

REGISTER, FRIDAY, DECEMBER 16, 1881.

The Register.

ADELAIDE: FRIDAY, DEC. 16, 1881.

UNIVERSITY FINANCE.

It is satisfactory to find that some of the University authorities are beginning to pay attention to the financial position of that institution. We have for several years pointed out that the financial statements accompanying the annual reports do not give the information which the public have a right to demand, and it is even doubtful whether they comply with the University Act. Some six or seven months ago we gave an analysis of the income and outlay of the University from its foundation to the end of last year, so far as the particulars could be gathered from the various annual reports. As the subject has been referred to at the recent meetings both of the Senate and Council, it may not be amiss to note how the case stands. The total receipts to the end of 1881 were £70,463, and the total expenditure £53,993, leaving a credit balance of £16,470. As far as we were able to do so we classified the various items of receipt and expenditure. In the general maintenance account we included in the receipts subscriptions, interest, Government subsidy, fees, incidental receipts, and books sold. On the payment side we included outlay for salaries, and for every item except the building. This is how the figures came out to the end of 1880:—

MAINTENANCE ACCOUNT.

Total receipts	£40,072
Total expenditure	31,822

Credit balance December 31, 1880	...	£8,250
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BUILDING ACCOUNT.

Total expenditure	£20,670
Total receipts, including Parliamentary grant of £8,000	9,640

Debit balance December 4, 1880	...	£11,030
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ENDOWMENT FUND.

Total receipts	£20,750
Total investments	500

Balance uninvested December 31	...	£20,250
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This £20,250 added to the £8,250 credit balance on maintenance account makes a total of £28,500, and deducting from the last-named sum the debit balance in the Building Account of £11,030 we get a net credit balance of £16,470, as shown by the financial statement accompanying the last annual report.

For particulars of the exact financial transactions of the University for the current year we shall have to wait until the annual report is forthcoming. From the published statements of the proceedings of the Council we know of one or two items. Thus we will take first the Endowment Fund. There was a

balance uninvested at the end of last year of £20,250. Since then Sir W. W. Hughes has paid over his £20,000, and the managers of the John Howard Clark Scholarship Fund have paid over £500. This gives £40,750 to be accounted for. Of that amount, we learn from a statement made at the last meeting of the Council, £20,000 has been deposited with the Bank at 4 per cent., and £16,150 has been invested on first mortgage of freeholds in South Australia, but the rate of interest is not stated. That, however, leaves a balance of £4,600 uninvested and apparently bearing no interest. It would be interesting to know what has been done with this balance. Is it lying idle or has it been deposited in one of the Banks, or has it been used in helping to pay the cost of the building? It may be as well to mention, too, a report which has been current that the Council have actually mortgaged the University building to themselves for a considerable sum. We can hardly credit the rumour, but the public have a right to ask whether there is any foundation for this report. When we turn to the Building Account the position is exceedingly unsatisfactory. The total outlay on the building to the end of last year was £20,670. The only sums received towards this were special Parliamentary grant of £8,000, and donations £1,640, leaving a deficit of £11,030. We believe we are not far out in assuming that about another £4,000 has since been paid on the Building Account, bringing the total deficit to upwards of £15,000. This melancholy result, we venture to say, has been brought about by the utterly unbusinesslike way in which the Council has gone to work. Instead of inviting the confidence of the public, a foolish reticence has been maintained, and the interest of the people in the progress of the institution has been largely stifled.

Now, the question arises, from what source has the balance required to pay for the building been obtained? The answer seems plain enough. There is a balance of £4,600 of the Endowment Fund, and at the end of last year there was a credit balance of over £8,000 on maintenance account, which has probably been increased during the current twelve months, and it may be assumed that these sums have been absorbed in the building account. This brings us to another point. If in the first six years of its existence the ordinary income of the University, including the Parliamentary subsidy, was £8,250 in excess of the ordinary outlay, what pretext was there for applying to the Government for a special grant of £8,000 towards the building? On the other hand, this special

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grant of £8,000 having been given, what plea was there for restricting the operations of the University—on the ground that the funds were inadequate, when in six years upwards of £8,000 of the ordinary revenue was not expended, or at any rate not applied to its legitimate use? If this sum had been wisely and properly expended the field of usefulness of the University might have been greatly enlarged, and we venture to say no difficulty would have been experienced in collecting the sum required for the building. There is yet another matter which needs to be explained. Doubts have been raised as to the power of the University to lend on mortgages any part of the endowments made by Sir W. W. Hughes or by Sir Thomas Elder. These doubts certainly ought to be set at rest. We venture also to urge that in the forthcoming report an exact statement should be given of the receipts and outlay on account of the University from its beginning, distinguishing maintenance from sums received on account of endowment or of the building. If any argument were needed to support this view it may be found in the proceedings at the last meeting of the Council. At that meeting two diverse and inconsistent statements were given as to the investment of the Endowment Fund. The University is a public institution largely supported out of the public funds, and until accurate particulars are forthcoming the Parliament will not only be justified in refusing to vote any further sum to the University, but it will be their bounden duty to do so. The Government subsidy in six years amounted to £12,293, and apparently only about £4,000 of this was really required for maintenance, the rest having been, so far as we can understand, spent on the building, in addition to a special Parliamentary grant of £8,000 for the latter purpose. When Parliament votes money for a specific object it is not too much to expect that it will be used for that object; and if the contrary is proved to have been the case, the only course is to withhold further grants until a full and detailed explanation is given.