

the regulation was gazetted it became possible to reduce the relieving staff. The leave was getting up, and I think I am correct in saying that within twelve months from the date the regulation came into operation the leave was up to date everywhere, and at the present time it is ahead everywhere, and during the last six months the Department has had a number of applications from officers on one section of the line that I have in my mind asking to be allowed to put their leave off. It was ahead of time, instead of being 2,000 days in arrear. I think we are about two or three months ahead on some sections.

4. When was the regulation gazetted?—1909 or 1910. I think that, irrespective of when the regulation was gazetted, the fact remains that immediately the Department decided that sick-leave would be taken as a set-off against the annual leave there was less sick-leave. Now, what finally brought the matter prominently under the notice of the Department was the fact that on one occasion there were five men off one section who were off duty sick walking the streets of Wellington at one time. That is what finally brought about the climax, and there was just as much wrong with them as there is with any of us. These facts are stated to show that the Department was absolutely forced into the position of making this regulation and taking the action it did, to protect the interests of the men who were doing the fair thing and who were not malingering, as against the malingerer. The unfortunate part of the matter was that the men who were not malingering themselves would not help the Department. Even repeated warnings were of no avail—not the slightest action was taken so far as they were concerned; they would not report this fact. The sort of thing that was going on was this: a man would apply for his leave and he would be told that he could not get it, not because the Department did not want to give him the leave, and not because the machinery was not there to relieve him, but because owing to the abnormal amount of sick-leave which in the opinion of the Department—and which facts I think have since proved—was not genuine, relieving officers had to be used to let away men who in a number of cases were malingering. Under Regulation 56, which is a machinery regulation, the Department has given authority to departmental officers to pay for sick-leave up to four weeks without asking for authority. Now, that regulation was not made for the purpose of leading officers to suppose that they were entitled to go off on four weeks' sick-leave, but to facilitate the working of the Department and give District Officers power to enter the time of men who were off owing to *bona fide* sickness up to four weeks on the pay-sheets at the ordinary salary without referring every case to Wellington. It is practically a machinery regulation gazetted to get over the difficulties that arose as the staff increased from the large amount of correspondence that came to Wellington asking for authority to pass sick-pay. For instance, you would get this: "Stationmaster So-and-so been off four days owing to sickness—please instruct whether payment may be made." Well, the Department decided that it would be a fair thing to allow the District Officer to enter on his pay-sheet without any question the pay of the man up to four weeks so long as he was satisfied. If the period of absence extends over four weeks they still have to obtain authority from Wellington, and as a matter of fact there are a large number of cases in which sick-pay has been granted up to three months, and a considerable number—I am not prepared at the moment to say how many—in which sick-pay has been granted by the Minister on the recommendation of the head of the Department up to six months. Now, what was happening in a number of cases was this: a man would apply for his leave after he had made arrangements to go off. He might be told he could not go, and he would say, "Well, if I cannot go I will have to go off on sick-leave," and he would go. Sometimes he would afterwards come along and produce a doctor's certificate and say that the doctor said he was much better for his holiday, but that he required another fortnight to set him up. He would say, "My annual leave is just about due, there is a relieving officer in my place," and he would get his fourteen or seventeen days as the case may be. He not only got the four weeks and prevented another man who was entitled to leave getting away, but he also got the fourteen days' annual leave. That meant that the Department would pay that man twenty-eight days' pay which he was not entitled to. The fact remains that the effect of advising members of the staff that every day's sick-leave would be deducted has been the gradual elimination of all arrears of leave, and so far as the Department is concerned it is not aware of a solitary instance in which a hardship had been done. We know perfectly well, if a man is entitled to fourteen days and he goes off sick for twenty-eight days, that he loses his fourteen days, but he had been paid for fourteen days for which the Department got no work, and the Department has also had to pay for relief; and, so far as the Department is concerned, it would not ask any man to resume duty one day sooner than he feels fit. I want to lay particular stress on that point. Further than that, I believe, speaking from memory, that the Department has in two or three cases of genuine sickness, where men have wanted to come back, said "No, you are not to resume until you feel fit." If a man comes to the Head Office and says he is coming back he is invariably asked "How do you feel—are you absolutely recovered?" "No." "Well, don't hurry—we don't want you to resume a day before you are fit." If a man is away four months the only deduction that is made is the leave that is accumulated. His next annual leave becomes due in twelve months' time, but there is no deducting of the leave in future years. If a man goes off twenty-eight days on sick-leave and he has thirty-four days due to him, he is entitled to get six days off. We take the twenty-eight days and give him the six. If he says "I would prefer that those six days be added to my next annual leave," that is agreed to. The staff are given all the concession we reasonably can in that direction. The question of cost comes in here. We have been getting returns showing cost of sick-leave for a considerable time, and the comparison of this sick-leave business is very interesting. The annual amount of the sick-pay that was granted to the officers who were actually off duty for the year ending 31st March, 1905, was £3,385. Now, during that year the sick-pay compared with the preceding year increased to the extent of £326. That is for the First Division only. In 1906, when we began taking the matter up, there was a drop of £1,046. Then it began to increase again: there was an increase the next year. The total payment for 1908 was £4,118, an increase