

paid outside the Service; hence it cannot reasonably be contended that the Classification List as published in 1924 did not show a scale of salaries commensurate with the responsibilities and duties pertaining to each position. As such regrading may be regarded as an individualized classification, a general readjustment is not warranted.

A comparison of the average rates of salary prior to the bringing into effect of the cuts, with the average prevailing at present, shows quite clearly that officers are not in a worse position than they were, thus substantiating the contention that all necessary adjustments have been made by way of the general regradings. Immediately prior to the cut being put into operation the average classified salary was £283·9 per annum. The effect of the cut was to reduce this average to £275·6, whereas the average salary paid last year was £291·7.

In the general regrading of the Service now being undertaken an effort will be made, as on previous occasions, to provide a classification that will do justice both to the taxpayer and to each individual officer.

RETIREMENT OF OFFICERS.

Except in a few isolated and special cases, the policy of retiring officers in conformity with the provisions of the Public Service Act on attaining sixty-five years of age has been continued.

In a limited number of cases younger officers who have qualified by virtue of having forty years' service and officers who have less service but who are sixty years of age have exercised their right to retire on superannuation.

The matter of the retirement of officers before sixty-five years of age has excited comment in some directions. On the one hand, it is considered that early retirements involve an undue strain on the Superannuation Funds, and in some cases a loss of valuable services to the State. Experience shows that, except in rare cases, the advantage lies in the practice of retiring officers after forty years' service on reaching sixty years of age. After forty years' service there is rarely that keenness of ambition with which the younger officer is imbued, and there is a tendency for officers nearing the statutory retiring-age to adopt a *laissez-faire* attitude in situations which are likely to become embarrassing or involved.

On the other hand, in a few cases officers who are drawing superannuation are also filling fairly remunerative positions outside the Service, allegedly on an unfair basis competitively, because of the fact that they are on superannuation. Such an attitude entirely overlooks that every unit of society is perfectly justified in remaining a producing unit so long as he is physically capable of so doing, and that in the long-run it is an economic advantage for him to do so.

The superannuation is an officer's "surplus of production"—in other words, his accumulated excess of income over expenditure. The amount contributed by the State is in the nature of a deferred payment for services rendered by him, whilst the major portion is bought by the officer himself as an annuity. The officer in taking up private business is practically in no way dissimilar to the private citizen who from the store of his savings embarks upon a new venture towards the evening of his career. It may be suggested, if the officer is physically fit to take up private work on retirement, that he should not be retired; but it must be borne in mind that these are exceptional cases. The general experience, as stated above, is that it is an advantage to retire officers in conformity with the statute, both in the interests of the Service and in the interests of the staff. It would be impracticable and undesirable to institute any proposal that would involve differential treatment for these odd cases.

SUPERANNUATION PRIVILEGES TO TEMPORARY EMPLOYEES.

In the Finance Act, 1928, provision is made that, with the concurrence of the Public Service Commissioner, a person who is temporarily employed in the Public Service may elect to become a contributor to the Public Service Superannuation Fund, either from the date of his election or from the date of his temporary appointment to the Public Service. In the event of the employee electing to become a contributor to the Fund as from the date of his appointment, he is required to pay arrears of contributions to the Superannuation Fund within such time and in such manner as the Public Service Superannuation Board may determine. The salary contribution is fixed by reference to his age on the date from which his election to become a contributor to the Fund takes effect.