

for five years he is granted full pay for one month and half-pay for two months; if he has been in the service for six to ten years, full pay for two months and half-pay for one month; if he has been in the service over ten years he has full pay for three months, but he has got to produce such medical certificate as the Minister may direct, and the certificate has to be obtained from a medical officer approved by the Department. If the man has not recovered at the end of three months, which is the maximum time that he is allowed to be off sick, then he has to be examined again by an approved medical officer. If the certificate of the doctor is satisfactory he may be granted further extended leave, but he gets half-pay and third-pay for periods fixed by regulation according to his service. If absent for over three months he has to pass a medical test before he is allowed to resume duty. If we were to apply those conditions to our men we would very soon be told they were irksome, and that the Department was trying to take away some of the benefits that they had previously had. Our practice has always been to take a reasonable view of the matter, and if a responsible officer says he is reasonably satisfied that a subordinate is ill we accept that. We may say, "Very well, you send him to a medical officer"; but that is only done in rare cases. As a general rule, on the assurance of the officer in charge, backed up by the medical certificate, the man is paid up to six months, and it is not an unreasonable thing in such circumstances to deduct any holiday leave that may be due to the man from the period of sick-leave. The Department is paying him dead time, and taking only the period of holiday leave from him in return. The Department is certainly losing all the time: there is no question about that.

TUESDAY, 3RD OCTOBER, 1911.

RICHARD WILLIAM MCVILLY, examination continued. (No. 22.)

1. *The Chairman.*] Will you now continue your statement on behalf of the Department in reply to clauses 12 and 13?—Yes. When we finished on Friday I was dealing with the practice of the Department in deducting from the sick-leave period the annual leave due to members, and pointing out in that connection that the suggestion to insist on a medical certificate would, so far as the men are concerned, be a very great hardship owing to the conditions under which many of them were working in regard to isolation from localities in which a doctor resided. I think I dealt with that question. Now, one clause of the petition under the heading of section 12 reads, "the interpretation placed on these regulations by the management of the Railway Department, that the Department is entitled to deduct all sick-leave from members' annual leave, irrespective of the time they are absent, and this interpretation they are strictly carrying out." Well, sir, I submit that sick-leave—even for twenty-eight days—is granted to the members of the service as a generous concession by the Department. The Department is under no obligation to grant sick-leave on pay to members of the First Division. The members of the Second Division do not participate in that concession, and it opens up a very big question when you come to consider sick-pay on the broad basis for the purposes of determining whether there is any good and sufficient reason why members of the First Division should obtain sick-leave on pay for periods extending up to six months without the Department having the right to make conditions under which payment is to be made. Now, I submit that the stipulation regarding the deduction of any annual leave due from the period of sick-leave is not by any means an unreasonable condition to impose; and I want to say this in that connection: if, as I take it, the contention of the institute here is that where sick-leave is granted or where a member is off sick for one or two days no deduction should be made, this is the position you are going to get into: you are going to provide facilities for a section of the men taking leave for one or two days at fairly frequent intervals, and beating the Department in that way. Now, that is what is going to happen eventually if the regulation is altered. I know it personally from a suggestion that was made to me by one of the officers of the Department. The question was put to me as to the interpretation, and I said there was only one interpretation. I was asked, "Well, are you going to deduct every day?" I said "Yes"; and the reply was, "I did not think that would be done." "Then, in other words, you thought the Department knew so little about the leave business and of what has been going on that it would allow any man who was not honest to beat it? Every day is going to be deducted—that is the decision of the Department." The Department claims that events have proved it was perfectly right in so deciding. Now, every day's sick-leave costs the Department so much money, and every day your leave is extended costs the Department still more money. The cost of one day's leave to the Department is about £6,000 for all the members of the service. If the leave of the members of the First Division is extended the Department must in equity make a proportionate extension to members of the Second Division—they will insist on that being done. I do not mean to say that if you give members of the First Division six days extra you would necessarily have to give members of the Second Division six days extra, but you would have to give them something proportionate and equitable, and the cost would be very materially increased. The Department does not concur in the view put forward by the petitioners that sick-leave should be granted without any deduction up to four weeks. Regulation 55 and Regulation 56 are two entirely different regulations. Regulation 55 is made in accordance with the Act. Regulation 56 provides for something which the Department is giving but which it is not bound by the Act to give. It is giving it as a concession, and is acting generously in so doing. I have already pointed out that up to 1894 members of the Railway service who were off duty sick did not get paid for that time, unless they requested that the period of their sick-leave should be taken as a set-off against their annual leave. That was the invariable practice at that time. I do not think it necessary to say very much more respecting this particular matter. As I have previously pointed