The old subsidy scheme provided for an average rate of subsidy on levies of £1 for £1 and involved adjustments from year to year to achieve that average. The limitation of the rate of levy has resulted in an average rate of subsidy of £3 9s. 11d. for 1948–49.

Hospital expenditure still shows an upward trend, mainly attributable to increases in salaries and wages. For the year 1949–50 the levies on local authorities will amount to £1,503,310, while the subsidy from the Consolidated Fund is estimated at £5,500,000.

An important aspect is the range and magnitude of the capital expenditure programmes of Boards. The five years' programme compiled in 1947, and involving an estimated expenditure of over £12,000,000, has since had many substantial additions, and the aggregate is over £21,000,000. On the building side it is evident that a large part of the programmes could not be carried out with the available supply of labour and materials. Nevertheless, the early rebuilding of several old hospitals is essential, and it is recognized that in the campaign against tuberculosis further institutional accommodation must be provided for these cases.

The increasing availability of technical equipment and labour-saving devices following a period of comparative shortage is responsible for a considerable increase in expenditure on that account.

The heavy demands on the Department's limited technical staff (medical officers, architects, engineers, and others), in the examination of proposals and of plans continues to give rise to a considerable measure of dissatisfaction on the part of Boards, though most of them appreciate and are themselves experiencing the general effects of post-war staffing difficulties. Renewed efforts are being made to overcome these difficulties, despite the strong competition of other agencies and the special training and experience required of new appointees.

(2) Hospital Beds

As at 31st March, 1948, there were available 14,123 public-hospital beds, or 7·8 per 1,000 of population. Of these, 1,542 were maternity beds and 2,416 were for infectious diseases, including tuberculosis. There were also 2,641 beds in licensed private hospitals, or 1·4 per 1,000 of the population. Of these, 761 were maternity beds.

The total of public and private-hospital beds is 16,764, or 9·2 per 1,000 of the population. This does not include mental hospitals or charitable institutions.

Shortages of nursing staff still necessitate the temporary closing down of some of the accommodation in the aggregate, approximately 1,000 beds.

(3) Legislation

The Hospitals Amendment Act, 1948, made several amendments of note, including the adoption of the title "Hospitals Act" in place of the old title "Hospitals and Charitable Institutions Act."

Special provisions were made in sections 3 to 5 for the appointment of committees of management in new hospital districts that may be created by the amalgamation of existing districts. These provisions now make it possible to proceed with the amalgamation of the six northern hospital districts in accordance with the recommendations of the Local Government Commission.

By section 6 of the same Act, amending section 38 of the principal Act, it is now made obligatory for a Hospital Board to obtain the Minister's prior approval of the appointment of any medical officer, or of the matron, master, manager, or engineer of an institution, or of the secretary to a Board.

The types of institutions which a Board may establish have by section 8 of the amending Act been extended to include a residential nursery or a day nursery for the reception and temporary care of young children.

The purposes for which a Board may grant leave on pay and expenses have been extended to include the carrying-out of inspections or investigations outside New Zealand (as well as study leave as formerly), but all such leave now requires to be approved by the Minister.