

To His Excellency the Right Honourable John Rushworth, Viscount Jellicoe, Admiral of the Fleet, Knight Grand Cross of the Most Honourable Order of the Bath, Member of the Order of Merit, Knight Grand Cross of the Royal Victorian Order, Governor-General and Commander-in-Chief in and over His Majesty's Dominion of New Zealand and its Dependencies.

MAY IT PLEASE YOUR EXCELLENCY :

As Commissioner appointed under the Public Service Act, 1912, I have the honour to submit the following report, as required by section 15 of the Act.

REPORT.

Since the Commissioner's last report was presented important changes have been made in the personnel of the Commissioners. Mr. D. Robertson, I.S.O., Commissioner, and Mr. A. D. Thomson, Assistant Commissioner, having completed their terms of appointment, retired as from the 30th April and 30th June, 1920, respectively. Mr. F. V. Frazer, M.A., LL.B., Assistant Commissioner, accepted the position of Judge of the Arbitration Court in January, 1921.

To fill the positions, Mr. W. R. Morris, C.M.G., I.S.O., Secretary, Post and Telegraph Department, was appointed Commissioner on the 1st May, 1920, and Mr. P. Verschaffelt, LL.B., F.I.A.N.Z., was appointed Assistant Commissioner on the 1st March, 1921.

Mr. Robertson, who had upwards of forty-seven years of service, was Secretary of the Post and Telegraph Department prior to his appointment as Commissioner.

The services rendered by Messrs. Robertson and Thomson have been recognized throughout the Dominion as of the utmost value, and in undertaking the original classification of the Public Service in 1913 their ripened experience proved of great benefit in dealing with the many difficult problems which then arose, and during the trying period which followed. In closing their official careers they carried with them the good will and esteem of the officers over whom they presided.

Mr. Frazer's retirement from the office of Assistant Public Service Commissioner so soon after his assuming the position was received on all sides with genuine regret.

INCREMENTS TO SALARY.

Section 25 of the Public Service Act, 1912, provides : " Except in the case of promotion, no annual increment shall accrue to any salary until the officer in receipt of such salary has received the same for a period of twelve months. The right to receive such increment in any year shall depend upon the good and diligent conduct of the officer to whose salary the increment is attached, and if in the opinion of the Permanent Head the officer is not entitled thereto he may issue an order to deprive such officer of such increment, which shall in that case not be paid ; provided that the Commissioner shall, on appeal of such officer, confirm or disallow such order."

It is felt that many controlling officers regard the payment of annual increments in salary as a matter of course. During the past year thirty-one orders in three Departments were issued by Permanent Heads in terms of the above section, and the Commissioners feel constrained to state, after inspection of certain Departments, that some Permanent Heads do not make use of the provision in the manner intended by the Legislature.

The provision is an excellent one, and one which, if carefully and properly exercised by controlling officers, would make for greater efficiency in the Service.

The Commissioners strongly recommend that the present statutory provision be amended so as to make it obligatory on the Permanent Head to be satisfied that