

4. I want to make it clear to the Committee that the annual cost at the end of four years will not exceed the amount of £30,260 we have stated?—I am not prepared to admit even that, because I have already stated that you cannot stop at one class in estimating cost of such proposals as are being considered. The men who are in the class now at £255 will not be content to remain in that class and see others put into the class on the same footing as themselves; they will claim to go to a class higher, and then the cost would be higher still.

5. You know we have not taken everything into consideration?—Yes, there are lots of questions you have not taken into consideration which the Department has to. Where you are dealing with other people's money it is very nice and convenient to overlook things, and that is one of the things you have overlooked.

6. Is it not a fact that the annual cost will not exceed £30,000 at the end of four years?—The annual cost for the fourth year will be £29,935. Add that to the aggregate for the previous three years, making £87,135 for four years; afterwards take £29,935 per annum, and then add on the amount for the previous four years: that is what your scheme is costing.

7. That is, your annual cost would be £87,000 per annum more?—I have told you that at the end of four years the cost will be £87,135; then for the fifth year, £29,935, added to the £87,135. That will give you about £116,000, and so you go on *ad infinitum*.

8. That is the aggregate cost?—Yes, and it is the aggregate cost you have to deal with. What you are trying to do is to get this matter dealt with on an annual cost, forgetting conveniently that the annual cost does not represent the cost at all. You are leaving out your aggregations. If you give a man a £10 increase on £200 salary, in three years that is not £10 increase, but £30 increase. It is the aggregations you have got to deal with.

9. *The Chairman.*] You say £87,000 is the aggregation?—Yes; and then on that you have to put £29,000 for the next year.

10. *Mr. O'Loughlen.*] You keep on adding on from year to year?—That is the money the Department has to pay.

11. *Hon. Mr. Millar.*] Taking 2,000 officers, how many would be included—how many officers would that £30,000 be divided amongst?—Roughly, 550.

12. That is, £30,000 per annum for 550 men?—Yes.

13. *Mr. Ross.*] I understand that you in no way dispute the officers' figures except that the total arrived at by you is the aggregation?—I do dispute them.

14. Your aggregation is taken over four years as compared with the annual increased expenditure as shown by the officers in their statement?—I dispute their figures. I say their figures are inaccurate and misleading, and I have shown where they are inaccurate and misleading.

15. That is, assuming that you confine yourself strictly to the present proposals of the institute?—This table of the Department's is worked out on the same basis as the institute's table, and it shows clearly that the table submitted by the institute is inaccurate and misleading.

16. In other words, that you have not taken into consideration anything outside that which is taken into consideration by the officers in dealing with their statement?—I have dealt with the staff as we would deal with them in classification. It is not what the Officers' Institute say would be done, but what the Committee wants to know is the position the Department would take up if a certain thing were done—that is, supposing we altered the classification to-morrow, what would you do in connection with the men now in the service, and our total is worked out on that.

17. So that your total is not worked out on the basis of their proposals, but on the basis of what you say would happen following on the heels of their proposal?—My refutation of the officers' figures is arrived at by an examination of their figures, which show that the position has been put in a misleading way.

18. But in your calculations have you embraced anything beyond the definite proposals made by the officers?—I have already stated that we have worked out the same staff on the same basis as the Officers' Institute have done, and in the way that the staff would be worked out by the Department if it were classifying the staff to-morrow under a new Act; and in that connection I may tell you this: that if it had been worked out on the basis of the Officers' Institute my figures would have been increased materially. I did not want to exaggerate the position at all, but wanted to put the position clearly before the Committee. I wanted the Committee to understand exactly what the position would be if the alteration was made, and at the same time I have shown that the figures presented by the Officers' Institute are inaccurate and misleading.

19. So that your results have not been obtained on the same basis as the officers?—Yes, they have; but they are worked out in a proper way on the basis of the number of the staff.

20. And beyond the number of men, in every other respect it is the same?—I have worked out our scale on what would be done by the Department under that classification, and the Officers' Institute has not done it in that way.

21. In working out the figures you have taken into consideration something which you conclude would happen as a consequence of something done by the officers?—If an alteration were made and we had to deal with the men, it would have to be done in the manner provided here.

22. In other words, consequent upon these proposals being carried into effect, other proposals that are not included in the officers' statement would become necessary for the Department to carry on in what they consider a satisfactory manner?—If I am to understand from that question, Mr. Chairman, that the implication is that we have included in this statement something that would have to be undertaken differently if the officers' proposals were carried into effect, then that impression is quite erroneous. I have said that these figures are worked out on what would have to be done by the Department in respect of those particular men if the Officers' Institute proposal were carried into effect, and without making any provision for the extra promotions, which would only cost us about £75,000 in five years.

23. *Mr. Witty.*] You say there are 550 men affected?—Yes, about that.