner, and are to be maintained under his direction, out of funds to be provided by Parliament for the purpose. The Main Road Boards are required to furnish the Commissioner, on or before the 30th November in each year, with an estimate of the cost of the works required to maintain the main roads in each district. When a main road ceases to be a main road, it becomes a cross road, and has to be maintained by the Trustees of the road district. The Governor may appoint inspectors to inspect and report on the condition of the main roads, and if any Board is found to be neglecting its duties, the Governor may suspend it, and its powers thereupon become vested in the Commissioner, and in case of its refusal or neglect to resume its functions when required, the Governor may abolish the Board altogether. The Board has power to open new main roads, or alter or stop up old ones, and to take lands for the purpose. All tolls are abolished on main roads after December, 1880, and all sums charged upon such tolls on main roads are made charges on the Consolidated Fund.

This Act appears to be based in some measure on the Main Roads Act of South Australia; but in the latter the Main Road Board is partly elected and partly nominated, and is a distinct body from that for the management of country roads. In Tasmania, on the other hand, the Main Road Board is identical with the Municipal Council in the rural municipality, and with the Board of Trustees in the road district, which have thus to act in two capacities, maintaining the main roads out of moneys supplied by Parliament, and the cross roads out of rates and local funds, whilst all main roads not within the boundaries of any road district, or any municipal district possessing a Municipal Corporation, are maintained by the Commissioner, that is, by the Government.

No main road districts appear to have been created except the municipal districts and rural districts, and it is not clear what is gained by the Act which could not have been more simply effected by voting money to the Municipal Councils

and Road Trustees for the maintenance of the main roads in these districts, and requiring distinct accounts to be kept of the expenditure of such moneys.

*Cross- and By-roads.*

The Cross- and By-roads Act provides for the management of other than main roads. The Governor in Council is empowered to create, alter, and abolish road districts, but where the roads have previously been under the management of a municipality, such municipality is declared to be a road district, provided, however, that on a petition from the Council or a majority of the landholders the Governor may proclaim that it has ceased to be so.

Cross roads are defined to be (1) any road leading from one town to another; (2) from a town or public bridge to a main road, (3) from a town to a navigable river or the sea-shore, (4) any road or intended road proclaimed by the Governor to be a cross road, (5) or which may thereafter be so proclaimed, (6) all streets within a town except in any town in any rural municipality. The Governor may proclaim any road to be a cross road if it is decided at a meeting of the landholders that it is expedient to do so.

The word "landholder" is defined to mean the owner of any land or buildings in the district of the annual value of not less than £5, or the occupier of any such property of the annual value of not less than £10. Any seven landholders may convene a meeting of the landholders of a district, which elects a chairman, who is required to send a copy of the minutes of the meeting to the Trustees of the district within three days. The landholders vote at meetings according to the assessed value of their holdings, under the same scale of votes as that in force in the rural municipalities. The decisions of the landholders' meetings are binding on the Trustees, except so far as regards making rates.

In the month of April in each year an annual meeting is held, at which the Trustees are elected by open and oral voting. Where there are five Trustees, two retire, and where there are seven, three retire annually. Acceptance of office is compulsory, under a penalty of £20, which the Trustees may reduce to not less than £5, and which applies also to resignation of office.

The Trustees elect their Chairman, but he has no casting vote. On an equal division of votes the question is lost. The Trustees may make and maintain, widen and alter the cross roads, and may take land for the purpose, but roads may not exceed 66 feet in width without the consent of the neighbouring owners. The Trustees of one district may contribute towards the roads or bridges of another district, if they think it to their benefit to do so, and they may expend not less than one-third of the rates collected in any municipality upon the streets of the latter, with the consent of the Municipal Council. They have power to erect toll-gates, and fix and levy tolls not in excess of a scale given in a schedule, and may levy road rates not exceeding one shilling in the pound on the annual value of the property in the district. Occupiers of Crown lands under lease or license are only liable for half rates. The usual buildings are exempted.

The Trustees may raise loans by mortgage of any tolls or of the general rates, or any special rate; but any such loan and rate must be first submitted to and approved by a special meeting of landholders convened for the purpose, and the mortgagee may take possession of the rates or tolls if the interest or principal is not paid.

By-roads are roads made for the benefit of any landholder, who has to lodge the estimated cost of survey, arbitration, and compensation to persons affected.

The clauses as to accounts and audit are similar to those in the other Acts, collectors must pay their collections to the Treasurer within seven days. Two Auditors were to be annually elected by the landholders, but this is repealed and the audit placed in the hands of the Audit Office. The year's accounts have to be prepared and audited in the March following, and published in the *Gazette*.

The "property in the roads," and everything provided by the Trustees, toll-gates, lamps, tools, &c., together with the scrapings of the roads, are vested in the Trustees.

A notice of the system of local government in force in New Zealand is only necessary so far as to enable a comparison to be made of its leading features with those of the several systems in the adjacent colonies. Until the dissolution of the Provinces in 1876, no uniformity prevailed, the Municipal Corporations in towns, and the management of the country roads, being provided for by Acts passed by each Provincial Legislature. In that year five Acts were passed by which uniformity was to a certain extent introduced—the Public Works Act, the Municipal Corporations Act, the Counties Act, the Rating Act, and the Regulation of Local Elections Act. The Provincial Acts under which road districts under the management of Road Boards had been established were left in force, subject to certain general provisions. The Public Works Act divided the roads of the colony into three classes—main roads, county roads, and district roads. Main roads were to be proclaimed by the Governor and to be maintained by the Government out of votes of Parliament, county roads were to be proclaimed by the county and maintained out of county funds; and all other roads were to be left to the management of the existing Road Boards. No roads have as yet been proclaimed to be main roads, and the Act has worked differently in different parts of the colony as to the division of county and district roads. In some cases the county has proclaimed all the roads within the county to be county roads, thereby taking all the management into its own hands, and making use of the Road Boards to carry out the works it determined on; in other cases the whole of the roads in the county have been left district roads, the county dividing its funds amongst the Road Boards for the purpose of their maintenance.

The provisions of the various Provincial Acts still in force have features of difference, but similar powers are contained in all for the election of Boards and the expenditure of their funds in the construction and repair of the country roads. The Rating Act, and the Local Elections Act passed in 1876, have superseded the provisions of the Provincial Acts so far as regards the making of assessments and the levying of rates and the procedure at elections, and have established a uniformity of practice in these particulars throughout all the road districts in the colony.

The Municipal Corporations Act of 1876 provides that all boroughs in existence shall be boroughs under the Act, except boroughs in Otago under the Otago Municipal Corporations Act of 1865, which, however, may be brought under the Act by Proclamation, on a petition from fifty ratepayers, unless opposed by a greater number. The Governor is empowered to proclaim new boroughs, subject to conditions as to size and population. Boroughs may be divided into wards, or divided into two or more boroughs or incorporated into neighbouring boroughs, by the same means. There are sixty-one boroughs in the colony at present.

Every person of twenty-one years of age, whose name is on the burgess roll of a borough or any ward of a borough is a burgess, and may vote on the following scale in each ward in which he is enrolled. If his rateable property is valued at under £50, one vote, from £50 to £100, two votes, from £100 to £150, three votes, from £150 to £350, four votes, and from £350 upwards, five votes. But for elections of the Mayor and Auditors every burgess has only one vote.

The burgess roll is made from the valuation roll, provided for by the Rating Act, omitting the names of those on the defaulters' list, which is made up on the 31st March, and includes all who have not paid rates due on the 31st December previous, but any person paying his rates before the day on which the burgess roll is signed may have his name erased from the defaulters' list and placed on the burgess roll.

The Mayor is elected by the burgesses on the last Wednesday in November, and is of the Council in virtue of his office. The Council consists of nine members in undivided boroughs, and in boroughs divided into wards, of three Councillors for each ward. The qualification of a Councillor is rateable property of £25 a year in the borough. One-third of the Council retires each year, and the annual election is held on the second Thursday in September. Two Auditors are elected on the 1st of June annually.

The Borough Fund consists of rates and tolls, rents from property, receipts from waterworks, gasworks and tramways, fees and fines, subsidies from the Government, loans, &c. The Council may make general rates not exceeding one shilling in the pound in a year, but must first make an estimate of the expenditure, showing how much will be required. It may make separate rates for expenditure on any particular part of the borough so rated, but the separate rates may not exceed one shilling in the pound in any year. Special rates may be made for the payment of interest on loans. Collectors must pay all moneys in their hands into the Bank to the credit of the Borough Fund every Saturday, and must account at the same time to the Treasurer.

Special loans may be raised for establishing waterworks, gasworks, drainage, or tramways, for any other purposes special legislation would be required; all existing loans are, however, made special loans under the Act. Loans can only be raised after discussion at a public meeting of the burgesses, called by the Mayor, after which a poll must be taken by ballot and the proposal carried by a majority of one-fifth of the number of votes given against it. For general purposes the Council may borrow from the Bank by way of overdraft to an amount not exceeding the income of the previous year, excluding Government grants and separate and special rates.

The streets and public places are vested in the Council, and full provision is made for their construction and maintenance, as well as for all public works required for the benefit of the borough, including drainage, waterworks, gasworks, tramways, &c. Water-rates may be levied on the following scale. On a valuation of not more than £12 10s., ten shillings per annum, from £12 10s. to £100, seven per cent. on the valuation, from £100 to £200, six per cent., from £200 to £300, five per cent., above £300, four per cent. Property situated within one hundred yards of any part of the waterworks, and not supplied with water, and property unoccupied for more than six months in the year, pay half rates, warehouses and other buildings not used as dwelling-houses pay two and a half per cent. For any "extraordinary supply" the price is fixed by a by-law in proportion to the consumption.

The accounts of the borough must be kept under the separate heads of the General Account, the Separate Account, the Special Fund Account, the Interest Account, and the Sinking Fund Account, showing the receipt and expenditure (1) of the general rates and other income of the borough, (2) of separate rates, (3) of loans, (4) of interest on debt, and (5) of the sinking funds and their investments. Funds from the General Account may be used to supplement any other account, but no transfer may be made from any other account to the general purposes of the borough. The accounts must be balanced and audited on the 31st March and the 30th September, and a yearly balance-sheet made, audited, and published on or before the 15th April of the accounts up to the 31st March. The latter must be accompanied by a statement of the whole assets and liabilities of the borough, of the public debt, and of the real property and rental, showing the rents in arrear, and these accounts must be laid before the Council on the 2nd of May in each year, and, if correct, signed by the Mayor. They must also be sent to the Colonial Treasurer before the 1st June. On a petition from not less than one-fourth of the burgesses the Governor may appoint special Auditors, whose report must be laid before Parliament. No special provision is made for the case of expenditure being disallowed by the Auditors, or for the accounts being kept otherwise than as required by the Act.

#### *Counties.*

The Counties Act divided the whole of New Zealand into sixty-three counties, the boundaries of which are set forth in a Schedule, but do not include the areas of the boroughs, and six counties comprising districts unoccupied, or almost wholly occupied by Natives, are excluded from the operation of this Act. Parts of counties which are not included in any road district are called outlying districts. Counties may be subdivided by the Governor into ridings for the purposes of election. Provision is made for the union of two or more counties, the subdivision and creation of new counties, the alteration of boundaries, the merging

of road districts into counties, and the redivision of ridings. Any county may determine that the whole Act shall not come into operation within it, in which case its duties devolve on the Road Boards, and the powers of the County Council are confined to an annual subdivision of its funds amongst the several Road Boards in such proportion as it thinks fit.

The county is governed by an elected Council, and “every person whose name appears on the valuation roll of any road district in respect of rateable property within a riding, or on the list of electors (to the General Assembly) of an outlying district, or on the list of miners’ rights as hereinafter provided, shall be entitled to be enrolled as a county elector for such riding” The electors vote on the following scale according to the value of their property on the valuation roll: For less than £50, one vote; from £50 to £100, two votes; from £100 to £150, three votes, from 150 to £300, four votes, and above £300, five votes. A miner’s right gives but one vote.

The Council consists of not more than nine members, nor less than six exclusive of the Chairman; and where there are ridings there must be at least one member for each.

The County Fund consists of rates and tolls, the proceeds of its property, subsidies from the Government, and various fees and fines.

The rates may be general, separate, or special. Separate rates are levied on any part of the county on which they must be expended. Special rates are to provide interest and sinking fund on loans. Collectors pay their collections into the Bank to the credit of the County Fund, rendering an account and bank receipt to the Treasurer. The Auditor is appointed by the Governor.

The accounts required to be kept are divided into the general account, the separate account of the revenue and expenditure of separate rates, the special fund account of the expenditure of loans raised for special purposes, the interest account, showing the receipt of special rates and its disbursement in the payment of interest and sinking fund, and the sinking fund account, showing the receipts and investment of sinking funds. Moneys from the general account may be used for either of the other accounts, but no moneys may be transferred from any other account and used for general purposes. The accounts are to be balanced and audited half-yearly, and on the 15th of April a yearly account up to the 31st of March is to be prepared, showing, in addition to the above accounts, a statement of assets and liabilities of the county debt, and sinking fund to meet it, and of the real property, and rents derivable from it. The balance-sheet must be finally settled by the Council at a special meeting in May, and sent to the Colonial Treasurer. A special Auditor may be appointed by the Governor on a petition from one-tenth of the ratepayers, who reports to the Governor, and the report must be laid before Parliament.

Loans may be raised not exceeding four times the amount which may be raised by way of general rates in one year. The proposal to raise a loan must be submitted to a meeting of ratepayers, and a poll must be taken by voters in the same manner as at an election of Councillors, and unless the majority exceeds the minority by one-fifth of the latter, the proposal is lost. The Councillors are personally liable for loans illegally raised.

The County Council has the management of county roads, but the Governor may direct the county to put any such road, bridge, or fencing in repair, and, on their neglecting to do so, may cause the repairs to be effected at the expense of the county. The county may construct any public works of benefit to that county, and may contract with the Government to do any works on its behalf, and may contract with any Road Board for the execution by the latter of any county works. It has also power to provide for and make by-laws in relation to charitable institutions, libraries, reserves, markets, pedlars and hawkers, slaughter-houses, and pounds. The usual clauses as to assessments, rates, and elections are omitted from the Act, the Rating Act, the Regulation of Local Elections Act, and the Public Works Act being incorporated with it.

The Act is deficient in the absence of distinct provisions for surcharging the Council with a misappropriation of the Council's funds and powers for enforcing such surcharges. All the accounts of Counties and Road Boards are at present audited by five officers of the General Government called Provincial District Auditors, who report to the Colonial Treasurer, but they have no power to rectify any misdealing with the accounts or moneys of the bodies subject to their audit.

*The Rating  
Act.*

The Rating Act of 1878 repealed all former provisions on the subject of rating, and substituted provisions to apply to all bodies alike empowered to levy rates. It provides for an annual valuation list of rateable property to be made by valuers appointed by the local body, and for its revision by an Assessment Court, consisting of the Resident Magistrate or any other person appointed by the Governor. After revision it becomes the valuation roll for the district. The local body, for the purposes of the valuation, is "the Municipal Council, Road Board, or other body having the control and management of the roads of the district." Any other bodies having power to rate must levy rates only on the valuation roll so prepared. On making a rate, a rate-book must be prepared in a specified form, which may be amended by the local body making the rate on appeal by a ratepayer, so far as to make the rate-book coincide with the valuation roll, or to correct errors in computing the rate, but no further. Full powers are given for the collection and recovery of rates, and for the sale of property whose rates are unpaid. Six months' notice must be given to the ratepayer that judgment has been obtained against him for the rates due, and twelve months after the expiry of the notice the property may be sold by auction. By an amending Act in 1879, land may be leased by public auction for not more than fourteen years, instead of being sold.

*Regulation  
of  
Elections Act.*

"The Regulation of Local Elections Act, 1876," contains all the provisions for the conduct of an election which are usually incorporated into any Act constituting an electoral body. Elections under it are by ballot, and the voter receives as many voting papers as the number of votes he is entitled to give. It provides also for cases of disputed elections. The Act comes into force only in respect to elective officers to which it is applied by any Act of the General Assembly, or on the written request of at least two-thirds of the members of the local body of any district, by Proclamation of the Governor. It is incorporated into the Municipal Corporations Act and the Counties Act.

Several local Acts are also in force for the drainage of certain districts, and for the protection of certain districts against the overflow of the larger rivers, by which local Boards are constituted with special jurisdiction and powers of rating and borrowing money for the objects for which they are created.

**GENERAL  
REMARKS.**

Amongst the great variety of points in which all these schemes of local government differ, it is only necessary to notice the leading features. In one respect only all agree, with the exception of New Zealand, namely, in the election of the Mayor, President, or Chairman of the local body, by the Council or Board, instead of by the ratepayers. In New Zealand alone, and then only in the towns, the Mayor is elected by the citizens or burgesses; a provision the object of which is not very clear, seeing that no special powers are vested in the Mayors, other than those exercised by every Councillor, except that of presiding over the Council, whereas the Mayors of Sydney and Melbourne, who are elected by the Council, have special powers and rank, which have not been attached to the office in the New Zealand Corporations.

Secondly, attention should be directed to the different bases upon which the valuations of rateable property are required to be made, and also to the great discrepancy between the voting power accorded to property in the different colonies, extending from a single vote, irrespective of value, to ten votes, in proportion to the value of the property rated, as in Tasmania.

Thirdly, it will be remembered that only in Queensland and Tasmania—and in the former only partially—are the accounts of local bodies audited by the Audit



Office. In most cases powers are given to the Governor to appoint special Auditors on petition by the ratepayers of the district or any creditor of the local body, but in many cases this provision is accompanied by requiring a deposit to be lodged, and by a possible charge of costs on the petitioners, so that advantage is rarely taken of the special powers thus granted. Whilst in all the Acts provision is made for the appointment of Auditors and for passing and signing the accounts if correct, the Acts are silent as to the case of accounts being incorrect, or particular charges in them being disallowed. No doubt any sums expended by a Corporation in a manner not provided for by law, may be recovered in the ordinary Courts to the use of the Corporation from those who have caused such expenditure; but such proceedings must be at the suit of some party whose interests are concerned, as a ratepayer or a creditor, and the rule that what is every one's business is no one's business applies forcibly in such a case, apart from the disinclination all men feel to risk private funds for public purposes, which are equally the interest of their neighbours as themselves. Moreover, were a case brought to trial, the disallowance of charges by Auditors would have no weight in the result, except other than would attach to their evidence given in Court as witnesses and experts. The cause would be determined by the Court on its merits. The position of the Auditor, therefore, is merely that of a person to report and publish any misdealing with the local funds. The only exception to this rule is in Victoria and Queensland, as regards special Auditors, whose decisions are made final, and cannot be reviewed by the Courts of law. It may be thought that such special powers are too large to be placed in the hands of ordinary Auditors; but it will, I think, be admitted that the position of the latter requires to be strengthened and defined. That might be effected by directing the Auditor to institute proceedings for the recovery of moneys illegally spent, or by making his decision *prima facie* final, leaving it to the parties implicated to obtain, within a given time, a mandamus of the Supreme Court compelling the Auditor to pass the accounts as correct. A third plan might be to make the Auditor's report final, subject to appeal to some central authority, such as the Audit Office. In all cases, but especially in New Zealand, where the local bodies are many hundred in number, and many of them at great distances from the seat of Government, nothing but a local audit would be satisfactory. But it would certainly tend to a stricter dealing with municipal moneys if the local Auditors' reports were made final, except on appeal to the Audit Office, and that the decision of the latter should be given the effect of judgments of the ordinary Courts, an appeal being given to a Judge of the Supreme Court on points of law and on a case stated.

Where subsidies of public money are granted to local bodies the necessity of an independent audit becomes of additional importance. As an example of this, a case was mentioned to me by the Secretary to the Treasury in one of the colonies, of a Road Board which was said to have for years obtained the subsidy from the Government payable in proportion to the rates raised, and to have subsequently repaid the ratepayers their rates, and so secured the subsidy without the required local taxation.

It may be objected that any interference by a central authority with the proceedings of local institutions, violates the principle of local self-government, and removes from the people themselves that responsibility for the due care of their own interests which constitutes its chief value. But, on the other hand, it should be remembered that the powers vested in local bodies are not general or arbitrary, but are defined by law, and are granted for specific purposes. So long as the administration of the local authorities within the sphere of the duties imposed on them is left uncontrolled, it can hardly be said to be an interference with local government, if provision is made for restraining them from exceeding those duties. What is obviously required is a simple and effective machinery for compelling a strict compliance with the law, instead of a machinery which, as at present, can only be put in motion by the accident of finding individuals of sufficient public spirit and independent position to become prosecutors for wrongs affecting all. Such a machinery can, so far as I can perceive, most readily be found in the audit of the accounts of local bodies by Auditors wholly independent of the particular

locality, whose disallowance of illegal expenditure shall have the force of law, subject to revision by a central Audit Office, and to appeal to the Supreme Court on questions of law.

### XIII.—CONCLUDING REMARKS.

Before concluding this report, it may be expected that I should state the general impression left on my mind by the inspection of so many different forms of account designed and kept by so many able and skilful accountants.

Two principal objects should be kept in view in all Government accounts first, that they should be shown to be correct by periodical balancing, and should be so arranged that errors can be readily detected and rectified, and, secondly, that they should be kept in such a manner that the Parliament and the country may be supplied at the earliest period, and in the most simple and intelligible form, with the information it requires as to the amount and sources of the revenue paid by the taxpayers, and the objects on which it has been spent.

No general rule seems to be recognized in these colonies upon one point of great importance, namely, by whom the detailed accounts should be kept. Sometimes they are kept in the Treasury, sometimes in the departments, sometimes partly in one and partly in the other, and in some cases in both. Hence the impression is left that there is much more time and labour expended in book-keeping than is necessary to conduct the business of the Government, or to afford such information as the country requires. The relative functions of the Treasury and the administrative departments seem to be nowhere sufficiently defined. It will be admitted that the special function of the Treasury is the receipt and custody of the public revenue, and its issue for the public service in accordance with the appropriations of Parliament. As to the receipt, the Treasury does not generally concern itself with the details of the collections. Thus in the Customs, the department alone keeps a record of the amounts collected on each article subject to duty. Similarly the Stamp Department alone can furnish information as to the amount derived from each description of stamps, and the Railway Department as to the revenue which each particular description of traffic, or each section of the system, has yielded. Attention has already been called to the vast amount of book-keeping in some of the colonies where the accounts of land revenue are kept in the department as well as in the Treasury that, however, is an exception to the general custom, that the detailed accounts on the revenue side are mostly kept in the departments, and the Treasury deals only with the receipts under the general heads of revenue. But it is in the transactions of the Pay Office that the superfluity of accounts is principally seen, where the abstract-books, recording in full detail all the disbursements of the Government, are frequently kept both in the Treasury and the departments.

It is impossible not to perceive a tendency in the Treasuries to monopolize in this respect the work which properly belongs to the departments; and, so far, to relieve the latter from the responsibility to which they ought to be subject. If the question were one of simple book-keeping, it might well be urged that, at all events in these colonies, the whole transactions of which are within a moderate compass, the accounts might with convenience and economy be kept in one central department. But a higher consideration is involved. Under the constitutions and traditions which have been transmitted to us by the Mother Country, the Minister of each department is responsible, not only for the acts of the Government as a whole, but specially for the administration of the department over which he presides. Parliament determines the amount to be expended in each, in greater or less detail, but even where the votes are taken in far greater detail than in this colony, much is left to the discretion of the Minister in the expenditure of the votes. It depends on him alone whether any salaries shall be raised or lowered, and whether any particular works shall be undertaken or not, so long as his votes are not exceeded. But it requires no argument to show that in order successfully to conduct any business whatever, detailed and accurate accounts are necessary, and that such accounts should be kept in the office, whose prudent and successful administration depends upon the information they afford. In certain departments,

such as the Railways and Public Works, minute accounts are indispensable to the conduct of their business, and to the preparation of the statistical information which is necessary for its management, and where the detailed accounts are kept in the Treasury, it follows that a mass of accounts are kept twice over, involving much useless labour and cost. Nor is this all, for whenever it becomes necessary to compare the accounts of the Treasury and the department, a further expenditure of time and trouble takes place in detecting small errors, and reconciling slight discrepancies, and none but those practically engaged in the work have any idea of the loss of time and the amount of trouble caused by these adjustments. On the other hand, in those departments in which no accounts are kept, it is notorious that when information is required as to any particular item of expenditure, as to the whole amount expended, or the balance available for issue, the departmental officers are in the habit of applying to the Treasury for information. For these reasons, I submit that an important step towards a more economical administration of the public finances would be taken, if every department were required to keep full and detailed accounts of its transactions, and that such accounts should be kept by a simple system of double entry, balanced weekly, and compared with the Treasury books, so that any errors might be readily detected and corrected. Thus the primary responsibility for the expenditure of each department would be distinctly thrown on the Minister on whom it is supposed theoretically to lie.

But a further and higher duty attaches to the Treasury, in that it is the office charged with the management of the general finance of the country, and in that capacity ought to have an overruling authority over all the departments in all matters relating to the public revenue and expenditure. Thus in England, whilst the administration of the departments is uncontrolled within the limits of the appropriations, no change, however small, can be made in the expenditure as detailed in the Estimates without the consent of the Lords of the Treasury. Again, the Treasury ought to exercise full control over the forms of the account kept in the departments, and by all their accounting officers; and should require them to be kept, although with such variations as may suit the requirements of each, still, with such uniformity of principle, that the results appearing in the departmental books shall coincide with those shown in the books of the Treasury.

The Treasury accounts of New Zealand are now published in much less detail than formerly, or than is at present the case in most of the colonies. It must be admitted that what has been lost in bulk has been more than gained in clearness of arrangement; but it must be admitted that all the accounts now published can be prepared without any reference to the detailed abstract-books kept by the Treasury. Hence I cannot perceive that the public service would suffer if this part of the work done in the Treasury were abandoned. If more detail than is given in the Treasury accounts is required, it can always be rendered by the departments, without the reduplication of accounts, provided only that the accuracy of the departmental books is attested by a frequent comparison of the totals arrived at in the departments with those in the Treasury. The Treasury would then be confined to recording the receipts and payments under the several heads of the Estimates; and, which is its higher and peculiar duty, in regulating the general finance of the country and providing the ways and means for meeting the public engagements. I cannot but think that some reduction in expenditure may be effected in this direction, as the accounts required in those departments which at present keep none, would be so simple as to require little, if any, increase to the present staff, whilst the saving of double accounts in the Treasury and the Railway and Public Works Departments would be pure gain. The direct saving of expense would, however, be of less importance than that which should be expected to arise from throwing more immediately on each department the responsibility of its own expenditure.

The next step towards securing a more prudent and economical management would be found in a very large reduction in the sum placed at the disposal of the Government to meet unauthorized payments. In all popular Governments it is

unavoidable that pressure should be continually brought to bear on the Ministers, not only by their supporters in Parliament, but by local influence, to induce the Government to sanction expenditure in particular directions, and so long as so large a sum is at its disposal to meet unexpected claims, it is regarded as of too little consequence whether the sanction of Parliament has been obtained or not. It is no answer to those who are pressing for the expenditure in their district, that there is no vote, or that a vote has been exceeded, when they know that work is being done in other directions equally without Parliamentary authority. That this expenditure must be subsequently submitted for the approval of Parliament constitutes no real control. The control over expenditure which has already taken place, is very feeble as compared with that which involves the consideration whether it shall be incurred at all. A Ministry must but be exceptionally weak which fails to obtain the necessary sanction to past expenditures, and the leaders of the Opposition would probably shrink from establishing a precedent, which might be inconveniently followed should they find themselves in office. Practically the effect of these large open votes is to weaken the control of Parliament, and to substitute the absolute will of the Minister in dealing with the public moneys, and that, not in accordance with his unbiassed judgment, but subject to that sort of pressure from which no Minister in a popular form of Government can ever hope to escape. Hence the charges which we so often hear, that public expenditure is made, to a certain degree, the price of political support.

Another cause of laxity in the expenditure is to be found in the form in which the votes are taken. The Estimates are rendered to Parliament in sufficient detail, but the Estimates are not, as they were formerly, a part of the Appropriation Act; nor is any adherence to their details required by law. The legal appropriation is contained in the Appropriation Act alone, and the control over the expenditure depends on the form in which the several votes are incorporated into it. Where, as in this colony, the votes are taken in large sums, often but one vote for the services of a whole department, the control is proportionately weak. The effect of this has been lamentably seen in the expenditure for certain services—for example, in the Native Land Purchase Department, in which nearly a million has been expended in the last ten years at the uncontrolled will of the Minister for Native Affairs. Again, in the votes taken for Public Works and in the Miscellaneous vote on the Consolidated Fund, works of the most varied description are massed under single votes, so that a sum on the Estimates for a bridge at Auckland might be spent on the harbour works at Hokitika, without the Audit being able to prevent it, and without the knowledge of Parliament, because the two are included in one vote, which on the whole may not be exceeded. In this respect the New Zealand Government has departed more widely from established constitutional usage in the appropriation of public money than perhaps any colony of the Australasian Group.

Again, the practice of increasing salaries and establishing new offices during the recess of Parliament, and so altering the purposes for which supplies have been voted as stated in the Estimates, is one which tends in the same direction, namely, to substitute the will of the Minister for that of Parliament. It will no doubt be urged that some discretion is necessary, especially in a new and rapidly-progressing community, to meet unforeseen emergencies, but the objection raised is that the practice is applied to cases which are not emergent, and to circumstances which might have been foreseen. On the other hand, it is impossible but that the habit in question should not react upon the appropriations, and that Estimates should be prepared with sufficient attention to the detailed requirements of the public service, when it is known that no obstacle stands in the way of deviating from them should they be found to be unsuitable in practice. Perhaps nothing would tend further to economy in administration than passing the votes in greater detail, or incorporating the Estimates, as formerly, into the Appropriation Act, or giving them the effect of law by a permanent statute.

As regards the accounts which should be kept by the Audit Office, I know of no rule which can be usefully laid down. It has been shown that in some

colonies (in Queensland formerly, and in South Australia at present) the Audit Office was also the Accounting Office, the Treasury being regarded only as the cashier. It is admitted that such is not the position an Audit Office should occupy; that its duty should be to audit accounts, not to construct them. Hence the accounts of the Audit Office should be of the nature of such memoranda as will enable it to check the accounts submitted to it. But in New Zealand the office is not one for audit only, is also the office of control; hence such accounts are necessary as will enable it to limit its issues to the amounts sanctioned by law, and to the funds lawfully at the disposal of the Government out of which such issues are to be made; and the nature of the necessary accounts depends on the form and degree of detail with which the votes are passed. It has always been the endeavour to limit the accounts of the Audit Office to such only as would enable them to present the information at any moment required, namely, whether any sum proposed to be issued had been sanctioned by Parliament. That such accounts should be kept is involved in the nature of the duties imposed on the Audit by the Revenues Act, and I do not think that any specific provisions as to their form or extent would meet any practical object.

In one point, however, the legislation affecting the duties of the Audit Office appears to require amendment. It has been shown that in most of the colonial Acts a power has been given to the Auditors-General to "surcharge" accountants in certain cases, but it is nowhere defined what is the legal effect of so doing. So far as I have been able to ascertain, the word "surcharge" is one peculiar to Chancery practice, in which, on an account taken, the opposing party could apply for an order to "Surcharge and falsify" "If the party can show an omission for which there ought to be credit, it will be added (which is a surcharge), or if any wrong charge is inserted, it will be deducted (which is a falsification)" (*See Daniel's Chancery Practice*, p. 551.) The result of these operations on an account is of course incorporated into the final order of the Court respecting it, and has the force of law. Hence the word as used in modern Acts has none of the meaning which originally attached to it; for it is not pretended that the surcharge of a colonial Auditor-General has the affect of an order of the Court of Chancery. It is clear that a surcharge by the Audit Office could only be enforced in a Court of law, and that the question then would be, not whether the surcharge had been made, but whether the party surcharged did or did not owe the money to the Crown; a question which could be equally raised without the nominal process of surcharging. Hence it is very desirable that the duties of the Audit Office, as to recovering moneys due to the Crown either from non-collection of revenue or from expenditure made without due authority, should be more clearly defined, and I can see no reason why the surcharge of the Audit Office should not in all cases be made final, subject to appeal on points of law to the Supreme Court, the more so that it has had that effect, by the Revenues Act, for many years as regards the accounts of implestees.

I would venture to submit a recommendation upon one other point, namely, that the form in which the accounts should be published should be definitely settled by statute. The alteration of the form to suit the views of the Government of the day has caused much difficulty in comparing one year's transactions with those of other years. The adoption of a statutable form of account would save much trouble to all concerned in keeping and auditing the public accounts, and would be very satisfactory to all who seek to derive information from them.

On the subject of stores, and the accounts of local bodies, I have said sufficient to render any further remarks superfluous.

One other matter only remains to be noticed. The system in force for paying claims on the Government, will, no doubt, receive its careful consideration; but whatever conclusion be arrived at as regards the general question, the present relations of the Post Office with the Treasury can hardly be allowed to continue without some alteration either in the law or in the practice. The latter has gradually departed widely from the spirit, if not the letter, of the former. Instead of all revenue being paid by the collectors directly into the Public Account, which is the principle

laid down by the Public Revenues Act, the Post Office is now utilised for the collection of revenue of various kinds, Telegraph, Property-tax, Insurance deposits, Sheep-rate, &c.; all of which are paid not directly into the Public Account, but into the Postmaster-General's Account, and thence periodically into the Public Account. Similarly the payments in the Post Office Department are made, although generally by the Treasury, yet in many instances out of the Postmaster-General's Account. I need only here repeat my opinion, confirmed by the practice in all the colonies, and which I have several times had the honor of urging on the Government, that the whole staff and other expenditure of the Post Office could be paid out of the Postmaster-General's Account with less trouble and more expedition than in any other manner, the revenue being paid in as at present in lump sums periodically to the Public Account, and the expenditure drawn from the Treasury in a similar manner, to recoup the Post Office Account. That there is a distinction between the Post Office and all other departments, arising out of its dealings in the Money Order and Savings Bank branches, has already been recognized by the Act of 1878, which established a separate Post Office Account, and the step now recommended seems to be no more than the logical sequence to the provision then made.

In conclusion, I have to beg the indulgence of the Government for the delay which has occurred before placing this Report in your hands; a delay which has been caused solely by the unremitted work in the Audit Office, and the absence of the Assistant-Controller and Auditor on special service ever since I returned from Australia.

The nature of the subject of this inquiry is such that the Report necessarily deals to a great extent with technical details of little interest except to those professionally engaged in accounts, but I hope it will not be thought wholly devoid of information which may interest more general readers, and will prove of some service to the Government.

I have the honor to be, Sir,

Your most obedient humble servant,

JAMES EDWARD FITZGERALD.

Audit Office, 17th May, 1881.

# APPENDIX A.

SPECIMEN OF THE FORM IN WHICH THE ENGLISH ACCOUNT OF REVENUE AND EXPENDITURE IS PUBLISHED QUARTERLY.

YEAR ENDED 31ST MARCH, 1878.

## PART I.—An ACCOUNT of the PUBLIC INCOME and EXPENDITURE of the UNITED KINGDOM OF GREAT BRITAIN AND IRELAND

In the Year ended the 31st day of March, 1878; prepared in compliance with Sec. 4 of the Act 38 and 39 Vict., c. 45.

INCOME.			EXPENDITURE.		
	£	s. d.		£	s. d.
CUSTOMS	...	...	PERMANENT CHARGE OF DEBT.	21,538,443	11 9
EXCISE	...	...	Interest and management of the permanent debt...	5,547,517	18 4
STAMPS	...	...	Terminable annuities...	93,377	7 10
LAND-TAX and HOUSE DUTY	...	...	Interest of Exchequer bills	10,178	1 3
PROPERTY- and INCOME-TAX	...	...	Interest of Bank advances for deficiency	657	10 9
POST OFFICE	...	...	Interest of Bank advances for ways and means	764,825	10 1
TELEGRAPH SERVICE	...	...	New sinking fund	...	...
CROWN LANDS (Net)	...	...	INTEREST ON TEMPORARY LOANS FOR LOCAL PURPOSES	...	...
MISCELLANEOUS—	...	...	INTEREST, ETC., ON EXCHEQUER BONDS (Suez)	...	...
Military and naval extra receipts, and proceeds of old stores sold	776,427	17 6	OTHER CHARGES ON CONSOLIDATED FUND.	406,754	17 9
Amount received from the revenues of India on account of the effective and non-effective charges of British troops serving in that country	1,248,841	1 2	Civil List	308,888	5 3
Interest on public loans	751,054	6 10	Annuities and pensions	95,124	10 4
Interest on the purchase-money of the Suez Canal shares	198,829	2 0	Salaries and allowances	641,545	14 1
Allowance out of the profits of issue received from the Bank of England, per Act 24 Vict., c. 3	138,578	0 0	Courts of justice	189,272	1 2
Net profit on Post Office Savings Banks	126,279	14 11	Miscellaneous charges	...	...
Other miscellaneous receipts	1,774,288	10 1	SUPPLY SERVICES.	14,607,444	14 2
			Army	1,000,000	0 0
			Army charges on account of troops in India	504,719	9 7
			Army Purchase Commission	10,978,591	11 5
			Navy	3,500,000	0 0
			Vote of credit: Russo-Turkish War	13,982,553	9 8
			Miscellaneous civil services	2,688,267	9 6
			Customs and Inland Revenue Departments	3,185,346	5 6
			Post Office	1,139,237	0 0
			Telegraph Service, including Telegraph disallowances	473,000	0 0
			Packet service	...	...
TOTAL INCOME	...	...	TOTAL EXPENDITURE	...	...
Excess of total expenditure over income in the year ended 31st March, 1878	...	...		52,349,159	19 10
				£82,403,495	13 7





## APPENDIX B.

## FORM OF THE JOURNAL OF THE STAMP OFFICE, SYDNEY

ADHESIVE STAMPS, DR. to DUTY STAMPS GENERAL.						£	s.	d.
For value of adhesive stamps, as per Stock-book						..	..	...
ADHESIVE STAMPS, DR. to GOVERNMENT PRINTER.						£	s.	d.
For value of adhesive stamps supplied this month, as per Requisition-book:—								
Requisition 1						..	..	
" 2						...		
CASH, DR. to SUNDRY ACCOUNTS.						£	s.	d.
For collections this month, as per Day-book, viz. :—								
Impressed stamps						...	...	..
Less Suspense Account						...		
Adhesive stamps						..	...	...
Less Suspense Account						..	...	..
Sundry Postmasters—								
For repayments by following Postmasters						..	...	
COLONIAL TREASURER, DR. to CASH.						£	s.	d.
For collections this month paid to Bank of New South Wales to credit of Public Account.						..	..	...
SUNDRY ACCOUNTS, DR. to STAMP DUTIES GENERAL.								
For issues and commissions this month, viz. :—						Impressed.	Adhesive.	
Sundry Postmasters						£ s. d.	£ s. d.	£ s. d.
Less commission						..		
Commission Account,—								
For commission allowed on cash payments						...		
Suspense Account						...	..	.
DUTY STAMPS GENERAL, DR. to SUNDRY ACCOUNTS.						£	s.	d.
For debits detailed in foregoing entries now transferred to the following accounts, viz. :—								
Impressed stamps						...	...	...
Adhesive stamps						..	..	...
COMMISSIONER OF STAMPS, DR. to IMPRESSED STAMP STOCK ACCOUNT.						£	s.	d.
For value of stamps impressed on Warrant No. 1						..	...	...
" " " No. 2							...	...
IMPRESSED STAMPED STOCK ACCOUNT, DR. to COMMISSIONER OF STAMPS.						£	s.	d.
For issues to the following persons, viz. :—								
A.B.						..	...	...
CONSOLIDATED FUND, DR. to SUNDRY ACCOUNTS.						£	s.	d.
Amount appropriated by Parliament—								
Salaries						...	...	..
Rent and contingencies						..	...	..
SUNDRY ACCOUNTS, DR. to CONSOLIDATED FUND.						£	s.	d.
For disbursements as follows :—								
Salaries						..	..	...
Rent						...	..	...
Contingencies						..	...	...
PETTY CASH, DR. to COLONIAL TREASURER.						£	s.	d.
For advances made on the following dates for petty cash :—								

## COLONIAL TREASURER, DR. to PETTY CASH.

For advances adjusted as follows:—

	£	s.	d.
Expenditure ... ..	...	...	...
Repayment to Treasury ..	...	...	...

## SPOILED STAMPS, DR. to PETTY CASH.

For payments made on account of spoiled stamps taken from individuals, as per Spoiled Stamp Register ... ..

## PETTY CASH, DR. to COLONIAL TREASURER.

For advances made to recoup petty cash ... ..

For spoiled stamps burnt by Auditor-General, which have been previously accepted as cash from sundry persons ... ..

## APPENDIX C.

## SCHEME OF LEDGER IN THE RAILWAY ACCOUNTANT'S OFFICE, SYDNEY.

Accounts.	Dr. to	Cr. by
Treasurer's Account ...	Total Appropriations ... .. Payments by other Departments and Persons .. ..	Expenditure. Value of Stores Purchased.
Each Vote or Service ...	Expenditure on each .. ..	Appropriation for each, including Credits to Votes.
Stores Account ... ..	Value of Stores Purchased ..	Value of Stores Issued.
Personal Accounts ...	Value of Stores and Work for other Departments or Persons .	Payments Made by Other Departments or Persons.
Revenue Account ...	Receipts of Revenue ... .. Results of Commission at 20 per cent. on Personal Accounts	*Total Earnings.
Earnings Account	*Total Earnings .. ..	Earnings by Traffic. Earnings by Commission at 20 per cent. on Personal Accounts.
Stations Account ..	Earnings by Traffic	Receipts from Traffic.

\* These entries are made in one sum at the end of the year which closes the Earnings Account.

The balances of the above accounts show—

- (1 and 2.) The unissued balances of the votes.
- (3.) The value of stores in hand.
- (4.) The outstandings on personal accounts.
- (5.) The total outstandings.
- (6.) The outstandings on traffic.

MEMORANDUM for the information of the AUDITOR-GENERAL of NEW ZEALAND, as to the Account Books of the Railway Department of New South Wales.

THE books kept in the Account Branch Railways are as under:

*Principal Books.*—The Railway Cash Book, the Railway Journal, and the Railway General Ledger.

*Subsidiary Ledger for Details and Statistical Purposes.*—The Appropriation Ledger, the Capital Account Ledger, the Personal Account Ledger, and the Schedule (Working Expenses) Ledger.

*Principal Books.*

The Railway Cash Book contains a complete and detailed record of the month's transactions in cash, payments, and receipts. Accounts are entered daily, as they come in, and in the order of their arrival. This book is squared, balanced, and written off monthly.

The journal is posted from the cash-book, and in this book the various entries are grouped, each under their proper headings, so as to show not only the total expenditure and receipt for each month but also the expenditure, &c., on account of each service or vote. In addition to the information posted from the cash-book, the journal contains the values of all stores issued, grouped and summarised to afford the same information.

Thus, while the cash-book, as its name signifies, shows only the transactions in cash; the journal gives a full and detailed record of all transactions during each month.

The General Ledger is posted from the journal exclusively, in monthly totals, each vote or service having its separate and proper heading in the ledger. A yearly balance is made, and the accounts written off, and balances carried forward.

All the principal books of the Railway Department are kept on the double-entry system.

*Subsidiary Books.*

The Appropriation Ledger is kept in single-entry form, and is useful in showing the daily balance on any particular vote, as well as for comparison with the Treasurer's books, which are kept in this form.

The Capital Account Ledger is kept for the purpose of showing at a glance the cost of, or expenditure on, any single line or section of the railways, and also the gross sum expended on the whole of the line, together with the amounts voted for construction, and balance unexpended at close of any year. This book includes the whole of the expenditure on account of construction, whether out of loan or revenue votes.

The Personal Account Ledger shows the amount or value of the work done for, or stores sold to, any person or department outside the railways.

The Schedule Ledger shows the working expenses in their detail, under locomotive, permanent way, traffic, and general, but does not include anything outside of such yearly expenditure for working and maintenance.

The above are the most important of the books in the Account Branch. There are, of course, many other minor and comparatively unimportant books which are not mentioned in a rough statement such as is wanted here.

*Accounts.*

In dealing with the accounts for expenditure, the Treasurer is looked upon as the railway banker, and a heading is opened in the Main Ledger, called "Colonial Treasurer." To the debit of this account is posted the total amount of the loan votes and yearly appropriations authorized by the Legislature, and credits are opened, under the heading for each vote, of the particular amounts authorized for those special works or expenditures.

When claims come in they are entered in the cash-book to the debit of the particular work on which they are incurred, and also to the credit of the Treasurer's account as above.

Should the claims be for materials which go into store, and cannot be charged directly to any particular work or line, they are entered in the cash-book to debit of Stores Account, and credited to the Treasurer as above; and when the materials are issued from store to any work the Stores Account is credited by entry in the journal, and the particular vote for that work debited. In connection with this it should be mentioned that a monthly statement of the values of stores issued is furnished by the Storekeeper, in which the values of materials are properly classified for entry in the journal.

In dealing with the receipts on account of revenue, three headings are opened in the ledger—namely, Revenue Account, Stations Account, and Earnings Account.

The Revenue Account is debited with the total receipts on account of revenue, whether from traffic, sales of old materials, fines, or any other source, and the amount so debited is credited to the Miscellaneous Earnings Account and the Stations Account in their proper proportions.

On the receipt of the monthly return of station earnings from the Traffic Auditor, the Stations Account is debited with the total amount, and the Earnings Account credited with the same. At the close of the year the Stations Account thus shows the balance outstanding, being the difference between the amounts earned at the stations and their receipts, and this amount should, of course, be shown by the accounts unpaid by customers.

At the end of each year the Earnings Account is written off to the Revenue Account *in toto*, and the balance to credit of the latter shows the total amount outstanding, whether from Stations Account or any other source of revenue.

In dealing with receipts other than revenue, such as adjustments, refunds, &c., the receipts are credited directly to the vote or account on which the refunds, &c., are made, and the Treasurer debited with the same, as being available for re-issue.

I have thus endeavoured, as far as the time at my command will allow, to give a scanty outline of our principal books and method of dealing with the accounts, and I trust that it may be found sufficient to give an idea of the system pursued in our railway accounts.

JOHN VERNON,  
Principal Bookkeeper.

21st September, 1880.

## APPENDIX D.

## SCHEME OF THE LEDGER IN THE RAILWAY ACCOUNTANT'S OFFICE AT ADELAIDE.

Accounts.	Dr. to	Cr. by
Accounts of Stations ..	Total Earnings of each	Cash Remitted.
Passenger Traffic ..	Profit and Loss ...	Earnings of Line.
Goods Traffic ... ..	Profit and Loss	Earnings of Line.
Accounts of Miscellaneous Revenue ..	Profit and Loss	Earnings of Line.
Bank .. ..	Cash Banked	Cash Paid into Treasury.
Treasury .. ..	Cheques on Bank ..	Issues for Expenditure.
Profit and Loss * ..	Cost of Working Line ..	Total Earnings.
Stores † ..	Purchases of Stores	Issues of Stores.
Accounts of General Charges ..	Charges Paid	Profit and Loss.
Accounts of Traffic Charges ...	Payments in Cash ..	Profit and Loss.
	Stores Issued	

\* In this account the whole receipts and expenditure from the commencement are brought forward. The balance shows the amount carried to interest.

† The balance of this account is the value of stock in stores.

In this sheet several subordinate accounts and transfer accounts, not affecting the general scheme, are omitted.

SPECIMEN FORM OF A GENERAL STORES LEDGER.

Accounts.	Dr. to	Cr. by
1. Suspense Account ... ..	...	Sum permanently appropriated to Suspense.
2. Appropriation Account	Sum appropriated to Suspense.  Receipts from Personal Accounts. Receipts from commission on ditto, say 20 per cent. Value of stores charged to votes. Expenses charged to votes.	Value of stores on hand on the 1st of January. Payments for stores purchased. Payments for expenses.
3. Stores Account ..	Value of stores on hand on 1st Jan. Value of stores received.	Value of stores charged to votes. Value of stores sold to persons.
4. Sundry Votes	Value of stores charged to each. Share of expenses charged to each.	The same carried to debit of Appropriation Account.
5. Personal Accounts ..	Value of stores sold to sundry persons. Commission on ditto charged.	Payments by sundry persons.  Commission on ditto paid. Value of stores delivered.
6. Contractors' Accounts..	Payments for stores purchased.	
7. Profit and Loss Account	Salaries, wages, and miscellaneous expenses.	Commission charged on Personal Accounts. Balance written off at the end of the year to debit of votes <i>pro ratâ</i> .

It will be seen that the balances on these accounts will show at any time—(1) The amount Suspense voted for purchase of stores ; (2) the balance of that vote available for expenditure ; (3) the stores on hand ; (5) the sums due by private persons ; (6) the sums due to contractors and, if the two latter accounts are closed by the payment of outstandings, the total sum voted is equal to the unexpended balance of the vote, together with the value of the stores in hand at cost price.

Charging the loss on the Profit and Loss Account on the votes periodically, is equivalent to charging such commission, as that the goods are sold for the exact price they have cost, including expenses ; and the charge of a commission of 20 per cent. to private persons to whom stores may be sold is only necessary, because such accounts could not well be kept open, and the sum payable by the purchaser left in uncertainty, until the end of the year.

The workshops should be treated as branch of the store, and the expenses written off to the votes in the same manner.

APPENDIX F.

COMPARATIVE TABLE, compiled from the Estimates, showing the Cost of Legislature in the different Colonies.

—			Year.	Salaries and Wages.		Other Expenses.		Total.	
				£	s. d.	£	s. d.	£	s. d.
New South Wales	..	..	1880	16,358	0 0	2,495	0 0	18,853	0 0
Victoria	..	...	1880-81	33,496	0 0	2,950	0 0	36,446	0 0
Queensland	..	..	1880-81	8,633	0 0	2,579	0 0	11,212	0 0
South Australia..	...	..	1880-81	5,316	0 0	4,775	0 0	10,091	0 0
Tasmania	...	.	1881	2,398	0 0	370	0 0	2,768	0 0
New Zealand	..	...	1880-81	27,820	0 0	7,480	0 0	35,300	0 0

# APPENDIX G.

THE following table has recently been prepared and printed by the Government of New South Wales. It is appended to this report, as exhibiting results of considerable interest, but without checking the accuracy of the figures.

STATISTICAL RETURN showing the Relative Positions and Aggregate Importance of the AUSTRALASIAN COLONIES at the close of the Year 1879.

Name of Colony.	Area in Square Miles.	Estimated Mean Population of 1879.	Revenue of 1879.	Proportion of Revenue of 1879 raised by Taxation.	Rate of Taxation per Head of Population.	Value of Imports for 1879.	Value of Exports for 1879.	Value of Exports per Head of the Population.	Total Value of Trade (Imports and Exports).	Value of Trade per Head of the Population.
New South Wales	310,937½	714,012	4,475,059	£	£ s. d.	£	£	£ s. d.	£	£ s. d.
Victoria	88,198	888,500	1,272,721	1 15 7½	19 17 8½	14,198,847	13,086,819	18 6 6½	27,285,666	38 4 3½
South Australia	380,070	255,087	*4,621,520	†1 19 4½	16 18 5½	15,035,538	12,454,170	14 0 4	27,489,708	30 18 9½
Queensland	669,520	214,180	1,662,498	2 1 3	19 13 1½	5,014,150	4,762,727	18 13 5	9,776,877	38 6 6½
Tasmania	26,215	111,208	1,461,824	2 18 1½	14 7 8½	3,080,989	3,434,084	16 0 8	6,514,923	30 8 4½
Western Australia	1,000,000	†28,668	375,367	2 2 6	11 7 1½	1,267,475	1,301,097	11 13 1½	2,568,572	23 1 1½
New Zealand	105,342	448,124	196,315	3 1 7½	14 4 1½	407,399	494,883	17 5 3	902,182	31 9 4½
Total for Australasian Colonies	2,580,282½	2,659,779	15,927,438	3 4 4	18 13 9	8,374,585	5,743,126	12 16 3½	14,117,711	31 10 0½
						47,378,783	41,276,856	15 10 4½	88,655,639	33 6 7½

## STATISTICAL RETURN—continued.

Name of Colony.	Miles of Railway Open, Dec. 31, 1879.	Miles of Railway in course of Construction, Dec. 31, 1879.	Miles of Telegraph Lines Open, Dec. 31, 1879.	Miles of Telegraph Wire Open, Dec. 31, 1879.	Miles of Telegraph in course of Construction, Dec. 31, 1879.		No. of Acres under Crop in 1879.	No. of Horses in 1879.	No. of Cattle in 1879.	No. of Sheep in 1879.	No. of Pigs in 1879.	Estimated Population on Dec. 31, 1879.	Public Debt on Dec. 31, 1879.	Rate of Indebtedness per Head of Population.
					Length of Lines.	Length of Wire.								
New South Wales	736	236	7,517½	12,426	497¾	497½	635,641	360,038	2,914,210	29,043,392	256,026	734,282	14,937,419	£ s. d. 20 6 10½
Victoria	1,125	74½	3,155	5,736	23	47	1,688,275	216,710	1,129,358	8,651,775	144,733	899,333	20,050,753	22 5 10½
South Australia	559	252½	4,393½	5,934	850	1,010	2,271,058	130,052	266,217	6,140,396	90,548	259,287	6,605,750	25 9 6½
Queensland	503	305	5,871	7,891	...	...	101,052	163,083	2,800,633	6,065,034	64,686	217,851	10,196,150	46 16 0½
Tasmania	172½	...	731	949	14	14	156,184	24,578	129,091	1,834,441	38,312	112,469	1,786,800	15 17 8½
Western Australia	72	19½	1,568½	1,580	3½	7	65,491½	32,411	60,617	1,109,860	20,397	28,668	361,000	12 11 10
New Zealand	1,171	...	3,605	9,300	...	...	\$2,218,782	113,768	113,768	113,069,338	207,337	463,723	23,958,311	51 13 3½
Total for Australasian Colonies	4,338½	937½	26,841½	43,816½	1,388½	1,575½	7,136,483½	1,064,640	7,878,556	65,914,236	822,039	2,715,619	77,896,183	28 13 8½

\* For the financial year ended 30th June, 1879. † This rate has been calculated according to the mean population of the financial year ended 30th June, 1879 (879,249). ‡ Population on 31st December. § Includes 1,405,018 acres after having been broken up, including such as in hay, but exclusive of 1,326,281 acres of grass-sown lands which had not previously been broken up. || According to the returns of March, 1878.

