

1883.
NEW ZEALAND.

PUBLIC ACCOUNTS COMMITTEE.

(REPORT ON ORGANIZATION OF THE GOVERNMENT INSURANCE DEPARTMENT,
TOGETHER WITH MINUTES OF PROCEEDINGS.)

(Report brought up 5th September, and ordered to be printed.)

ORDER OF REFERENCE.

WEDNESDAY, THE 25TH DAY OF JULY, 1883.

Reference from the Treasury.—In accordance with a resolution of the House, come to on the 8th July, 1870, the Colonial Treasurer has the honour to refer to the Public Accounts Committee, for consideration, the present organization of the Government Insurance Department, with the view of the Committee suggesting any alterations which may tend to the more efficient and economical working of the department; also to submit the Government Life Insurance Bill, which the Government propose to introduce during the present session, in order that the Committee may suggest any amendment which it may seem to be desirable to make in the provisions of the Bill.—(*Hon. Major Atkinson.*)

REPORT.

THE Committee to whom was referred for consideration the present organization of the Government Insurance Department, with the view of the Committee suggesting any alterations which may tend to the more efficient and economical working of the Department, have the honour to report:—

That the Committee sees no reason whatever to doubt the soundness of the Government Insurance business, so far as their investigations have extended.

With reference to any revision of the system, or to any reorganization of the department, which may be required, the Committee has not yet taken sufficient evidence to enable them to make specific recommendations to the House.

It is also the opinion of the Committee that the evidence taken should not be published until the inquiry has been completed.

F. J. Moss,
Chairman.

5th September, 1883.

MINUTES OF PROCEEDINGS.

FRIDAY, 20TH JULY, 1883.

Present: Mr. Moss (Chairman), Hon. Major Atkinson, Mr. Barron, Mr. Dargaville, Mr. Peacock, Mr. Wilson, Mr. Wright.

Motion made, That a copy of Mr. Thorne's letter of appointment as Superintendent of Insurance Agents be laid on the table, and that Messrs. Thorne and Luckie be summoned to attend at that meeting in connection with the item Government Insurance Account, £3,652 9s. 5d.—*Mr. Dargaville.*

Amendment, That the item Insurance Account, £3,652 9s. 5d, be postponed until the whole question of the organization of the Government Insurance Department be considered by the Committee, the Treasurer having announced his intention to refer the question for the Committee's consideration.—(*Hon. Major Atkinson.*)

Amendment put, and agreed to.

Adjourned till Thursday next, at 11 o'clock.

TUESDAY, 31ST JULY, 1883.

Present: Mr. Moss (Chairman), Hon. Major Atkinson, Mr. Dargaville, Mr. Montgomery, Mr. Peacock, Mr. Wright.

Motion made, That the Commissioner of Insurance be summoned to attend on Thursday next.—(*Mr. Dargaville.*)

Motion put, and carried.

The Treasurer laid upon the table a memorandum *re* the discrepancy between the list of securities standing in the name of the Postmaster-General on the 31st December, 1882, and the list of securities belonging to the Post Office, dated the 27th March, 1883. (See Appendix.)

Adjourned till Thursday next, at 11 o'clock.

THURSDAY, 2ND AUGUST, 1883.

Present: Mr. Moss (Chairman), Hon. Major Atkinson, Mr. Barron, Mr. Dargaville, Mr. Montgomery, Mr. Peacock, Mr. J. G. Wilson, Mr. Wright.

The Committee considered the reference from the Treasury *re* Government Insurance.

Mr. D. M. Luckie, Commissioner of Insurance, was examined.

Adjourned till Tuesday next, at 11 o'clock.

TUESDAY, 14TH AUGUST, 1883.

Present: Mr. Moss (Chairman), Hon. Major Atkinson, Mr. Barron, Mr. Dargaville, Hon. Mr. Dick, Mr. Montgomery, Mr. Peacock, Mr. J. G. Wilson, Mr. Wright.

Government Insurance Department: Consideration resumed. Mr. Luckie was further examined.

Adjourned till Thursday next, at 11 o'clock.

FRIDAY, 24TH AUGUST, 1883.

Present: Mr. Moss (Chairman), Mr. Barron, Mr. Dargaville, Mr. J. W. Thomson, Mr. Wright.

Government Insurance Department: Consideration resumed. Mr. C. G. Knight and Mr. D. M. Luckie were examined.

Adjourned till Monday next, at 10 o'clock.

MONDAY, 27TH AUGUST, 1883.

Present: Mr. Moss (Chairman), Hon. Major Atkinson, Mr. Barron, Mr. Dargaville, Mr. Montgomery, Mr. Peacock, Mr. Wright.

Government Insurance Department: consideration resumed. Mr. Knight and Mr. Luckie were further examined.

On the motion of the Hon. Major Atkinson, *Resolved*, That a Sub-committee be appointed, to consist of the Chairman, Mr. Barron, and Mr. Wright, to report to the Committee at their next meeting.

Adjourned till Wednesday next at 11 o'clock.

WEDNESDAY, 29TH AUGUST, 1883.

Present: Mr. Moss (Chairman), Mr. Barron, Hon. Mr. Dick, Mr. Peacock, Mr. Wright.

Government Insurance Department: consideration resumed.

The Sub-committee submitted the following report: "The Sub-committee appointed at the last meeting have visited the office of the Insurance Department; They have inspected the forms and papers, and, so far as the time at their disposal enabled them to inquire into the subject, they are of opinion that the precautions taken in that respect to secure thorough investigation into the character of the lives accepted are satisfactory."

On the motion of Mr. Peacock the report was adopted.

Government Insurance Department: consideration resumed. Mr. H. S. H. Lyall was examined.

Adjourned till next Friday, at 11 o'clock, when the Chairman would submit the draft interim report to the Committee.

FRIDAY, 31ST AUGUST, 1883.

The Chairman stated that he had prepared a draft interim report.

Motion made, That the consideration of the draft report be adjourned until further evidence is taken.—(*Mr. Montgomery.*)

Motion seconded by Mr. Dargaville.

Amendment proposed, That the word "adjourned" be omitted, in order to insert the word "postponed."—(*Mr Wright.*)

Question put, "That the word proposed to be left out stand part of the question.

The Committee divided.

Ayes: Mr. Barron, Mr. Dargaville, Mr. Montgomery, Mr. Wilson.

Noes: Mr. Peacock, Mr. Wright.

Original question—That the consideration of the draft report be adjourned until further evidence is taken—put and carried.

Motion made and question, That the Committee at its rising adjourn till 11 o'clock to-morrow.—(*Mr. Montgomery.*)

Motion put, and carried.

Motion made and question, That Mr. Thorne be summoned to give evidence at to-morrow's meeting.—(*Mr. Montgomery.*)

Motion put, and carried.

SATURDAY, 1ST SEPTEMBER, 1883.

Present: Mr. Moss (Chairman), Hon. Major Atkinson, Mr. Barron, Mr. Dargaville, Hon. Mr. Dick, Mr. Montgomery, Mr. Peacock, Mr. Wilson, Mr. Wright.

The Committee considered the following draft report:—

The Committee, having received from the Treasury a reference, dated the 25th July, 1883, referring to them "The Public Revenues Act, 1882," in order that the Committee might consider "whether any, and if so, what amendments it may be desirable to suggest to the House, especially with regard to imprests," report—

1. That they have examined the Controller and Auditor-General, whose evidence is attached. The Committee regret that, in consequence of the late period at which the investigation was begun, and of the other duties devolving upon them, they have been unable to give the subject full consideration. They therefore confine themselves to reporting their opinion as to the means of guarding against the expenditure of further money beyond two months after the Appropriation Act has expired, in order to secure that Parliament shall be called together within that time.

2. The ninth section of the Act of 1882 provides that the Colonial Treasurer may, until a new Appropriation Act is passed, "issue and pay" moneys during two months after the Appropriation Act of the previous year has expired. The Appropriation Act of 1882-83 expired on the 31st March, 1883. On the 31st May the Controller and Auditor-General issued £192,150 to the Paymaster-General under protest. He was aware that it could not be required for the past month's services, but considered that he had no legal power to refuse. The money then became an imprest in the hands of the Paymaster-General, and was used by him to make payment till Parliament (which met on the 14th June) had granted a new supply.

3. The Committee are of opinion that a slight addition to "The Public Revenues Act, 1882," prohibiting the Colonial Treasurer or any imprestee from paying public money after the 31st May, would meet the case, and would secure the meeting of Parliament, which the Committee take to be the main purpose of the provision referred to.

4. The Controller, in his evidence, refers to the difficulty and annoyance caused to the Audit Office by the provision in the Land Act limiting the payment of travelling expenses for members of Land Boards "to the expenses actually incurred." The Audit Office refuses, under this provision, to pay any account for travelling expenses unless the account is accompanied by sub-vouchers for the small sums of which such expenses largely consist. Members of Waste Lands Boards object to this, and have been in the habit of commuting the charge at 20s. per day. The amounts are then paid, on the authority of the Ministers, out of unauthorized expenditure, and included in the Appropriation Act of the following year.

5. The same difficulty and annoyance are experienced by the Audit Office in dealing with the travelling expenses of members of Parliament engaged on Royal or other Commissions, and whose travelling expenses are also limited by the same Act to expenses "actually incurred."

6. The Committee recommend that authority should be obtained to commute such expenses for a fixed sum of 20s. per day, in addition to money paid for coach, railway, steamship, or other passenger fares; such commutation, in the case of members of Waste Lands Boards, not to exceed days for each sitting of the Board.

On the motion of Mr. Wright, *Resolved*, That the consideration of clause 1 be postponed.

Clause 2 put and carried.

On the motion of Mr. Montgomery, *Resolved*, That after the word "that," in the first line of clause 3, the words "to remove doubts" be inserted.

On the motion of Mr. Montgomery, *Resolved*, That the words "a slight addition to, in the first line of clause 3, be struck out, in order to insert the words "an amendment of."

Motion made, That the words "31st May," in line three of clause 3, be omitted, in order to insert the words "30th June.—(Mr. Wright.)

Question put, That "30th June" be substituted for "31st May."

The Committee divided.

Ayes: Hon. Major Atkinson, Hon. Mr. Dick, Mr. Peacock, Mr. Wilson, Mr. Wright.

Noes: Mr. Barron, Mr. Dargaville, Mr. Montgomery.

Motion therefore carried.

On motion of Mr. Wright, *Resolved*, That all words after "case," in the third line of clause 3, to the end of the clause, be left out.

Question put, That clause 3 as amended be agreed to.—Carried.

Clause 4 put and carried.

Clause 5. The Chairman, before reading this clause, inserted the following words after "commissions": "who are debarred by the Disqualification Act from receiving remuneration of any kind for their services."

Clause 5 as read put and carried.

On motion of Mr. Wright, *Resolved*, That all words after "exceed," in the fourth line of clause 6, be omitted, in order to insert the words, "twenty shillings for each day that the Board sits."

Motion made, That all the words after "consideration," in the fourth line of clause 1, to the end of the clause, be struck out.

Question put, That the words proposed to be left out stand part of the question.

The Committee divided.

Ayes: Mr. Barron, Mr. Dargaville, Mr. Montgomery.

Noes: Hon. Major Atkinson, Hon. Mr. Dick, Mr. Peacock, Mr. Wilson, Mr. Wright.

Motion therefore carried.

Motion made and question put, That the report as amended be adopted.

The Committee divided.

Ayes : Hon. Major Atkinson, Hon. Mr. Dick, Mr. Peacock, Mr. Wilson, Mr. Wright.

Noes : Mr. Barron, Mr. Dargaville, Mr. Montgomery.

Motion carried.

On motion of Mr. Montgomery, *Resolved*, That a copy of this report, with evidence, be forwarded to the Treasurer, and that, at the desire of the Treasurer, the report be brought up to the House to-day.

Motion made and question put, That Mr. Thorne be now examined.—(*Mr. Montgomery*)
The Committee divided.

Ayes : Mr. Barron, Mr. Dargaville, Mr. Montgomery, Mr. Peacock, Mr. Wright.

Noes : Hon. Major Atkinson, Hon. Mr. Dick, Mr. Wilson.

Motion carried.

The Committee resumed consideration of the Government Insurance Department.

Mr. Thorne was examined.

Adjourned till Monday next at half-past ten o'clock.

MONDAY, 3RD SEPTEMBER, 1883.

Present : Mr. Moss (Chairman), Hon. Major Atkinson, Mr. Peacock.

On motion of Hon. Major Atkinson, *Resolved*, That the reading of the minutes be adjourned till next meeting, and that this meeting adjourn till to-morrow at 11 o'clock.

TUESDAY, 4TH SEPTEMBER, 1883.

Present : Mr. Moss (Chairman), Hon. Major Atkinson, Mr. Barron, Hon. Mr. Dick, Mr. Dargaville, Mr. Peacock, Hon. Mr. Johnston, Mr. Wright.

For minutes *see* report respecting Controller and Auditor-General's letter (attached thereto).

Adjourned till Wednesday next, at 11 o'clock.

WEDNESDAY, 5TH SEPTEMBER, 1883.

Present : Mr. Moss (Chairman), Mr. Barron, Mr. Dargaville, Mr. Wright.

Government Insurance Department. Consideration resumed.

Motion made and Question put, That the Committee sees no reason whatever to doubt the soundness of the Government Insurance business so far as their investigations have extended. With reference to any revision of the system or to any reorganization of the department which may be required, the Committee have not yet taken sufficient evidence to enable them to make specific recommendations to the House. It is also the opinion of the Committee that the evidence taken should not be published until the inquiry has been completed. (*Mr. Barron*.)

Amendment proposed, That the report prepared by the Chairman, and which was circulated among the members, and the consideration of which was adjourned on 31st August, be adopted, and brought up in lieu of that now proposed.—(*Mr. Dargaville*.)

The amendment being put, the Committee divided.

Ayes : Mr. Dargaville.

Noes : Mr. Barron, Mr. Wright.

Amendment negatived.

Original motion then put and carried.

Ordered, That the report, with the minutes of proceedings, be laid upon the table of the House.

The Committee then considered a resolution proposed by Mr. Barron, the proceedings connected with which are attached to the Interim Report No. 6.