

1931.
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VICTORIA.

REPORT

FROM THE

COMMITTEE OF PUBLIC ACCOUNTS

(LANDS DEPARTMENT AND CLOSER SETTLEMENT BOARD)

TOGETHER WITH

APPENDICES AND MINUTES OF EVIDENCE.

Ordered by the Legislative Assembly to be printed, 23rd December, 1931.

By Authority:

H. J. GREEN, GOVERNMENT PRINTER, MELBOURNE.

EXTRACTS FROM THE VOTES AND PROCEEDINGS OF THE LEGISLATIVE ASSEMBLY

THURSDAY, 10TH APRIL, 1930.

9. PUBLIC ACCOUNTS COMMITTEE.—Motion made, by leave, and question—That the following Members form the Committee of Public Accounts during the present Session :—Mr. Bond, Mr. Everard, Lieut.-Col. Forrest, Mr. Holland, Mr. Mackrell, Mr. DeDonald, and Mr. Murphy ; and that the Committee have power to send for persons, papers, and records, to move from place to place, and to sit on days on which the House does not meet ; three to be the quorum—(*Mr. Hogan*)—put and agreed to.
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WEDNESDAY, 13TH MAY, 1931.

5. PUBLIC ACCOUNTS COMMITTEE.—Motion made, by leave, and question—That the following Members form the Committee of Public Accounts during the present Session :—Mr. Bond, Mr. Everard, Mr. Glowrey, Mr. Holland, Mr. Mackrell, Mr. McDonald, and Mr. Murphy ; and that the Committee have power to send for persons, papers, and records, to move from place to place, and to sit on days on which the House does not meet ; three to be the quorum—(*Mr. Hogan*)—put and agreed to.
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APPROXIMATE COST OF REPORT.

Printing (250 copies)	£	s.	d.
	20	0	0

REPORT.

The Committee of Public Accounts has the honour to report to your Honorable House as follows :—

LANDS DEPARTMENT AND CLOSER SETTLEMENT BOARD.

1. The Committee, in exercise of its power under the Standing Orders, has reviewed the administration of the Lands Department and the Closer Settlement Board.

2. The Committee examined officers of the Lands Department, Closer Settlement Board, the Treasury, and the Public Service Commissioner's Office. Altogether 26 witnesses were examined. Visits of inspection were made to the Department in order to investigate the accounting systems, the various branches, and the accommodation available.

FINANCIAL POSITION OF THE BOARD.

3. The total loan moneys raised under the Closer Settlement Acts for Closer and Soldier Settlement to the 30th June, 1931, amounted to £38,577,000, apportioned as follows :—

Closer Settlement	..	..	..	..	£11,738,000
Soldier Settlement	..	..	..	..	24,463,000
Concessions to Soldier Settlers	..	..	..	..	2,376,000
					£38,577,000
making the total proceeds	..	..	..	..	£38,577,000
Discount and expenses on the original and renewal loans cost the Treasury					264,000
					£38,841,000
increasing the gross liability to £38,841,000					
On the other hand there has been redeemed on account of repayments of principal from the—					
Closer Settlement Fund	..			£1,738,000	
Soldier Settlement Fund	..			547,000	
Concessions Fund	..	..		1,040,000	
					£3,325,000
and from Revenue appropriated under the Commonwealth and States Financial Agreement Act	..	..	..		522,000
					£3,847,000
leaving a net loan liability of	..	..	..	..	£34,994,000
Of this amount—					
Closer Settlement is debited with..	..	..	..	..	£10,012,000
Soldier Settlement with	..	..	..	..	24,982,000

ACQUISITION OF LAND.

4. The cost of acquiring land to 30th June, 1931, was	..	..	..	..	£21,890,000
Of this amount—					
Soldier Settlement—purchase price of 1,763,000 acres	..	..	..	..	£13,361,000
Closer Settlement—purchase price of 1,054,000 acres exclusive of Crown lands	..	..	..	..	8,529,000
					£21,890,000
Total amount expended on acquiring land was	..	..	..	..	£21,890,000

ADVANCES—SOLDIER SETTLEMENT.

5. Advances were granted to 11,396 settlers, and the amount advanced was £9,774,000. The number of settlers has now been reduced to 6,450.

ADVANCES—CLOSER SETTLEMENT.

Advances were made to 16,253 lessees, and the amount advanced was .. 5,038,000

The total advances amounted to £14,812,000

Your Committee is greatly concerned with the whole question of land settlement generally, as it has become a heavy drain on the revenues of the State. The cash shortage on soldier settlement for the year 1930-31, which was provided by the Treasury, amounted to the enormous sum of £850,544, and the future outlook is not encouraging.

On this question the Closer Settlement Board has reported as follows:—"It has often been urged that some sovereign remedy, still to be formulated, would provide a satisfactory basis for the solution of the problems, but the painful fact has to be faced that some measure of hardship has to be inflicted. The State can no longer carry on the misfits, no matter what the reason, but in the process of elimination each case must be judged sympathetically with due regard to all the circumstances. Where the State has failed, readjustment must be at the cost of the State; where the settler has failed, his tenure should not be continued." Your Committee recommends that this course be adopted.

POLITICAL INFLUENCE ON THE ADMINISTRATION.

6. In their Report upon the accounts of the Closer Settlement Board at 30th June, 1929, your Committee reported as follows:—" . . . the pressure of political influence on the administration of the Board being never absent. Your Committee feels that this condition of affairs is largely responsible for the present unsatisfactory position of the Board's finances, and for this Parliament must accept full responsibility."

Witnesses from the Department have repeatedly asserted this fact that there is continuous political pressure on the administration of the Board. In their Report for the financial year 1930-31, the Board stated that—"It is the almost invariable practice for cancellation of leases to be resisted through political channels. The Board was instituted by Parliament, and the pressure by the representatives of the community only serves to prejudice the actions of the Board and subvert its powers and responsibilities. It places the political representative in an invidious position, and imposes on the Minister administering the Department the unenviable task of either resisting the requests of his fellow Members or revoking the decision of the Board in which he had previously concurred."

The Closer Settlement Board is firmly of the opinion that to enable it to function successfully, its administration should be free of political control, it should be given a security of tenure, and held solely responsible for its administration.

The following figures were submitted by the Board in order to support their contention that it should be freed from political control, as in these cases advances were made after the Board had recommended that no further advances be made, the settlers having either lost their equity in their land or were not efficient settlers.

LARGEST ADVANCE GRANTED TO INDIVIDUAL SETTLER.

District.	Soldier Settler.		Civilian Settler.	
	Name.	Amount.	Name.	Amount.
		£		£
Beechworth	Settler "A" ..	2,555	Settler "H" ..	1,687
Bendigo	Settler "B" ..	2,986	Settler "I" ..	2,171
Geelong	Settler "C" ..	2,664	Settler "J" ..	2,186
Hamilton	Settler "D" ..	2,508	Settler "K" ..	2,610
Mallee	Settler "E" ..	5,006	Settler "L" ..	4,400
Melbourne	Settler "F" ..	2,557	Settler "M" ..	1,535
Sale	Settler "G" ..	2,607	Settler "N" ..	1,355

Your Committee was informed that there were some hundreds of similar cases where settlers have received advances above the statutory limit of £1,000.

EXAMPLES OF ADVANCES MADE BY THE CLOSER SETTLEMENT BOARD AND REPAYMENT OF PRINCIPAL.

Mallee District.

No. of Settlers.	Advances Granted.	Principal Repaid.	Balance of Advances Outstanding.
	£	£	£
Soldier settlers—20	86,430	11,650	74,780
Civilian settlers—12	37,404	1,815	35,589

CLOSER SETTLEMENT BOARD.

7. Evidence was received to the effect that the Closer Settlement Board should be abolished, for the following reasons :—

- (a) The estates purchased have all been subdivided and nearly all the blocks have been allotted.
- (b) No private land is now being purchased for settlement purposes.
- (c) Advances to new settlers have been practically discontinued.
- (d) The work of the Board is now mostly routine in nature. Although only routine, a considerable amount of unnecessary work is caused in scheduling lists of matters for decision by the Board which could be dealt with by responsible officers of the Lands Department. And, further, witnesses have stated that the functions of the Board should be vested in the departmental head—the Director of Land Settlement.

It was suggested that, in the event of the Closer Settlement Board being abolished, the following system be brought into operation :—

- (i) The Department must continue to make advances to deserving cases, and such advances should be made by the Director of Land Settlement on the authority of the Minister after recommendation by the officers of the district concerned, i.e., the district officer and the local inspector.
- (ii) A Board independent of the Lands Department, consisting of, say, the Under-Treasurer, the Secretary for Public Works, and the Public Service Inspector should be created to act in an honorary capacity.
- (iii) The functions of the Board would be to deal with all cases considered by the officers of the Department to be doubtful as to whether further assistance should be granted. The Board would then recommend one of the three following courses :—
 - (a) The granting of further assistance.
 - (b) The writing off of certain of the liabilities of the settler.
 - (c) That no further assistance be provided.
- (iv) In the event of the Board deciding that no further advances are to be granted to a settler it would, at the same time, determine what further action, if any, was to be taken. In all cases the Board's decision should be final.

In giving his opinion on the above proposals, the Director of Land Settlement stated that he entirely disagreed with the evidence submitted that the Closer Settlement Board be abolished. He denied that the work of the Board was mostly routine in nature. Nearly every case presents problems to the administration, and it is not reasonable to expect one person to shoulder the responsibility of over £34,000,000 of loan funds that have been invested in land settlement. Adverse action must be taken in numerous cases, and the odium of such action should not be taken by an individual but by a body corporate, such as the Closer Settlement Board. His contention was that the administration was getting harder every year, and that nearly every case that came up presented a problem in land settlement administration, and there was more necessity at the present time to have sane heads to continue this work. He stated that, in the near future, there were three very important questions to be considered by the Closer Settlement Board—

- (i) the home maintenance areas ;
- (ii) the Unemployed Occupiers and Farmers Relief Act in so far as it relates to the Board's settlers ; and
- (iii) the Royal Commission on Migrant Settlement.

He considered that these three matters, apart altogether from any other factor, warranted having a corporate body to deal with the matter.

Mr. Dempster further stated that the duties to be undertaken by the proposed Board are practically those that are performed by the present members of the Closer Settlement Board, and there would be no compensating advantage in appointing another Board whose experience in land settlement is almost negligible. He contended that fully two-thirds of the settlers came under the heading of cases considered doubtful or whether further assistance should be granted. The cost of the proposed Board, in his opinion, would be greater and the efficiency less.

The Committee is of opinion that the weight of evidence has been that the largest task still lies ahead of the Board, and that single control in these critical times is untenable, and even dangerous, and evidence strongly favours the retention of the corporate system. Therefore, it

does not recommend the abolition of the present Board. In order to do away with the present political control of the Board, your Committee recommends an amendment of the Closer Settlement Act to provide for—

- (a) the appointment of the Closer Settlement Board by Order in Council to hold office similarly to the State Rivers and Water Supply Commission, the State Savings Bank, or the Railways Commissioners;
- (b) the appropriation of their salaries; and
- (c) the responsibility of the Board to Parliament.

In order to make the administration of the Board more efficient, your Committee recommends that further amendments of the Closer Settlements Acts be made to provide for the following:—

- (i) The elimination of frequent reference to the Minister in the Closer Settlement Acts in regard to administration and make the Board wholly responsible for its actions.
- (ii) Cancellation of power to make special advances and confine financial assistance to new settlers placed on the land from a date to be fixed to the maxima as set out in the Closer Settlement Acts.
- (iii) The Board to have power to add the cost of all structural permanent improvements to the capital value of the land, and to treat only as advances amounts required for revenue earning purposes.
- (iv) That in future interest charges on loan moneys for new advances to settlers shall be at the same rate as it costs the State to borrow, plus a small percentage to cover administrative costs.
- (v) The reduction of the maximum to 66 per cent. for future advances against permanent improvements effected by a settler.
- (vi) The making of advances to new settlers for stock and implements up to 50 per cent. of their value, and the settler to provide the other half cost.
- (vii) The repealing of the exemption of £300 of arrears due by a soldier settler before a lien can be taken.

DECENTRALIZATION.

8. When the Closer Settlement Act was originally passed it was anticipated that all settlers on Crown Lands receiving advances under this Act would be satisfactorily established at the end of six years, thereafter they would have no further financial dealings with the Board other than the payments of interest and instalments of principal. This anticipation has not been realized, the Closer Settlement Act having been amended to permit advances to settlers who have been under the Board up to twelve years.

Evidence was tendered to the Committee which showed that there were instances of settlers having been carried for twelve years, and they were not able to conduct their affairs without further aid from the State; due primarily to adverse climatic conditions. This limitation of the period for which advances could be made by the Board then presented the same difficulties, which arose at the end of the six year period, and resulted in the transfer of the settler to the Cultivation Advances Branch for further financial assistance that was required, and resulted in the duplication of accounts.

Your Committee is of the opinion that the period should be eliminated, and the question of making advances should be left entirely to the discretion of the Board.

The fact that the original anticipations of the Closer Settlement Act were not realized, and that the business of the Board has now resolved itself into one which is practically a banking business, your Committee is of opinion that in the north-western area of the State, which is situated at a considerable distance from Melbourne, and in which district approximately three-fourths of the annual expenditure is made, it is imperative, both in the interest of the settlers and the effective control of the Board's activities, that the control system should be decentralized, and that the reference to Melbourne of many of the routine matters should be avoided. To achieve this, your Committee recommend that in the north-western area of the State the Board should be required to reorganize the system and place a responsible officer in charge of each centre where an inspector is located, and that the officer so placed in charge should have full power to deal with all the current cropping and harvesting requirements of the settler, subject, of course, to conformity with the policy laid down by the Board. This arrangement would leave the inspector free to devote the whole of his time to his field work. At present, more than half of the time of the inspector is taken up in clerical duties, to the detriment of his outside work.

To further the decentralization of the Board's control system, your Committee recommend that in the country centres—such as Hamilton, Sale, &c.—with railways radiating from a main centre, the land officer should be given certain defined authority in regard to granting the essential requirements of the settlers, subject to conformity with the policy laid down by the Board. This would be advantageous to the Board and the settlers alike.

ACCOUNTS BRANCH.

9. Since the publication in 1927 of Mr. Wallace Ross's Report upon the "Methods in the Public Service" there has been a considerable improvement in the administration and organization of the Department. The greatest improvement has taken place in the Accounts Branch by the adoption of a modern and well designed machine system. But the benefits to be gained by such a system have been to a large extent offset by a lack of co-ordination between the various separate organization units. The organization, whilst it may be complete within its separate units, fails when viewed as a composite unit. For example, the accounts of the Cultivation Advances Branch were not placed under the control of the Accountant, the ledgers were hand posted, and the personal accounts of the settlers were not balanced periodically. The accounts in connexion with Crown Lands in course of alienation and land held under annual leases are also kept by a separate staff. These accounts are not balanced periodically, nor are they machine posted.

The work of the Accounts Branch has been continually increasing on account of the passing of further legislation to assist the man on the land. On the 30th June, 1931, there were 99,155 personal accounts to be kept by this branch. The staff also deals with the expenditure, such as drawing cheques, the sending out of moneys, making advances to inspectors in the country districts, and the collection of moneys at the head office through the cashier's branch and through the inspectors in the country.

The following tables show over a period of five years, the number of settlers, the number of personal accounts, and the staff:—

NUMBER OF SETTLERS RECEIVING ASSISTANCE AND NUMBER OF ACCOUNTS.

	1927.		1928.		1929.		1930.		1931.	
	Accounts.	Settlers.	Accounts.	Settlers.	Accounts.	Settlers.	Accounts.	Settlers.	Accounts.	Settlers.
Soldier Settlement ..	117,064	9,380	27,991	8,016	30,335	7,554	28,252	7,157	25,786	6,701
Closer Settlement ..	26,254	7,196	24,908	7,469	31,208	7,469	32,540	8,135	33,255	8,296
Crown Lands ..	32,277	32,277	32,042	32,042	31,697	31,697	30,459	30,459	29,614	29,614
Cultivation Advances	397	397	1,569	1,294	1,884	1,509	3,665	2,434	5,002	2,984
Wire-netting Advances	3,207	3,207	3,969	3,969	4,502	4,502	5,099	5,099	5,498	5,498
Total ..	179,199	52,457	90,479	52,790	99,626	52,731	100,015	53,284	99,155	53,093

LIST OF OFFICERS IN THE ACCOUNTS BRANCH IN EACH YEAR.

Year.	Number.
1927	116
1928	114
1929	111
1930	110
1931	112

It will be seen from the above tables that there was a big drop in the number of accounts in the year 1928. This is accounted for by the fact that in that year advances accounts were amalgamated, reducing the number to three per settler on repurchased land. Previously a new account was opened for each new advance, but now the practice is to keep separate accounts for land, advances on improvements, and advances for stock, implements, seed, &c. The latter are known as short dated advances. In addition there is a current advances for settlers still receiving advances. It was expected that the number of ledger keepers would have been reduced with the introduction of the accounting machines. Several adjustments, however, have been made in the accounts, including amalgamation referred to above, consolidation of soldier settlers' accounts, and alterations of periods to give effect to recommendations of various Inquiry Boards appointed. These adjustments have heavily increased the work of the staff.

GROWTH OF THE ACCOUNTING SYSTEM.

10. The land settlement scheme started in 1911 with the purchase of five estates, and the accounts were kept on the loose leaf system. From a very small beginning the system was enlarged, as fresh accounts were opened for each settler as he had new advances. In the Mallee country where settlers were being continually assisted on account of several adverse seasons, there were as many as fourteen to twenty different accounts for each settler. The accounting system became too cumbersome, as there were over 179,199 personal accounts, and 52,457 settlers were being assisted. So a new method was inaugurated in 1926 by the installation of accounting machines. This system worked quite well, and the present one has since developed out of the 1926 scheme.

On account of the financial stringency the machine system was not extended to all the accounts throughout the Department, and it is the accounts that are hand posted that are not balanced periodically, nor are statements of liability rendered to the settlers annually, unless a specific request is made for a statement.

Legislation passed in succeeding years has aggravated the troubles of the Lands Department, and the Department has reached that stage where only a rather comprehensive overhaul would put it on a really economical and secure basis from a bookkeeping point of view. Departmental officials have recognized the necessity for simplification in their accounts, but state that simplification cannot be carried out unless special legislation is passed to enable them to do so. Their hands have been tied on account of Acts of Parliament, and their procedure has been prescribed by Parliament itself, and it is only by Acts of Parliament that their work can be simplified.

CLOSER SETTLEMENT BOARD ACCOUNTS.

11. The whole basis of the present machine accounting system is that the accounts are balanced daily. The expenditure is balanced daily. The ledger postings balance with the cash book. All receipts go through the cash register, and the cash register agrees with the amount posted to individual accounts. The instalments balance with the pre-determined total of the accounts sent to the settlers, so that the whole system is self-balancing and is in constant balance with the daily accounts. The system is admirable to do what is required of it according to the legislation that the Department has to administer. At any time the following information is available :—

- (a) The advances made to a settler ;
- (b) the capital value of his land ;
- (c) the instalments of principal and interest due by him ;
- (d) the interest on any overdue instalment ; and
- (e) the amounts paid as principal, interest, or interest on overdue instalments.

Under the present system the Department knows the total arrears due at any time, whilst under the previous method of accounting by hand it was a very difficult matter to arrive at what a settler's arrears were, because the interest was never debited periodically. A stocktaking had to be made to find out what the arrears were.

As the legislation exists at present the Department is absolutely compelled to keep accounts in the form in which they are now compiled.

Under the Closer Settlement Act the State Rivers and Water Supply Commission has exactly the same powers as the Closer Settlement Board in respect of Closer Settlement ; that is, whatever the Closer Settlement Board can do the Water Commission can do, and the accounting system of the Board—as far as Closer Settlement is concerned—keeps account of the activities of the Closer Settlement Board and that of the Water Commission. The Water Commission settles people under the Closer Settlement Act on irrigable areas, and they make advances to them. These advances are made from the same fund as the Closer Settlement Board makes advances. Thus there are two controlling bodies, but the one accounting system.

CONSOLIDATION OF ACCOUNTS.

12. After a close examination into the ledger system for the Closer Settlement and Soldier Settlements accounts, and after reviewing the evidence received, your Committee is of opinion that much scope exists for the simplification of these accounts ; and that a reorganization on the lines of one account for each settler for all advances will enable not only considerable economies to be effected in administrative costs, but also a more satisfactory position to be established from the settler's point of view.

The advantages to be gained from a single account system were fully appreciated by all responsible officers of the Department appearing before your Committee. These witnesses have maintained that certain provisions of the Closer Settlement Act prevent the exploitation of this advantage, and make it obligatory to keep separate accounts on the present basis. Evidence was received to the effect that sections 112 (1) and 138 (2) of the *Closer Settlement Act 1928* prevent the adoption of a single account system. Witnesses have further stated that it is obligatory under these sections to charge settlers' accounts with instalment of principal and interest each half year, and that this operation in itself requires the keeping of separate accounts for advances.

Your Committee is of opinion that amendments in some respects are necessary to promote the institution of the simplest, most economical, and most effective scheme. The effect of the adoption of a single account system will be to reduce the number of accounts from 99,155 to about one-third or one-fourth of that total, and to considerably reduce the number of control accounts required. The result will be as follows:—

- (1) Reduced number of accounts to handle.
- (2) A large reduction in the number of postings on the credit side, as it will not be necessary to apportion proceeds and post credits to as many as five separate accounts.
- (3) Saving by debiting interest on one account only instead of on a number of accounts.
- (4) Preparation of half-yearly accounts will be greatly simplified. It is quite possible for the machine system in use to be adapted for the preparation of each settler's account simultaneously and progressively with the posting on the settler's ledger account. The settlers' statement of account so prepared is, therefore, a duplicate of the ledger account, and in such form would be altogether more intelligible and informative than the present form of statement. The amount of labour saved by this method would be very considerable as compared with the present system of preparing the statements by hand, which occupies a large portion of the ledgerkeeper's time. The machines in the Department are suitable for the work suggested.
- (5) Control accounts may be established for interest due. Under the present system interest calculations on settlers' accounts are not subjected to check.
- (6) The practice of supplying settlers with pass books may be discontinued, as the half-yearly statement of account suggested will contain all the necessary particulars required by the settler. A considerable amount of the time of the ledgerkeepers is taken up in writing up passbooks.
- (7) The work involved in preparing financial statements (other than half-yearly accounts) will be reduced to a minimum.
- (8) The reduction in the number of accounts will facilitate periodical balancing.
- (9) Improved efficiency will be achieved in the facility for ascertaining a settler's position by reference to a single account.

In view of the great reduction in work indicated above it is considered that arrangements should be made for transferring other duties to the ledgerkeepers' branch in order that the savings by the proposed system of single accounts may be taken advantage of, and the capacity of the present machine system fully availed of.

Your Committee recommend that as soon as possible amending legislation be brought down to enable the amalgamation and consolidation of all the accounts of the Department, and, further, a Board consisting of an officer of the Treasury, one from the Audit Office, and one from the Department be appointed to go into the matter of amalgamation and consolidation of the accounts, the form of account to be adopted, &c. Further, this Board could also go into the matter of further mechanizing the departmental systems, so as to make the administration more economical and efficient.

INSURANCE BRANCH.

13. Settlers' property is covered by insurance in the Closer Settlement Fire Insurance Fund. All matters relating to insurance are dealt with by a separate branch—the Insurance Branch—which keeps complete records of insurances, together with the insurance accounts of the settlers. Notices of premiums due and requests to pay are prepared by hand and forwarded to settlers each year.

It is necessary for all receipts to be passed through this branch before apportionment by the ledgerkeepers, in order that amounts due for insurance premiums, if any, may be deducted.

Your Committee is of opinion that the recording of premiums due and paid should be combined with the settlers' account in the personal ledgers, as there appears to be no justification for the maintenance of a separate organization for the purpose. And, further, they are of opinion that the dates on which premiums become due should be made to coincide with one of the dates of settler's half-yearly statements of account. This would enable a single statement of account to be rendered for all purposes connected with advances. Your Committee, therefore, recommends that this be done.

RENT ROLLS—CROWN LANDS RENTS.

14. Under the present organization of the Department the accounts in connexion with Crown lands in course of alienation and land held under licence are kept by a separate staff. These accounts are hand posted, they are not balanced periodically, and consequently the correctness of the record is doubtful.

Witnesses have stated that opportunity exists for manipulation by unscrupulous officers acting in the interest of Crown tenants, but no specific instance of manipulation was quoted.

Your Committee, therefore, is of opinion that these accounts should be regularly balanced and the opportunity for manipulation be removed. To this end, your Committee recommends that these accounts be placed under the control of the ledgerkeepers' branch and the existing machines used for posting. This would enable these accounts to be automatically balanced.

TRANSFER OF ACCOUNTS.

15. Your Committee is of opinion that the transfer of the account keeping for Cultivation Advances, Crown Lands Rents, and Insurances could be undertaken by the present staff of ledgerkeepers and machinery equipment when the single account system previously recommended is adopted. Extra work would undoubtedly be involved during the transition period, but the advantages derived from the unified control would fully justify the adoption of the recommendation. Failing the immediate adoption of the single account system, it will be necessary to purchase further machines in order to balance the accounts periodically, as well as render statements to all settlers.

THE COUPON SYSTEM OF PAYING SUSTENANCE.

16. When the higher rates of sustenance were being paid there were many abuses. But, when the rates were reduced, these abuses have been eliminated.

The introduction of the coupon system has largely increased the work of the ledgerkeeping staff, as well as the outside staff, without a compensating gain to the State.

When sustenance was paid monthly by cheque drawn on the District Inspector's advance, only one voucher per month per settler was handled. This voucher would be signed by the settler himself. The reimbursement of the Inspector's advance was a simple matter, and only one posting per month was required on each settler's personal account. Under the system of payment by coupons the settler may take his coupons to a number of traders. The coupons with invoices are lodged with the Inspector, who pays the trader. One cheque may cover the purchases of many settlers, but if the settler spreads his coupons over a number of traders, a separate posting is required on his personal account for every trader to whom he gives a coupon. The effect on the ledgers is that the postings are multiplied considerably—where there was one posting before, now there are four. Approximately there are 4,000 settlers receiving sustenance, and the postings to their personal accounts average 16,000 a month. In addition, far more detailed checking is required of the vouchers and coupons which are forwarded to the head office in connexion with the reimbursement of the Inspector's advances. This necessitated the putting on of two extra officers on the work of checking, and one extra typiste is engaged for her full time preparing reimbursements. These officers were taken from other duties, which are now being carried out by different groups. The consequence is that continuous overtime is necessary in different sections of the staff.

The effect of the establishment of the coupon system on the outside staff is considerable. Overtime is heavy, and the staff is compelled to spend more time in their offices than was formerly anticipated, with the result that it is impossible for them to adequately supervise the field operations of the settlers under their charge.

Your Committee is of opinion that if the present rates of sustenance payment were adhered to, a reversion to the cheque system would be more economical to the State. Provided that all settlers are advised that if reversion to the cash system were made, it must be understood that if there were any abuse of the system the settler concerned would not receive any further assistance from the Government.

Your Committee, therefore, recommends that the payment of sustenance by coupons be abolished.

ACTUARIAL INVESTIGATION.

17. At the 30th June, 1931, the arrears of principal and interest owing to the State were £5,719,820. This total is made up as follows:—

	Arrears of—		Total.
	Interest.	Principal.	
Soldier Settlement ..	£2,021,741	£1,299,196	£3,320,937
Closer Settlement ..	1,208,868	1,190,015	2,398,883
Total ..	£3,230,609	£2,489,211	£5,719,820

And the accumulated deficiency at that date was £8,764,403. Made up as follows:—

Soldier Settlement ..	£8,245,971
Closer Settlement ..	518,432
The total liability of Land Settlement to the Treasury at that date was ..	36,152,365
Soldier Settlement being ..	25,460,601, and
Closer Settlement ..	10,691,764
And fixed assets and cash—at book value was ..	29,494,962
Soldier Settlement being ..	20,252,440, and
Closer Settlement ..	9,242,522

In view of these figures, your Committee is concerned with the position of this State enterprise and its bearing on the general finances of the State, and it recommends that an actuarial investigation should be made of the affairs of the Board, in order to determine how much of these arrears will be received by the State. It is only by such an investigation that the State can learn the true position of the Board.

ESTIMATES OF INCOME AND EXPENDITURE.

18. In its report on the Accounts of the Closer Settlement Board, presented to Parliament on 5th August, 1930, your Committee recommended that the Board submit to the Legislative Assembly annual estimates of expenditure out of its funds, and estimates of income to provide for such expenditure.

At the present time Parliament has not the same control over the expenditure of the Closer Settlement Board that it has over the expenditure of other Departments. Estimates of the expenditure of the Board are not included in the Appropriation Act.

When the Closer Settlement Board started it was a body on its own, and it was enacted that the Board should have personal control of the whole of its revenue. At the time it was inaugurated it was anticipated that there would always be a surplus in the Closer Settlement Fund. All receipts, whether principal repayments or interest, would be paid into the Fund, and all expenditure for interest and administrative costs would be paid from the Fund. This was a departure from a wholesome constitutional practice, and it is only when grants have to be increased, or additional provision is required to augment specific funds, that Parliament is furnished with a forecast of the proposed expenditure and of the estimated provision necessary to make good past and prospective shortages.

The Auditor-General pointed out that as these funds were public moneys they ought to be subject to review by Parliament, which should be furnished with particulars showing whether the estimated incomes were adequate to provide for the proposed expenditures and, if they were insufficient, how it was intended to meet the shortages. To remedy this state of affairs, he suggested that estimates of both income and expenditure of these funds be submitted to Parliament in an addendum to the Estimates for the financial year, and a divisional item for a nominal amount (£1) included in the Votes of the Minister of Lands.

Carefully prepared estimates of income and expenditure are important safeguards on the disbursement of public moneys, and the Committee considers that the adoption of such a practice would afford Parliament the opportunity of reviewing the particulars in the addendum, when the Estimates for the year were before the House. Further, it agrees with the contention of the Auditor-General that the responsibility placed upon the taxpayer to make good deficiencies in those funds, the growth generally in the expenditure of the Board, and the decrease in its income (which are not included in the Treasurer's Statements of Revenue and Expenditure) are of sufficient importance to warrant an alteration in the present methods, in order that these expenditures may be subject to review by Parliament. Now both the Soldier and Closer Settlement Funds are bankrupt, and each year a sum is placed on the Estimates to enable the Board to pay its way.

Your Committee, therefore, recommends that estimates of the Board's requirements be annually submitted to Parliament in the form suggested by the Auditor-General before this Committee in 1922, and again in 1930. The addendum to the General Estimates as recommended would show :—

On one side : ESTIMATED EXPENDITURE.

For Interest.

(This is given in present estimates.)

For Administration.

(Portion is shown as a deduction from the several votes for the Lands Department, but it is incomplete.)

For Maintenance of Properties.

(Not shown.)

The other side : THE INCOME.

The estimated income from—

Interest ;

Rents ; and

Other sources

available to provide for the expenditure.

The *deficiency* in the earnings to meet the expenditure.

The sources from which the deficiency will be met—

(a) The State's Concession Fund.

(b) The Consolidated Revenue.

The above recommendation would require the information to be collected and presented in a form that would be readily understood, and would be in accordance with constitutional practice that the information should be placed before Parliament.

TRUST BRANCH.

19. The principal use to which the Trust Account of the Department is now being put is for the distribution of the proceeds of crops under lien. As the dividends are received from the Wheat Corporation, the cash is passed through the Treasury, and from schedules a card is opened for each settler named on this schedule together with the amount of his credit. The various occupation branches note on the files the amounts received on behalf of the respective settlers, and then set out on the files the manner in which the proceeds are to be distributed. This is done in the order of preference approved by the Minister. The accounts branch then draws cheques for all outside creditors, and pass journal entries for the amounts to be paid to State revenue. Accounts are also retained from wheat proceeds in order that monthly payments may be made therefrom to settlers for sustenance.

The Department practically conducts for the settler his business of collecting proceeds of wheat, and distributing such amounts as are available amongst his creditors.

The sum of £1,635,000 was passed through this account during the financial year 1930-31. This sum includes wheat proceeds, sale of wool, proceeds from the sale of dried fruits, potatoes, and other crops under lien, as well as moneys that cannot immediately be placed to its proper headings of revenue.

The efficiency of this branch is not assisted by the accommodation supplied to the staff. The officers are obliged to work in a space of 24 feet by 16 feet, in which nine officers are housed. They have no room to keep properly sorted the numerous files referred to them, and the accounting system should be mechanized.

CLOSER SETTLEMENT INSURANCE FUND.

20. Under the provisions of the Special Funds Act a fund was established which was called the Closer Settlement Insurance Fund, and under that Act power was given to effect insurances of buildings and improvements of lessees of the Closer Settlement Board. Later that authority was extended to holders of a permit under the Closer Settlement Board and to persons who received advances from the Board.

Premiums are collected in the ordinary way from settlers, or they are charged with them, and, in the case of a fire, the Fund is available for the reinstatement of the building. Under the Act, there is no power to insure crops. Steps were taken by the Department to insure against fire, crops under lien to the Closer Settlement Board and the Board of Land and Works.

The number of crops insured was	4,962
The total amount paid to the Fire Underwriters' Association was ..	£10,316
Claims paid by the Association amounted to	217

Leaving a gross profit to the Association of £10,099
 which would have come to the State if it had undertaken the insurance.

Section 7 of Act 2297, as amended by Act 2361, establishes the Closer Settlement Fire Insurance Fund, but limits the risks to buildings and fencing on land under the control of the Closer Settlement Board, or held by any person to whom the Board has made an advance.

If power were extended to include crops on land held by such persons and also persons who have received advances under the Cultivation Advances Acts, the business could be undertaken by the Insurance Branch of the Department, and the profit would accrue to the Closer Settlement Fire Insurance Fund.

After hearing evidence on this matter from the officials of the Department, your Committee recommends that Act 2297 be amended to enable the Department to insure the crops of settlers on land under the control of the Closer Settlement Board and of those persons who have received advances under the Cultivation Advances Acts. This would enable a substantial profit to be earned by the Department, as well as covering the settlers at a cheaper rate than they would obtain from private insurance companies.

There is a weakness in the Department's system of insurance that would need an amendment of the Act to rectify—for example, where a house was erected on a block that later became vacant, and where the house was destroyed by fire. Under the Act, the only power that is given is to reinstate that house. In many instances, a block that has been vacated is cut up and used to strengthen other blocks, and there was no necessity to erect a house on it. The position is that the Closer Settlement Fund had expended money for the erection of a new house on a block. The house has been insured, but there is no power in the Act to enable the Department to pay any insurance money back into the Closer Settlement Fund if the house were burnt down. Therefore, there is a liability against the insurance fund and a contingent asset in the Closer Settlement Fund; but there is no way of reconciling the position, because the Act distinctly states that the money must be used only for the reinstatement of the building.

Your Committee recommends that the Act be amended to enable the Department to pay the insurance claim in such a case into the Closer Settlement Fund or Consolidated Revenue, as the case may be.

DUPLICATION IN THE ADMINISTRATION OF THE CULTIVATION ADVANCES ACT.

21. During the course of their inquiry your Committee received evidence of duplication in the administration of the Cultivation Advances Act. Since the commencement of the investigation the Closer Settlement Board has passed a resolution that tightened up the administration and prevented the duplication.

The duplication arose in the following manner. Until two or three years ago the term of a lease under which a selection lessee could get advances from the Closer Settlement Board was six years. After six years he was not entitled to an advance from the Closer Settlement Board. After that period, if he wanted an advance, he had to go to the Board of Land and Works and get an advance under the Cultivation Advances Act. A number of settlers obtained advances in that manner. Then the Closer Settlement Act was amended, and it extended the period during which the settler could obtain advances from the Closer Settlement Board up to twelve years. The settler then came along and obtained further advances from the Closer Settlement Board. In that way he had advances from the Closer Settlement Board and also advances under the Cultivation Advances Act. Another way in which duplication took place was in a case where the twelve-year period had elapsed, and the settler could obtain his advances under the Cultivation Advances Act. The result was that two different branches of the Department were sending claims to the same settler and taking liens over the same man's crop.

In order to overcome this duplication in the administration of the two Acts the Board decided that, where a settler is under the Closer Settlement Board, his account is to be dealt with in the Mallee Branch and not by the Cultivation Advances Branch. Thus the same branch is now dealing with the one man's account, whether he obtained his advances under the Cultivation Advances Act or under the Closer Settlement Act.

Your Committee considers that it would have been much better if the Closer Settlement Act were amended to enable the Board to make advances to a conditional purchase lessee, no matter what the term of his lease was.

ACCOMMODATION.

22. The efficient working of the Department is hindered by the lack of suitable accommodation for the staff. Branches are scattered throughout the public offices, and this tends to militate against effective administrative control, as well as affecting the health of the personnel.

During their inspection your Committee noticed that the rooms of the Department are not placed so as to get the best results from the staff. Officers have to work too close together. Efficiency is affected in this way, and unless the supervising officer happens to be present, there is a great temptation for the officers to talk. Some time is wasted in this way, and it is very difficult to check it.

In the Department a large amount of work is done through the medium of personal files of papers and correspondence in connexion with each case. When an officer has not sufficient room to keep these papers systematically sorted, a lot of time is wasted looking through papers and files.

The distance of the personal ledgers from the centre of the Accounts Branch is another matter that is against the efficient working of the branch.

Some years ago an estimate for the gutting of the building and remodelling into suitable up-to-date offices was prepared by the Public Works Department, but the matter was not finalized. The present estimate to do this work is £6,000.

Your Committee is of opinion that if the remodelling of the building were carried out along the lines on which the offices of the Education Department were reconstructed, it would increase the efficiency of the Department, cheapen the administration, and preserve the health of the staff. Your Committee recommends that this be done.

CONSOLIDATION OF FUNDS.

23. When moneys are received by the Department different funds and accounts have to be credited. The objection has been raised that, under the single account system, they could not apportion the money to these various funds and accounts. For example, repayments of Closer Settlement, Discharged Soldier Settlement, Cultivation, and Wire-netting Advances go to the State Loans Repayment Fund. The interest portion of any payment received would go to the Closer and Soldier Settlement and other funds, the Mallee Land Account, territorial revenue, or to other heads of revenue.

Your Committee is of opinion that these funds could be consolidated under the heading of Land Settlement, and this would remove the difficulty because, to some extent, it would obviate the necessity for apportioning settlers' proceeds. Further, it would reduce the work of the ledgerkeeping staff.

Your Committee recommends that the co-operation of the Treasury be obtained in order to consolidate the various funds and accounts to which the settlers' payments are credited.

CULTIVATION ADVANCES BRANCH.

24. The Cultivation Advances Act is practically a new development in the financing of the man on the land. Apart from the advances made by the Closer Settlement Board, the Lands Department has at intervals made advances for the purchase of seed wheat in drought periods.

The administration of these advances was placed under the control of the Chief Clerk of the Lands Department, and when the first Cultivation Advances Act was passed the same officer continued in charge of the administration of the advances under that Act. The widened scope of the latter Act made a greater organization necessary, and the present Branch developed. There has been four Cultivation Advances Acts—Nos. 3551, 3819, 3827, and 3931. In certain cases advances have been granted under each of those Acts and not much has been repaid.

The following tables show the loan authority for these advances, the amounts expended, and the amount repaid.

							<i>Loan Authority.</i>
Act 3551	..	..	..	..	..	..	£500,000
Act 3819	..	..	..	..	..	..	—
Act 3827	..	..	..	..	..	..	450,000
Act 3931	..	..	..	..	..	..	—
							<hr/>
Total authority	..	..	..	..	..	..	£950,000
							<hr/>

							<i>Amounts Advanced.</i>
1928	..	..	..	..	..	..	£227,485
1929	..	..	..	..	..	..	83,310
1930	..	..	..	..	..	..	384,459
1931 to 10.7.1931	..	..	..	..	..	..	81,457
							<hr/>
Total advanced	..	..	..	..	..	..	776,711
At the date of the inquiry there has been repaid a sum of	..	..	..	..	..	..	240,000
							<hr/>
Leaving a balance outstanding of	..	..	..	..	..	..	£536,000
							<hr/>

Witnesses have stated that if the prices for primary products had not fallen, about 85 per cent. of the amounts advanced would have been repaid. At the present time they have estimated that a sum of £150,000 will be a loss to the State.

The following statement shows the number of accounts with unpaid balances :—

As at 30th June, 1927	..	..	..	..	397	accounts.
” ” 1928	..	..	..	..	1,569	”
” ” 1929	..	..	..	..	1,884	”
” ” 1930	..	..	..	..	3,665	”
” ” 1931	..	..	..	..	5,002	”

On the 30th June, 1931, there were 5,002 accounts for 2,984 settlers.

SYSTEM OF ACCOUNTING IN FORCE.

25. The present system of accounting—manual posted loose-leaf ledgers—is very inadequate for the purpose. Since the introduction of the payment of sustenance by coupons it has become much more so; formerly, under the cheque system, there was only one posting a month per settler, now there is on an average three postings monthly for each settler.

There are 2,984 settlers who have received assistance under the Acts and whose accounts are outstanding at the date of the inquiry. These accounts have not yet been balanced against General Ledger Totals. No account is regularly rendered to a settler, but a statement is sent when a request for information is made. These statements take some time to prepare.

The question of bringing the personal accounts of advances made under the provisions of the various Cultivation Advances Acts under the control of the Accountant of the Lands Department has been under consideration by the Department, the proposal being to bring the accounts into line with the machine system used for accounts under the Closer Settlements Acts and balance the personal accounts against a General Ledger Total.

STAFF—CULTIVATION ADVANCES BRANCH.

The present staff of this Branch is as follows :—

Permanent officers	..	..	21	Annual salary	..	£6,359
Temporary officers	..	..	3	” ”	..	473
Railway officers—on loan	..	..	12	” ”	..	2,824
Totals	..	..	36	” ”	..	£9,656

In normal periods the staff is as follows :—

Permanent officers	..	..	9	Annual salary	..	£2,373
Temporary officers	..	..	3	” ”	..	473
Railway officers—on loan	..	..	12	” ”	..	2,824
Totals	..	..	24		..	£5,670

At present there are four officers engaged on the ledgers at a cost in salaries of £1,100 per annum, and that the work could be done more efficiently by a girl operator and a ledgerkeeper at a cost of £470 per annum. The machine would cost £469, which would require to be written off at about £47 per annum. The departmental officers estimated that, if proper accounts and pass books were to be sent to the settlers, and the personal accounts balanced with the present style of ledgers, at least three more ledgerkeepers would be required. The position, therefore, is as follows :—

<i>Present system.</i>		<i>Per annum.</i>	
Four ledgerkeepers	£1,100
Three ledgerkeepers additional	780
			£1,880
<i>Proposed system.</i>		<i>Per annum.</i>	
One operator	£175
One ledgerkeeper	299
Depreciation of machine	47
Maintenance	10
			531
Estimated saving if a new machine were obtained	£1,329

If the above proposed system were adopted the surplus officers could be absorbed within the Department, thus obviating the necessity of working overtime by the staff. No money is paid for the working of overtime, but an allowance of 2s. per officer per night for tea money is made. The Department pays away about £80 a month in tea money. This does not necessarily mean that the same officers work overtime; one officer may work only once a week, but others might work five or six nights a week.

Your Committee is in favour of the adoption of mechanical accounting for the accounts of the Cultivation Advances Branch for the following reasons:—

- (a) The machine in one operation would post accounts,
- (b) prepare a detail account for the settler, and
- (c) furnish an audit sheet of the day's postings.
- (e) There would be no need for a pass book.

The account as rendered to the settler would give particulars of every transaction, and all that a settler would have to do would be to preserve in correct order the accounts sent to him. They could be sent half-yearly—on 31st January and 31st July, for instance. Further, the accounts would be in constant balance with the control accounts in the general ledger. Under the mechanical system the settler would receive statements half-yearly, whereas under the present system the personal accounts have not been balanced, nor statements rendered for over three years unless the settler asked for a statement.

Witnesses have stated that the accounting system employed in posting the personal accounts of settlers under the Closer Settlement Acts were working up to their full capacity, and, consequently, they could not be utilized for the mechanization of the present hand-posted accounts of the Cultivation Advances Branch—now numbering about 5,498 accounts. And they have stated that the reduction in the number of postings which would obtain if the system of paying sustenance by coupons were abolished would not give a sufficient margin to enable the accounts of the Cultivation Advances Branch to be kept on the Closer Settlement Board machines. Hence their request for the purchase of a new accounting machine.

Your Committee is of opinion that, if the accounts of the settlers under the Closer Settlement Act were so consolidated that each settler had one current account instead of four as at present, and if the payment of sustenance by coupons were abolished, it would be possible to put the Cultivation Advances accounts on the Closer Settlement Board machines. The following is an estimate of the cost of transferring the personal accounts of the Cultivation Advances Branch to ledger cards suitable to the Elliott-Fisher accounting machines at present in use in the Department:—

	£	s.	d.
Hire of two accounting machines and operators for thirteen weeks at £7 5s. per week for each machine and operator	188	10	0
Printing 3,000 ledger cards	10	10	0
Printing 1,000 proof sheets	2	0	0
Purchase of three cabinets to hold the ledger cards ..	34	10	0
Total cost	235	10	0

This would obviate the necessity of purchasing another accounting machine.

CONCLUSIONS OF THE COMMITTEE.

26. As a result of your Committee's investigations and inquiries, the following are the conclusions which it has arrived at:—

- (a) That the Cultivation Advances Branch has not been efficiently or economically administered.
- (b) That the personal accounts of the settlers should have been placed under the control of the Accountant of the Lands Department instead of building up another branch.
- (c) That the introduction of the payment of sustenance by coupons has imposed a heavy task on the ledgerkeeping and inspecting staffs, and it has been necessary to utilize the services of officers on this work who otherwise would have been available for the general work of the branch.
- (d) That the cases which come under the purview of the Cultivation Advances Branch are mostly those where the affairs of the cultivators are very involved, and in every instance a close study of the case is essential before any advance can be made and an allocation of harvest proceeds carried out.

- (e) That the complaints concerning the fact that in many instances they have not had detailed statements of accounts from the Department for over three years were substantiated. This is due in the first instance to the antiquated methods of accountancy adopted by the Cultivation Advances Branch, and it has been aggravated by the settlers' own estimate of their crops in many instances not being realized, and cornsacks despatched to them had to be transferred to other settlers. The adjustment of the accounts in such cases has, therefore, been delayed.
- (f) That, in order to carry out the duties imposed on them under the existing conditions, the field staff are compelled to spend more time in their offices than was formerly anticipated, with the result that it is impossible for them to adequately supervise the field operations of the settlers under their charge.
- (g) That, owing to a succession of droughts followed by a year of low prices for primary products, it is obvious that a considerable sum owing under the Cultivation Advances Acts will prove to be irrecoverable.
- (h) That under the Cultivation Advances Acts assistance is being rendered to share and tenant farmers. The Committee is of the opinion that the security for the repayment of these advances is entirely inadequate, and it considers that no further assistance should be rendered to share and tenant farmers where the agreement is less than three years. Furthermore all such advances should be a responsibility of the owner of the land as well as the share and tenant farmer. Evidence was given to the effect that some of the tenant farmers have had advances running into many hundreds of pounds.
- (i) That in the Cultivation Advances Branch there was a lack of system in dealing with correspondence. Many settlers had both written and telegraphed the branch concerning their affairs and they had not received acknowledgment or satisfaction in regard to their requests. The Committee believes that it is only fair that they should record at this stage that the branch was considerably understaffed during its busiest period and that the accommodation was entirely inadequate. The officers in charge of the branch did their best under adverse circumstances to carry on the operations of the branch, and worked overtime—both on week days and Sundays—without pay or provision for time off. This failure to deal promptly with the correspondence has unquestionably resulted in a substantial loss to both the Department and to the settlers. The staff has been increased in recent months, and an improvement shown in the methods of conducting the business of the branch. The Committee, however, feels that it essential that a more effective method of handling the correspondence be adopted.

RECOMMENDATIONS OF THE COMMITTEE.

27. Your Committee makes the following recommendations :—

- (a) (i) The appointment of the Closer Settlement Board by Order in Council to hold office similarly to the State Rivers and Water Supply Commission, the State Savings Bank, or the Railways Commissioners ;
- (ii) the appropriation of their salaries ; and
- (iii) the responsibility of the Board to Parliament.
- (b) That further amendments of the Closer Settlement Act be made to provide for the following :—
 - (i) The elimination of frequent reference to the Minister in the Act in regard to administration and make the Board wholly responsible for its actions.
 - (ii) Cancellation of power to make special advances and confine financial assistance to new settlers placed on the land, from a date to be fixed, to the maxima as set out in the Closer Settlement Acts.
 - (iii) The Board to have power to add the cost of all structural permanent improvements to the capital value of the land and to treat only as advances amounts required for revenue earning purposes.
 - (iv) That in future interest charges on loan moneys for new advances to settlers shall be at the same rate as it costs the State to borrow, plus a small percentage to cover administrative costs.
 - (v) The reduction of the maximum to 66 per cent. for future advances against permanent improvements effected by a settler.

- (vi) The making of advances to new settlers for stock and implements up to 50 per cent. of their value and the settler to provide the other half cost.
- (vii) The repealing of the exemption of £300 of arrears due by a soldier settler before a lien can be taken.
- (c) That decentralization of the Board's control system be carried out along the lines as suggested in paragraph 8 of this Report.
- (d) That the consolidation of the accounts of the Closer Settlement Board be carried out on the lines of one account for each settler for all advances. This will need legislative enactment to carry out.
- (e) That the account keeping for the Cultivation Advances, Crown Lands Rents and Insurances be transferred to the control of the Accounts Branch, and mechanized. There appears to be no reason for the maintenance of separate branches to carry out this work.
- (f) That the payment of sustenance by coupons be abolished, and the cheque system be reverted to.
- (g) That the Closer Settlement and Soldier Settlement Funds be abolished, and the Board submit estimates of income and expenditure along the lines as shown in paragraph 18.
- (h) That the account keeping of the Trust Branch be mechanized.
- (i) That the Closer Settlement Fire Insurance Fund Act be amended along the lines as suggested in paragraph 20.
- (j) That the accommodation of the Department be improved by the remodelling of the building.
- (k) That the various funds and accounts of the Department be consolidated.
- (l) That the accounts of the Cultivation Advances Branch be consolidated and balanced at the end of June each year.
- (m) That where advances are made to share farmers and tenant farmers more adequate security be obtained. The Committee holds the opinion that the lease should be at least three years, and that the owner of the land should also accept liability for the advance.
- (n) That, if further Cultivation Advances Acts were passed, the question of protecting the interests of the Board of Land and Works, after the expiration of the lien on crops now held, would need to be taken into consideration.
- (o) That a visible card index system for marking files be introduced into the Cultivation Advances Branch.
- (p) That two or three of the senior officers of the Cultivation Advances Branch travel through the Mallee for a few days each year—at a time suitable to the Department—in order to discuss matters generally with the inspectors and to gather information with a view to obviating so far as possible the abuses which have occurred in past seasons.
- (q) That a penal clause be introduced into the Cultivation Advances Act, in addition to the penal clauses of the Instruments Act, in order to prevent the disposal of wheat in names other than the cultivators.

QUESTIONS STILL PENDING.

28. The Committee has conducted inquiries into a number of subjects upon which it is not yet in a position to offer positive recommendations. Evidence has been taken in regard to "The Co-ordination of Government Surveys," and the "Co-ordination of Valuations," but the Committee is not in a position to suggest alterations until after further investigation and consideration.

J. L. MURPHY,
Chairman.

Public Accounts Committee Room,
Legislative Assembly,
17th December, 1931.

(Minutes of Evidence are not printed.)