

reason why such recommendations should not be adopted. In fact, a permanent lightening of the burden of expenditure must to a large extent depend upon far-reaching changes to obtain equal service at less cost, or a definite curtailment of services rendered by the State. After the reductions that have been made in recent years, the possibilities of effecting further savings in administrative costs of existing services are very limited. However, a steady pressure is being maintained to keep costs as low as possible.

State Superannuation Funds.

As already indicated when submitting the final report, one of the most important matters dealt with by the Commission was the position of the State Superannuation Funds. As honourable members are aware, the financial position of these funds is most unsatisfactory if not precarious. Prompt action to stop the drift is essential, but under present economic conditions the whole cost of placing the funds in a sound position cannot be made a charge on taxation. Accordingly, the recommendations made provide for an overhaul of the whole scheme of superannuation whereby in effect the burden of the rehabilitation of the finances of the funds will be approximately halved between the State and its employees. This part of the Commission's report does not provide for any present saving in public expenditure, but, if adopted, the proposals recommended will have the effect of lightening a definite liability of the State that is becoming increasingly urgent. It is therefore proposed to introduce a Bill along the lines recommended in the report.

Savings in expenditure.

As to the other recommendations made by the Commission, honourable members will recollect that towards the close of last session a detailed statement was made in this House setting out the savings arising out of the recommendations of the interim report adopted by the Government. The total of the estimated savings this year was £2,040,000, with a further saving next financial year of £246,000. The savings for this year, however, included £150,000 additional credits-in-aid from reparation-moneys, following the expiration of the Hoover moratorium. As reparations have now been practically cancelled, this item will not materialize. The net estimated savings for this year are thus reduced to £1,890,000. Approximately £420,000 of the savings affect the expenditure of the Railways and the Post and Telegraph Departments, and these savings are reflected in the revenue of the Consolidated Fund. Further, the savings estimated by the Commission are based on last year's appropriations, and, as these were underspent to the extent of £140,000, this amount has to be brought into account in making a comparison between this year's estimates and last year's expenditure.

In their final report the Commission estimated that their recommendations, if adopted, would result in a total saving of £845,000. This amount includes £300,000 to be obtained from a reorganization of the hospital system, already referred to. The Government has not yet had time to consider this proposal seriously, and, in any case, it would not be possible to obtain any saving from it this financial year. Of the other recommendations, the ones already approved will bring about a further reduction of approximately £210,000 in the annual votes for this financial year. When it is remembered that salaries and wages account for about £5,000,000 out of the £6,630,000 expended under last year's votes, it will be realized that the saving of £210,000 is a more drastic one than appears at first sight.

A further saving to the Consolidated Fund, though not to taxpayers, arises out of the change made in the finances of the Unemployment Fund. Legislation passed last session abolished the subsidy from the Consolidated Fund. Provision has, however, been made for £167,000 of subsidy payable up to the time the amending Act came into operation. The net saving to the Consolidated Fund is thus £950,000.

There is also a saving of £140,000 in hospital subsidies, due to the Unemployment Board relieving the Hospital Boards of a portion of the responsibility of supplying charitable aid.

The estimated fall of £200,000 in the revenue from what is usually known as motor taxation automatically reduces by a similar amount the charge against the Consolidated Fund for transfers to the Main Highways Account and the local bodies. In addition, there is, of course, the special amount of £500,000 included in the National Expenditure Commission's recommendations and provided for by legislation passed last session.