

1937.
NEW ZEALAND.

PUBLIC SERVICE COMMISSIONERS

(TWENTY-FIFTH REPORT OF THE).

Presented to both Houses of the General Assembly by Command of His Excellency.

To His Excellency the Right Honourable George Vere Arundell, Viscount Galway, Member of His Majesty's Most Honourable Privy Council, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, Companion of the Distinguished Service Order, Officer of the Most Excellent Order of the British Empire, 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 Commissioners under the Public Service Act, 1912, appointed in terms of section 41 of the Finance Act, 1936, we have the honour to submit the following report as required by section 15 of the Public Service Act.

REPORT.

IN last year's report it was mentioned that although the previous Public Service Commissioner had resigned as from 30th June, 1935, no appointment to the position had been made. Mr. A. D. Thomson who had been appointed Deputy Commissioner during the temporary absence of Mr. Verschaffelt was appointed Acting Commissioner as from 30th June, 1935, in accordance with the provisions of section 23 of the Finance Act, 1919. Mr. T. Mark, Secretary, Public Service Commissioner's Office, was appointed Acting Assistant Commissioner as from 12th April, 1935. Mr. A. D. Thomson continued to act as Commissioner until 31st July, 1936, when, acting on medical advice, he tendered his resignation. For some time prior to Mr. Thomson's resignation he had been absent on sick-leave, and Mr. T. Mark was appointed as deputy as from 8th June, 1936, until, on the 1st August, 1936, he was appointed Acting Commissioner. Mr. Thomson's willingness to fill the breach at considerable inconvenience to himself, and his wide knowledge of the Service due to his previous association with it, were of great assistance to the Government.

By section 41 of the Finance Act, 1936, provision was made for the appointment of two Public Service Commissioners to hold office jointly. The section reads as follows :—

41. *Providing for Appointment of Two Public Service Commissioners to hold Office jointly.*—(1) Notwithstanding anything to the contrary in the Public Service Act, 1912, there may from time to time be appointed under that Act two persons to hold office jointly as Public Service Commissioners. Every person appointed under this section shall be appointed for a term not exceeding three years, and shall be eligible for reappointment.

(2) Every person so appointed shall, without further appropriation than this Act, be paid a salary at the rate of one thousand two hundred and fifty pounds a year.

(3) Where there are two Commissioners in office and they differ in opinion on any question relating to the administration of the Public Service Act, 1912, or to the powers, authorities, duties, or functions of the Commissioners, they shall report the matter to the Governor-General, and the Governor-General may by Order in Council appoint a person to consider and settle the question in dispute. In any such case the joint Commissioners shall act in accordance with the determination of the person so appointed. Except as provided in this subsection, each of the joint Commissioners may exercise any of the powers conferred upon the Commissioner by the Public Service Act, 1912, or any other Act.

(4) The fact that any joint Commissioner exercises any power conferred upon the Commissioner as aforesaid shall be conclusive evidence of his authority so to do.

Mr. J. H. Boyes, Commissioner of Pensions, and Mr. T. Mark, Acting Public Service Commissioner, were appointed Commissioners in accordance with the foregoing provisions for a term of three years commencing on the 15th August, 1936.

The delay in filling the vacancy for Public Service Commissioner was unfortunate, as the work connected with the general regrading of the Service could not well be taken in hand until a permanent appointment was made. The result will be that the regrading will not be finalized as early as might be desired.

Mr. G. T. Bolt, Chief Clerk, Public Service Commissioners' Office, was appointed Secretary, Public Service Commissioners' Office, and Mr. S. Roberts, Accountant, Wellington District Office, Lands and Survey Department, and Mr. J. E. Engel, Accountant, Marine Department, were appointed Public Service Inspectors.

GENERAL REGRADING OF THE PUBLIC SERVICE.

Reference was made in last year's report to the fact that a general regrading of the Public Service was pending. By Order in Council dated 23rd September, 1936, the necessary authority was given to proceed with this regrading as from 1st April, 1937, and from the beginning of the present year the Commissioners and the Public Service Inspectors have been interviewing all officers desirous of making personal representations, and investigating their claims. This has been a task of considerable magnitude, but is now practically completed. It was necessary for the Commissioners and Inspectors to cover both Islands extensively, but it can now be said that all officers anxious to place personally their views before the Commissioners have had that opportunity. The visits to outlying districts have served to remove a feeling that officers located at places remote from Wellington are overlooked when promotions and regradings are pending. Although many officers took the opportunity of making personal representations, generally speaking the Service was found to be contented.

One prolific source of representation is from officers or groups of officers who have reached their maximum salary and can see little or no opportunity for advancement. While their point of view can be appreciated, it must not be overlooked that the basic principle of regrading is the value of the work performed. The fact that an officer has reached his maximum and may have been on the same salary-step for a number of years is not of itself a justification for higher grading. In such cases an officer would require to show that the responsibility of his position had materially increased before he could reasonably expect an increment in salary, or he should fit himself for promotion to a more important position.

SALARY SCALES.

As from 1st July, 1936, salary scales were restored to the rates in force on 31st March, 1931. The movement of salaries during the past few years has been as under :—

1st April, 1931 : All salaries and allowances reduced by 10 per cent. by the Finance Act (No. 1), 1931.

1st April, 1932: All salaries and allowances reduced, as under, by the National Expenditure Adjustment Act, 1932:—

(a) Where the rate of salary did not exceed £225 or its equivalent, 5 per cent.:

(b) Where the rate of salary exceeded £225 but did not exceed £720 or its equivalent, 10 per cent.:

(c) Where the rate exceeded £720 or its equivalent, 12½ per cent.

1st April, 1934: All salaries and allowances increased by 5 per cent. on the passing of the Finance Act (No. 2), 1934.

1st August, 1935: All salaries and allowances increased by 7½ per cent. on the passing of the Finance Act, 1935.

1st July, 1936: Salaries and allowances restored to the rates in force on 31st March, 1931, by the Finance Act, 1936.

From the above it will be seen the Public Service salaries were reduced by from 14½ to 21¼ per cent. on the rates in force at 31st March, 1931, and that more than five years passed before these reductions were restored. From the following table it will be seen that all clerical scales are still below the rates in force in 1920 and 1921—i.e., the whole of the reductions made in terms of the Public Expenditure Adjustment Act, 1921–22, have never been restored. The scale for the professional division is very little dissimilar.

The present cost-of-living figures are, however, below the 1920 level.

Clerical Division.

Class.	1913, Maximum.	1919, Maximum.	1920, Maximum.	1922 (January), Maximum.	1922 (July), Maximum.	1924, Maximum.	1931, Maximum.	1932, Maximum.	1934, Maximum.	1935 (August), Maximum.	1936 (July), Maximum.
	£	£	£	£	£	£	£	£	£	£	£
VII ..	220	270	320	305	295	295	265	239	251	270	295
VI ..	260	300	350	330	320	335	301	271	285	306	335
V ..	315	350	400	380	370	380	342	308	323	347	380
IV ..	370	400	450	430	420	425	382	344	361	389	425
III ..	425	450	500	480	470	470	423	381	400	430	470
II ..	475	500	550	525	515	515	463	417	438	471	515
I ..	600	600	650	625	615	615	553	498	523	562	615
C, Special	..	750	800	775	765	765	688	619	651	699	765

SALARIES OF PUBLIC SERVANTS.

During recent years from time to time attention has been drawn to the fact that salaries of the higher clerical and professional officers are in the opinion of the Commissioners inadequate. In the professional division salaries beyond £715 per annum, and in the clerical division salaries exceeding £765 per annum, require parliamentary appropriation before they can be paid. From the commencement of the depression it has been practically impossible to secure appropriation for increases in salary for officers coming within the overscale classes. The result of this has been that the relative salary status of various positions has been disturbed. Salaries up to £715 or £765, according to the Division, have in some cases increased without a corresponding increase to those receiving over these amounts. Regrading is much overdue to the officers in these latter classes.

Salaries of administrative officers are not determined by the Commissioners, such salaries being subject to provision in the annual estimates of Departments and authorization by Parliament. Remarks made regarding the salaries of the higher clerical and professional officers apply with at least equal force to the salaries of administrative officers.

In this connection we would call attention to the following extract from the 1933 report:—

The labourer is worthy of his hire, and I feel constrained to express the opinion that the salaries paid, especially to the higher officers, are woefully inadequate. These men have won their positions by preparation, industry, ability, and grit, and while they are loyally accepting the position as it exists at present with a feeling of stoicism, this may give way to an all-round pessimism with resultant loss of morale and efficiency, unless they may reasonably hope for some improvement in the near future.

There is no regular method by which an administrative officer can obtain a review of his salary other than by application to the Minister in Charge for consideration when the estimates are being framed. Very few increases of this nature have been approved during the past few years, and the position has been accentuated by the payment of salaries to several recent appointees to new administrative positions far in excess of those paid to permanent heads of long service and in charge of important Departments of State.

In previous reports it has been pointed out that there should be a definite grading of administrative positions, due regard being taken of the duties, importance, and responsibilities of the positions. Minimum and maximum salaries would then be fixed for every position. When comparison is made of the salaries paid to the occupants of managerial positions in outside firms, to executive and professional employees of local bodies, quasi-Government concerns, control boards, &c., with those paid to similar classes of officers in the Public Service, it is obvious that the Service rates are relatively low.

If the Public Service is to be made attractive to men of capacity it is all important that the remuneration of officers exercising important administrative functions should be adequate and commensurate with the importance of their duties.

The following table shows the percentage of permanent staff (both for the Public Service under the control of the Public Service Commissioners and for all State Services) at various salary groups. The latest figures available are given :—

Salary Group.	Public Service (under Control of Public Service Commissioners, including Administrative Officers and Native-school Teachers).		Whole of State Services (excluding Judges).	
	Officers.	Salaries.	Officers.	Salaries.
	Per Cent.	Per Cent.	Per Cent.	Per Cent.
£1,150 and over	0·16	0·63	0·07	0·31
£920 and over	0·52	1·76	0·29	1·05
£800 and over	1·05	3·18	0·55	1·83
£760 and over	1·65	4·64	0·73	2·34
£475 and over	10·19	20·42	4·81	10·61
£290 and over	54·33	69·92	38·07	51·49
£265 and over	63·33	77·76	51·16	64·59
£235 and over	75·09	87·38	66·54	78·86
£215 and over	79·04	90·34	77·55	88·37
£180 and over	83·69	93·46	84·37	93·45
Under £180	16·31	6·54	15·63	6·55
Under £180	16·31	6·54	15·63	6·55
Under £215	20·96	9·66	22·45	11·63
Under £235	24·91	12·62	33·46	21·14
Under £265	36·67	22·24	48·84	35·41
Under £290	45·67	30·08	61·93	48·51
Under £475	89·81	79·58	95·19	89·39
Under £760	98·35	95·36	99·27	97·66
Under £800	98·95	96·82	99·45	98·17
Under £920	99·48	98·24	99·71	98·95
Under £1,150	99·64	99·37	99·93	99·69
£1,150 and over	0·16	0·63	0·07	0·31

EXPANSION OF THE PUBLIC SERVICE.

Reference has frequently been made in the annual reports of Public Service Commissioners to the rapid growth in the number of public servants due to the ever-increasing demand for expansion of social and other services. During the past year this growth has been more apparent than ever before. In the years of the depression services were cut down wherever possible, and, where still carried on, were operated with reduced staffs. As conditions improved the demand and the need for restoration and expansion of these services were felt. In many cases it was necessary to employ increased staffs to make up the loss of several years. Resumption of former activities and the passing of new legislation have resulted in unprecedented demands for increased trained staffs, not only in existing services, but also to equip new Departments of State created thereby.

Staff: Number of Officers other than Workmen.

(Excluding administrative officers, Native-school teachers, and officers on extended leave or on loan to other Administrations.)

Department.	1st April, 1930.		1st April, 1933.		1st April, 1937.	
	Permanent.	Temporary.	Permanent.	Temporary.	Permanent.	Temporary.
Social Services—						
Education (excluding teachers) ..	297	75	257	94	280	151
Health	453	109	403	94	429	172
Labour	112	24	96	33	332	125
Mental Hospitals	945	24	1,089	27	1,511	45
National Provident, Friendly Societies, and Government Actuary's	35	19	29	16	35	18
Pensions	107	58	101	56	157	101
Broadcasting .. ..	..	..	..	..	89	110
Sub-total	1,949	309	1,975	320	2,833	722
Development Services—						
Agriculture	558	175	513	136	552	235
Industries and Commerce, Tourist, and Publicity	113	34	159	68	150	104
Lands and Survey	627	92	570	80	544	157
Mines	53	11	49	18	57	15
Primary Products Marketing ..	..	..	..	..	30	129
Public Works	758	617	637	271	846	1,051
Scientific and Industrial Research..	53	43	56	55	111	99
State Forests	123	35	98	27	101	81
Sub-total	2,285	1,007	2,082	655	2,391	1,871
Trading Services—						
Government Insurance	107	24	96	29	112	32
Public Trust	646	188	645	196	761	228
State Advances	97	46	102	86	316	228
State Fire Insurance	136	49	135	56	139	54
Sub-total	986	307	978	367	1,328	542
Administrative, Law and Order, &c.—						
Air (civilian staff) .. ..	..	..	..	..	9	..
Audit	158	4	162	5	181	4
Census and Statistics .. ..	..	..	..	..	65	69
Crown Law	6	1	6	2	7	3
Customs	310	9	292	10	370	21
Defence (civilian staff)	47	18	31	77	28	132
External Affairs (includes Cook Islands)	6	2	7	3	7	4
Internal Affairs	379	136	258	99	231	142
Justice and Prisons	513	35	543	44	543	117
Land and Deeds	131	55	123	34	120	26
Land and Income Tax	159	17	172	29	329	59
Marine	189	23	163	15	173	13
Native and Native Trust.. ..	102	44	108	58	156	105
Police (clerical)	6	..	6	..	8	1
Prime Minister's	1	..	1	..	5	..
Printing and Stationery	305	7	237	4	262	9
Public Service Commissioners' ..	8	..	8	..	11	..
Public Service Superannuation ..	9	2	8	2	8	4
Stamp Duties	76	11	71	9	74	11
Transport	7	1	7	2	35	63
Treasury	88	17	79	22	77	20
Valuation	83	42	75	26	84	43
Sub-total	2,583	424	2,357	441	2,783	846
Grand total	7,803	2,047	7,392	1,783	9,335	3,981*

* Excludes 504 Bureau workers and 51 Gold-prospecting Supervisors.

In several cases the increases shown above are more apparent than real—e.g., Census and Statistics Department has been separated from the Industries and Commerce, Tourist, and Publicity Department, and in the Labour Department many of the present staff were previously on the relieving staff of the Internal Affairs Department.

Staff increases generally have been occasioned by expansion of business and by the increased activities of Government by legislation bringing various bodies under Government control. The following instances are given :—

Audit Department : Increased staff was due to the expanding activities of other Departments and the additional work caused by the Government assuming control of services not previously subject to Government audit—e.g., Marketing, Broadcasting.

Broadcasting Department : The New Zealand Broadcasting Board was created a Government Department under section 6 of the Broadcasting Act, 1936.

Customs Department : The volume of work performed has increased greatly owing mainly to the sales tax. More than £3,000,000 was collected under this heading for the year ended 31st March, 1937. The rate per cent. of collection of all revenue by the Customs Department is only 17s. 4d.

Industries and Commerce, Tourist, and Publicity Department : Increased staff was necessary owing to expansion of activities. Additional work arising out of the formation of the Bureau of Industry, price investigations, &c., could be met only by increasing the staff.

Labour Department : The large increase in staff shown has been due to (a) unemployment and (b) amending industrial legislation. A large staff was necessary to deal with the problems and the detailed work arising out of unemployment. The Employment Branch first came into being in December, 1930. The rapid increase in the number of unemployed from that time onward resulted in additional staff being appointed, mainly by transfer from Departments showing a falling-off in activities. Happily the numbers of unemployed are now on the decrease, and the staff position in this Department is being closely watched. Additional duties have arisen through the formation of the State Placement Service. On the industrial side it has been essential to add to the number of Inspectors owing to the industrial legislation passed by Parliament.

Land and Income Tax Department : The large increase shown is due to the taking-over of all work arising out of the collection of employment tax. These duties were previously undertaken by the Post and Telegraph Department. It was felt, however, that a more efficient check could be exercised and overlapping would be reduced to a minimum if this work were transferred to the Land and Income Tax Department. Owing to increase of business the Post and Telegraph Department was also anxious to obtain the services of their officers engaged on these duties. Cadets have been appointed, and as these become proficient in their duties, the Post and Telegraph officers are being returned to their parent Department.

Mental Hospitals Department : The average number of patients resident in mental hospitals increased from 5,710 for the year ending 31st December, 1929, to 7,288 for the year ending 31st December, 1936. The villa system has also been gradually extended during past years. Working-hours of attendants and nurses have been reduced from fifty-three hours per week to approximately forty-two hours per week. Coincident with the alteration in working-hours an extra shift was provided to cover evening hours, so that a larger number of patients should be enabled to sit up to a reasonably late hour. The increase in staff was occasioned by the above.

Native Department : It has been necessary to add to the staff owing to increased activities in Maori welfare, Native-land development, and Native employment schemes.

Pensions Department : Additional staff has been appointed following the passing of recent pensions legislation and the increase in the number of pensioners.

Primary Products Marketing Department : This Department was formed under the provisions of the Primary Products Marketing Act, 1936.

Public Trust Department : Expansion of business has necessitated increased staff.

Public Works Department : The resumption of development work held up during the years of depression and the commencement of further engineering undertakings have resulted in the appointment of further staff. The Southland Electric-power Supply Act, 1936, provided for the dissolution of the Southland Electric-power Board and the taking-over of the activities by the Government. The employees of the Board became members of the staff of the Public Works Department.

Scientific and Industrial Research Department : The improvement in conditions generally and increased activities have resulted in increased demands being made on this Department. The extension of air services has necessitated additional appointments to the staff of the Meteorological Office.

State Advances Corporation of New Zealand : On the passing of the State Advances Corporation Act, 1936, the staff of the Mortgage Corporation again became public servants. The transfer from the Lands and Survey Department to the State Advances Corporation of mortgages vested in the Crown in respect of advances made to discharged soldiers and others under the authority of the Discharged Soldiers Settlement Act, 1915, and its amendments, took place during 1936-37. The work of this Department was also greatly increased on the passing of the Mortgagees and Lessees Rehabilitation Act, 1936.

Transport Department : The duties of this Department have been added to greatly by legislation and the campaign for road safety.

Many Departments have required their staffs to work overtime during the past year. Unfortunately it has not been possible to prevent this overtime by the engagement of additional staff owing to—

- (a) The work to be performed being of a temporary or rush nature :
- (b) Trained staff being necessary to perform the work :
- (c) It not being practicable to engage in many cases additional staff owing to serious lack of accommodation.

The lack of accommodation, made more acute by the recent expansion of activities, has had a hampering effect on the attainment of utmost efficiency in those Departments affected, but, when the present progressive building programme is completed within the next few years, it is hoped that this difficulty will disappear.

RECRUITMENT OF THE PUBLIC SERVICE.

From 1932 to the end of 1936 the minimum requirement for entry to the Clerical or Professional Division of the Public Service was the University Entrance Examination. During these years appointments were made from an order-of-merit list arranged on the following basis, preference being given in the order stated :—

- (a) Those with a section of a degree or a pass in two or more subjects of a professional examination—*e.g.*, Accountants' Professional, Law Professional, &c.—according to the number of subjects in which they have passed.
- (b) Those passing the University Entrance Scholarship Examination with credit.
- (c) Those with the University Entrance Examination and a Higher-leaving Certificate.
- (d) Those with the University Entrance Examination.
- (e) Those with the School-leaving Certificate.

In the above classes the applicants were arranged in order of merit according to the aggregate marks obtained. In classes (a), (b), and (c) an age-limit of twenty-one years was observed, and for classes (d) and (e) nineteen years.

Before the present year was far advanced it was apparent that considerable difficulty would be experienced in having available a sufficient supply of cadets to meet the demands of the Service. To assist matters the age-limit for classes (d) and (e) above was raised from nineteen to twenty-one years. Before the close of 1937 it is anticipated that the supply of cadets will not be equal to the demand.

In order to improve the position next year arrangements have been made to reintroduce the Public Service Entrance Examination. This will be held in November next. Preference will continue to be given to applicants possessing higher qualifications than the Public Service Entrance Examination. It is hoped in this way to have a sufficient supply of cadets available for 1938.

During the years 1931 and 1932 only two appointments to cadetships were made ; in 1933, 137 were appointed ; in 1934, 207 ; in 1935, 359 ; in 1936, 580 ; while for the period January to June of the present year 441 have been appointed.

The lack of appointments in the depression years is now being severely felt in the Service. An officer of five or six years' service is generally at a very useful stage of his career. Many Departments to-day are asking in vain for trained officers with this length of service. A glance at the appointments quoted above will show that there are practically no officers of this class available. It is essential for the running of an efficient Public Service to have a regular supply of young officers coming on.

Another problem which will have to be faced is one arising from the recruitment of cadets at a later age than previously. Prior to 1931 the average age for appointment to the Service would have been about seventeen years. An officer joining the Service at this age would reach the maximum of Class VII in ten years—*i.e.*, at the age of, say, twenty-seven. With possible double increments for certain examinations or for special merit and ability he could, of course, have reached the maximum before ten years' service. Now that appointments are being made up to the age of twenty-one years, it will be seen that some officers will normally be

over thirty years of age before reaching the maximum. The position has been relieved to a certain extent by the payment of a minimum rate of remuneration at age twenty-one and by the payment of additional remuneration beyond the scale salary until a salary of £200 is reached.

THE PUBLIC SERVICE AS A CAREER.

The Royal Commission which was set up in 1912 to report on the working of the various unclassified State Departments referred *inter alia* to the necessity for regarding the Public Service as a career to which would be attracted young men who had passed the necessary qualifying examination. The Commission stressed the necessity for—

- (a) Blocking all “back doors” of entrance to the Public Service ;
- (b) Arranging that all promotions should be made from within the Service ;
and
- (c) Arranging for free transfer of officers between Departments.

Their various recommendations were given effect to by the passing of the Public Service Act, 1912. Reference has been made elsewhere in this report to the system adopted to secure new appointments to cadetships in the Service. It will be observed that in the process of recruitment to cadetships care is taken to fix the age-limits as far as possible to correspond with definite school-leaving periods, and the practice is definitely and closely allied with the educational system. Thus the minimum requirement for entry, the Public Service Entrance Examination, is designed to be complementary to the School-leaving Certificate, and should, in the ordinary course, require one year's less secondary education than the latter, which is approximately equal to the University Entrance Examination. As preference is given to the applicant with the highest examination qualification, lads are thereby encouraged to remain at college for the purpose of improving their educational status and increasing their prospects of appointment. The fundamental prerequisite to effective recruitment is to attract to the examinations well qualified persons, physically, intellectually, and morally. If such persons are not willing to take the examinations, the tests themselves cannot improve the situation. The drawing-power of the Public Service depends upon the wholesomeness of public employment *in toto*, the opportunities for a career which it provides, the prestige which it commands and the scales of salaries payable. In New Zealand it may safely be said that the Government gets its full share of the very best qualified young fellows who deliberately seek a career in the Public Service rather than in banking or industry. That the Public Service is recruiting well-qualified officers is shown by a perusal of the following figures. It is, of course, recognized that an officer is not necessarily outstanding merely because he has obtained a professional examination or a degree, but the possession of this qualification at least shows perseverance and ability to assimilate knowledge, and a desire to better equip himself to carry responsibility in the future.

Officers with professional examinations, degrees, &c. :—

B.A., M.A.	..	..	..	..	..	142
B.Sc., M.Sc., &c.	..	..	..	..	..	272
Law Prof., LL.B., LL.M.	..	..	..	..	..	273
Accts. Prof., B.Com., M.Com.	..	..	..	..	..	612
Engineering degrees	..	..	..	..	..	249
Miscellaneous	..	..	..	..	..	203

1,751

Excluding the General Division, this would approximate one officer with a degree or a professional examination, in every three officers in the remaining divisions of the Public Service.

The scope for useful service given to an employee in the Public Service will be realized when the importance of Government services is remembered. Government is a co-operative enterprise exceedingly complicated and difficult, and supremely important to every citizen. Through it we endeavour to sustain law, order, and property ; protect the individual against exploitation ; conduct essential social and other services ; guard the public welfare through the promotion

of health, the care of the handicapped, the aged, and the unemployed; conserve our national resources for the benefit both of the present and the future; furnish and encourage universal education through schools, colleges, and universities; co-operate with private individuals and associations for economic advance through the expansion of domestic and foreign markets, the improvement of agricultural and industrial practices, the study of practical and scientific problems, the protection of patents and copyrights, and the development of standards and standard practices; control of hours of labour, wages, foods, and drugs; construct and maintain public highways, railways, and other development activities.

“Government now touches each one of us in a thousand ways. Each time the contact is through the agency of some public servant. If these contacts are skilful, intelligent, responsible, honest, impartial, and in accordance with law and open to and influenced by criticism we enjoy liberty. If these contacts are arbitrary, bungling, dishonest, irresponsible, contrary to law, and beyond or shielded from criticism, then we do not have liberty. The very existence of liberty under the modern State is conditioned by the quality and character of the public personnel. The development of a career service system is thus essential for the maintenance of freedom.”

PUBLIC SERVICE SUPERANNUATION.

Section 30 of the Finance Act, 1928, gave to temporary employees, subject to the approval of the Public Service Commissioners, the right to contribute to the Public Service Superannuation Fund. Many temporary employees have now taken advantage of this concession. Provided the Commissioners are satisfied that the services of the temporary employees will, as far as can be seen, be required on duties of a continuing nature and that they are performing such duties efficiently, approval is generally given to their joining the Fund.

On previous occasions attention has been drawn to the necessity for the improvement of the various Superannuation Funds. Those who devote their lives to the Government Service deserve an honourable pension when the time comes for them to step aside from the arduous and responsible duties of Government work and relinquish their positions to the oncoming group. In our opinion the outstanding matters which require consideration are—

- (a) The removal of the pension limitation of £300 per annum which applies to all officers joining the Service after the 24th December, 1909:
- (b) The provision for joint life and survivor pensions in the case of married officers:
- (c) The calculation of the retiring-allowance on the average salary for the last ten years of service instead of three years as at present.

In regard to (a), the injustice of this limitation will be apparent when it is realized that officers joining subsequent to 24th December, 1909, are compelled to contribute to a fund on the basis of their full salary, but at the same time are limited to a pension of £300 irrespective of the value of their contributions. Another and more serious effect of the limitation is in the matter of obtaining professional officers and experts to fill some of the higher positions in the Service—*e.g.*, Medical Officers of Health, Medical Superintendents of Mental Hospitals, actuaries, scientific officers, veterinarians, and others. It has been found by experience that prospective applicants are no longer interested when they ascertain that in the event of their accepting appointment the maximum pension they could receive would be £300 per annum and, further, that they would be required to pay contributions based on the actual salary received.

In regard to (b), under present conditions, in the event of an officer dying, the widow's pension is limited to £31 per annum. It has been suggested that all employees should be asked to pay an increased contribution for an increased widow's allowance, but the objection to such a suggestion is that in the case of a bachelor or a widower he would have been paying a substantial contribution for no benefit at all, and this might cause friction. It would not be unreasonable, however, that to meet the case of any employee who would prefer to accept a smaller pension on the understanding that his widow's pension was increased, such an employee should

be allowed an option on terms that would involve no increased strain on the Superannuation Funds. The simplest plan would be to allow such contributors the option to exchange their normal retirement pension for a joint life and survivor pension payable till the death of the last survivor, husband or wife, or alternatively a pension payable to the husband and automatically continuing on half rates to his widow. In order that the Funds' finances might be adequately protected it would be necessary for such option to be exercised not less than five years prior to the date of retirement, thus obviating any adverse selection against the Fund by the contributor. To meet the case of present contributors who are now within five years of retirement, or even of existing pensioners, provision might also be made for them to have an option to exchange their pensions for joint life and survivor pensions within a specified period, say, six months from the date of amending legislation, subject to their furnishing such evidence of medical fitness as might be required by the Superannuation Board.

In regard to (c) it is suggested that the final average salary basis on which superannuation allowances are calculated should be increased from three to ten years. Actually the method of computing pensions fairest to all officers would be to use the average salary for the whole period of service, which is equivalent to basing pensions on actual contributions to the Fund. This would not necessarily mean reducing the average pensions of officers, as the present rate of one-sixtieth for each year of service would, in an average pension scheme, be increased, say, to a rate of one-fiftieth or even to one-fortieth according to the other benefits and the contribution scale.

EFFICIENCY OF THE SERVICE.

The intensive inspection of Departments made in connection with the regrading has afforded an excellent opportunity of gauging the efficiency of the Service, and we are pleased to be able to report that the general standard of efficiency has been well maintained.

Since the passing of the Public Service Act, 1912, it has been the practice to appoint the best-qualified applicants available for appointment, and to give promotion to the best-entitled thereto on account of special ability and qualifications. Merit and not seniority has been the guiding influence in making promotions. Officers have been encouraged by various means to apply themselves to such courses of study as are likely to enhance their value as public servants, and the results have been very gratifying.

REGRAIDING INSPECTIONS.

In connection with the regrading, a comprehensive inspection of the Service throughout New Zealand has been made by the Commissioners and by the Inspectors. At many points appreciation has been expressed by officers, who for the first time in their official career have met a representative of this Office. Similar appreciation was voiced by those whose work had not been inspected since the 1929 regrading.

From these inspections there emerges indication of the necessity for closer co-operation and co-ordination along certain lines. Even within Departments, there is not always uniformity in practices between the various district offices. It was noticeable that in some Departments there is too great a tendency to retain officers on particular duties for an indefinite period to the detriment of the training of officers and to the work. Some Departments seem to regard themselves as water-tight compartments, forgetting that the various Departments under the Public Service Commissioners constitute one Service and that reasonable interchange between those Departments is bound to give better experience and produce more capable officers. The improvement in office systems also is considerably assisted by exchange of officers.

With the establishment of new Departments of State and the expansion of some of the existing ones, there is at times a noticeable tendency towards overlapping. A Department, if not checked, is apt to build up an organization and staff to enable it to perform every phase of the work involved in carrying out its functions, overlooking the fact that an organization may already exist in another Department for the particular purpose of handling a certain phase of the work, with the result that if

the tendency were allowed to go unchecked there would be duplication of effort and, incidentally, of staff. For example, it is obviously uneconomic to allow a Department to build up a statistical staff to gather information which is already collected, or may without extra cost be collected by the Census and Statistics Department. Similarly the establishment of a legal branch for work which can be handled just as effectively by the Crown Law Office is to be discouraged.

Any suggestion of overlapping is thoroughly investigated before applications for the appointment of additional staff are considered, and every precaution is taken to effect co-ordination and co-operation between Departments to the fullest possible extent.

Even a casual inspection reveals that there is in the Service a dearth of "intermediate" officers. The lack of recruitment of cadets during the slump period has automatically reduced to a dangerous point the officer of four or five years service who should now be available for the positions which call for a reasonable amount of experience. The shortage is particularly noticeable because the increased activities in most Departments and the new services which have been created have absorbed officers of intermediate experience. The result has been that in many cases comparatively junior officers have been called upon to undertake duties of a higher status than is justified by their actual experience.

In most Departments, too, there have been more than a few officers who have reached the top of Class VI, or who will shortly do so, and who by virtue of their lacking examination qualification are not competent to proceed to a higher grading. The admission is freely made by these officers that in most cases they appreciated the fact that some day they would have to qualify, but they simply deferred doing so. It is likely that they will be prejudiced by their lack of suitable qualification. The moral obviously is that junior officers, particularly those without the senior examination, should hasten to acquire the higher academic qualification which to-day, even more than in the past, is vital to progress.

Probably due to the increased activities of Departments, a serious inadequacy of office accommodation was apparent in most centres. In some Departments this is worse than in others; but the stage has been reached in many instances where the work is liable to suffer from the restricted nature of the accommodation available. This is perhaps more noticeable in Wellington, but in each of the centres, and to a lesser extent in smaller places, the same defect was apparent.

UNIFORMITY COMMITTEE.

In November, 1936, Cabinet decided to appoint a Uniformity Committee, consisting of the Secretary to the Treasury, the General Manager of Railways, the Director-General, Post and Telegraph Department, the Director of Education, and the Public Service Commissioners.

The first meeting of the Uniformity Committee was held on 23rd November, 1936. Mr. T. Mark was elected Chairman.

The following constitution and functions of the Uniformity Committee were decided upon:—

For the purposes of securing uniformity as between the various State services and to avoid anomalies, no proposal in regard to amendments to existing Orders in Council providing salary scales, existing staff regulations, or proposed new staff regulations affecting any branch of the State services, including teachers, is to be submitted to Government unless accompanied by a certificate by the Public Service Commissioners:—

- (1) That the proposal will not affect any existing staff regulation—
 - (a) Under the Public Service Act;
 - (b) Under the Government Railways Acts;
 - (c) Under the Post and Telegraph Department Act;
 - (d) Under the Education Acts; or
- (2) That the regulation is of such a nature that it applies in such a way as not to affect other Departments—*e.g.*, to officers performing duties of a technical or other special nature which have no parallel beyond the special Department for which the regulation is contemplated; or
- (3) That the regulation is proposed to be applied to the whole of the Government Service.

Where necessary, a formal meeting of the General Manager of Railways, Director-General, Post and Telegraph Department, Public Service Commissioners, Secretary to the Treasury, and the Director of Education to be called, and a joint report submitted to Government in regard to the matter under review, the Public Service Commissioners to be the conveners of such meetings. Where a formal meeting is not considered to be necessary, the relative papers to be circulated amongst members for their comments. Any other matter that may be likely to affect other Departments shall be referred to the Prime Minister for reference to the Public Service Commissioners.

Wherever the occasion has arisen the procedure agreed upon has been followed. The formation of the Uniformity Committee serves the very useful purpose of securing uniformity between the various State services.

STAFF REPORTING.

Interest in the question of staff reporting was increased during the year by the visit of Dr. Rugg of the Teachers' College, Columbia University, New York City, during Educational Fellowship week.

From the various discussions and criticisms of the existing systems the main facts which emerge with any degree of definiteness are—

- (1) That there is no universally accepted system of staff reporting :
- (2) That the success of any system is mainly dependent upon the intelligence and courage which reporting officers bring to their tasks :
- (3) That all existing systems are open to criticism at many points.

The best system will therefore be the one which provides most adequate safeguards in order to minimize the risks against which the criticism is levelled.

Several of the safeguards in the Public Service system are worthy of consideration :—

- (1) By dividing the merit components into ten classes, a controlling officer is required to review each officer in a systematic way instead of reaching his conclusions by mere general impression.
- (2) By instructing reporting officers to review the total marks in order to see how far they confirm a pre-conceived marshalling of staff.
- (3) By arranging a review by Head Offices to ensure uniformity.
- (4) The fact that for promotion or grading the report forms only one link in a chain prevents it from obtaining undue emphasis.

Head Office recommendations, the Public Service Commissioners' own knowledge, and the reports of Inspectors all provide important means of checking up in a fairly comprehensive way.

APPEAL BOARD.

The following is a summary of the appeals dealt with during the period 1st April, 1936, to 31st March, 1937 :—

—			Classification.	Non-promotion.	Dismissal.	Reduction in Status and Salary.	Total.
Allowed	3	..	..	3
Not allowed	65	..	..	65
Do not lie	2	..	..	2
Withdrawn	18	..	..	18
Totals	88	..	..	88

In accordance with section 14 of the Public Service Amendment Act, 1927, an election was held in May, 1937, to determine the elective members of the Board of Appeal. Five nominations were received and the result of the voting was as under :—

Bailey, Rowland Thomas	..	..	..	..	1,106
Crimp, Albert Errol	..	..	..	..	540
Houston, Andrew Stewart	..	..	..	..	3,529
O'Reilly, James Matthew	..	..	..	..	841
Reynolds, Alfred Ernest	..	..	..	..	3,234
Informal	..	..	..	..	38

Messrs. A. S. Houston and A. E. Reynolds were declared duly elected. Mr. Houston is a member of the staff of the Agriculture Department, and Mr. Reynolds of the Justice Department. Mr. Houston was previously a member of the Board. Mr. J. H. McKay, the other former member, did not seek re-election.

REDUCTION OF WORKING-HOURS.

Brief reference was made in last year's report to the reduction of working-hours and the inauguration of a five-day week. Wherever possible the working-days per week have now been reduced to five. In the case of clerical and professional officers this has not resulted in an increase of staff as the same total number of hours are now worked in five days as were previously worked in five and a half days. Many positions graded in the General Division were placed on a five-day-week basis without much difficulty.

In the case of Departments such as the Mental Hospitals, Health, Prisons, and Marine (lightkeepers), the problem was more difficult of solution. Provision was made for either time off or payment for excess hours worked from 1st September, 1936, to the date on which the new hours became operative.

Mental Hospitals.—As from 1st October, 1936, the average hours were reduced to approximately forty-two. Attendants and nurses are given each third day off and one month's leave each six months.

Prisons.—In this Department the new duty plan did not commence until 1st November, 1936. Payment of overtime for September, October, and November was approved for officers actually working the old hours, and an allowance of £5 5s. per month was thus credited to each warder affected. In order to reduce the average hours to forty-two from 1st December, 1936, warders, &c., were granted an additional five weeks' leave per year, to be taken twice yearly.

These cases will serve to illustrate the difficulties which arose in such widely differing institutions as lighthouses, hospitals, child-welfare homes, power-stations, prisons, mental hospitals, &c.

DEPARTMENTAL EXAMINATIONS.

Public Service Regulation 201 provides that before an officer can advance beyond a salary of £335 he must have passed the Senior Public Service or an equivalent examination. The Senior Examination has not been held for many years, and the usual qualifying examination is now the University Entrance.

For several years departmental examinations have been held to enable an officer to qualify for promotion. Last year it was decided to hold these examinations annually in October or November. Seventy-four officers sat for departmental examinations held in twenty towns. Forty-five were successful in passing.

A departmental examination is considered to be a good efficiency test for an officer, and consists of three three-hour papers, two covering the activities and work of the Department concerned, and a general paper containing questions in English, arithmetic, and Treasury and Public Service Acts and regulations. A high standard is demanded, and the examination undoubtedly serves a useful purpose. Officers passing the examinations are eligible for promotion in their own Departments only.

PUBLIC SERVICE EXAMINATIONS FOR SHORTHAND-TYPISTS.

The usual examinations for shorthand-typists were held in November of last year.

The Junior and Senior Entrance Examinations were held in forty centres, and there were 1,639 entries, an increase of 370 over the previous year. Eight hundred and fifty-four candidates were successful in passing the examinations, seven hundred and sixty-six failed, and nineteen did not present themselves.

These examinations are competitive. An order-of-merit list of the successful candidates is prepared for each examining-centre, and appointments to the Service are, as far as possible, made from the local pass-list, candidates who have passed the Senior Examination being given preference.

The Junior Examination requires a speed of eighty words a minute in shorthand and thirty words a minute in typewriting, while the Senior speeds are 110 words a minute in shorthand and forty words a minute in typewriting.

The Intermediate and Special Examinations have hitherto been held in the four chief centres. For these there were 196 entries; 53 of the candidates were successful, 139 failed, and 4 candidates absented themselves from the examination.

The requirements of the Intermediate Examination are 130 words a minute in shorthand and fifty words a minute in typewriting, and of the Special Examination 150 words a minute in shorthand and fifty words a minute in typewriting.

No entries were received this year for the Shorthand Reporters' Examination. This examination requires a speed of 150 to 180 words a minute in shorthand, with not more than 1 per cent. of error in transcription.

The latter three examinations are used for promotion purposes.

There is at present great difficulty in supplying Departments with efficient shorthand-typists. In most towns the pass-lists for the examinations of November, 1936, were exhausted early in the present year. The greatest difficulty is experienced in Wellington. It has been necessary to bring a number of trained shorthand-typists from other centres to Wellington to meet the demand, but even with this method it is sometimes weeks before an efficient replacement can be arranged.

ADMINISTRATIVE CHANGES.

Since the last report was issued the following administrative changes have taken place :—

Air Department: Mr. T. A. Barrow, Chief Accountant, Public Works Department, was appointed Air Secretary as from 1st April, 1937.

Audit Department: Colonel G. F. C. Campbell, C.M.G., V.D., Controller and Auditor-General, died on the 3rd March, 1937. Mr. J. H. Fowler, Deputy Controller and Auditor-General, was appointed to succeed Colonel Campbell.

Broadcasting Department: Professor J. Shelley, M.A., was appointed on 1st December, 1936, to the position of Director of Broadcasting.

Census and Statistics Department: The office of Government Statistician, held by Mr. J. W. Butcher, was added to the Administrative Division on the 5th August, 1936.

Commercial Broadcasting Department: Mr. C. G. Scrimgeour was appointed on the 2nd October, 1936, to the position of Controller of Commercial Radio Stations.

National Provident, Friendly Societies, and Government Actuary's Department: Mr. C. Gostelow, F.I.A., resigned on 11th November, 1936, from his position of Registrar of Friendly Societies, Superintendent of the National Provident Fund, and Government Actuary on his appointment to the position of Government Actuary to the New South Wales Public Service. Mr. R. Sinel, Accountant, Native Department (acting as Chief Inspector, Employment Division, Labour Department), was appointed in an acting capacity as Registrar of Friendly Societies and Superintendent of the National Provident Fund. Mr. S. Beckingsale, F.I.A., was appointed in an acting capacity to the position of Government Actuary, retaining the position of Actuary, Government Life Insurance Department.

Pensions Department: Mr. J. H. Boyes relinquished his appointment as Commissioner of Pensions on 14th August, 1936, on his appointment to the position of Public Service Commissioner. Mr. H. D. Smith, Assistant Commissioner of Pensions, was appointed to succeed Mr. Boyes.

Primary Products Marketing Department: Mr. G. A. Duncan was appointed on 1st August, 1936, to the position of Assistant Director of Marketing (Acting Director).

Internal Marketing Branch: Mr. F. R. Picot was appointed on 1st February, 1937, to the position of Director of Internal Marketing.

Printing and Stationery Department: Mr. G. H. Loney, Government Printer, retired on 31st July, 1937. Mr. E. V. Paul, Accountant, Printing and Stationery Department, Wellington, was appointed to succeed Mr. Loney.

Public Service Commissioners' Office: Mr. J. H. Boyes, Commissioner of Pensions, and Mr. T. Mark, Secretary, Public Service Commissioner (Acting Assistant Public Service Commissioner), were appointed on 15th August, 1936, to the positions of Public Service Commissioners.

Public Works Department: Mr. C. J. McKenzie, A.M.I.C.E., Engineer-in-Chief and Under-Secretary, retired on 21st July, 1936. Mr. J. Wood, M.I.C.E., Assistant Engineer-in-Chief, was appointed to succeed Mr. McKenzie.

State Advances Corporation of New Zealand (Housing Construction Branch): Mr. A. Tyndall, A.M.I.C.E., was appointed on 1st September, 1936, to the position of Director of Housing Construction. He retains the position of Under-Secretary of Mines.

Transport Department: Mr. G. C. Godfrey, Commissioner of Transport, retired on 31st March, 1937. Mr. G. L. Laurenson, A.M.I.C.E., Civil Engineer and Assistant Commissioner of Transport, was appointed to succeed Mr. Godfrey.

DEPARTMENTAL OFFICERS ON LOAN WITH OTHER ADMINISTRATIONS.

The following officers of the New Zealand Public Service are on duty with the Administration named :—

Administration.	Name.	Department from which loaned.
High Commissioner's Office (including officers on duty in England but not attached to High Commissioner's Office)	Taylor, F. H. ..	Agriculture.
	Were, G. V. ..	"
	Foy, H. A. ..	"
	Rutherford, J. P. ..	Audit.
	McLachlan, A. P. ..	"
	Webster, C. K. ..	"
	Lawrence, F. W. ..	Customs.
	Brebner, T. O. W. ..	"
	Lishman, G. D. ..	Industries and Commerce, Tourist and Publicity.
	Reid, A. N. ..	Ditto.
	Campbell, R. M. ..	Internal Affairs.
	Jervis, D. M. ..	"
	Mitchinson, Miss E. ..	"
	McKenzie, Miss J. R. ..	"
	Sandford, F. T. ..	Labour.
	Wright, N. L. ..	Scientific and Industrial Research.
	Hamilton, W. M. ..	"
	Sunley, R. M. ..	Treasury.
	Barker, D. W. A. ..	"
Samoa (including officers on duty in Samoa but not attached to Administration)	Peddie, J. J. G. ..	Agriculture.
	Hepburn, P. J. ..	Audit.
	Harper, D. E. ..	"
	Moorhouse, A. F. ..	Customs.
	Clendon, Miss N. C. ..	Education.
	McKay, C. G. R. ..	External Affairs.
	Murphy, E. F. ..	"
	Quin, C. E. H. ..	"
	Wright, J. B. ..	"
	Turnbull, A. C. ..	Internal Affairs.
	Kay, R. V. ..	"
	Malone, R. A. ..	Labour (Employment Division).
	Horrax, J. S. ..	Mines.
	Gunn, K. J. ..	National Provident and Friendly Societies and Government Actuary.
	Wynyard, W. ..	Public Trust.
	Gratton, F. J. H. ..	"
	Jones, D. M. ..	Public Works.
	Wadsworth, J. ..	Scientific and Industrial Research.
	Sapsford, H. B. ..	"
	Austin, J. M. ..	"
Cook Islands	Sutch, E. J. ..	State Advances.
	Walker, J. ..	Treasury.
	Goodwin, W. T. ..	Agriculture.
	McMahon-Box, J. P. ..	Customs.
	Smith, S. J. ..	External Affairs.
	Larsen, C. H. W. ..	"
	Jones, S. W. ..	Internal Affairs.
	Gray, A. G. ..	Labour (Employment Division).
	Empen, H. J. ..	Native.
	Morgan, H. J. ..	"
Secretariat to League of Nations Falkland Islands	Luckham, A. A. ..	Prisons.
	Jackson, J. D. ..	Public Works.
	Chapman, J. H. ..	Customs.
	Weir, D. S. A. ..	Agriculture.

AMENDMENTS TO THE GENERAL REGULATIONS.

In consequence of the passing of the Finance Act, 1936, making provision for the restoration of all salaries and allowances to the level in operation at the 31st March, 1931, the following regulations were amended: Regulations 8B, 8E, 109, 111A, 111B, 117, 197, 201, 209, 213, 214, 215A, and 216.

Regulation 32, prohibiting public servants from taking an active part in politics, was revoked consequent on the passing of the Political Disabilities Removal Act, 1936.

Regulation 8D was amended to permit payment to officers of the Professional or Clerical Divisions for time worked in excess of forty hours per week instead of forty-four.

Regulation 49 was amended to provide for an alteration in the method of computing annual leave, particularly in regard to deduction therefrom in respect of sick or special leave during the preceding year.

Regulation 51 was amended consequent on the introduction of a five-day week (merely a machinery amendment).

Consequent on a decision to reintroduce the Public Service Entrance Examination, that portion of the regulations relating to this examination was revised and brought up to date. The following regulations were amended: Regulations 155, 164, 170, 173, 177, 178, 178A, 179, 180, 181, 181A, 186, 187, and 200.

The regulations relating to the Printing and Stationery Department were also amended as follows:—

Regulation 54 was amended consequent on the introduction of a five-day week (merely a machinery amendment).

Regulation 55 was amended to provide for an alteration in the method of computing annual leave to bring it in line with the amendment to Regulation 49 of the General Regulations.

OFFENCES BY OFFICERS.

Offences and irregularities are dealt with in accordance with the provisions of sections 12 and 13 of the Public Service Amendment Act, 1927.

The decisions arrived at of the principal classes of cases dealt with during the year were as follow:—

(a) Misappropriations (3)	..	Forfeited office (3).
(b) Irregularities (2)	..	Appointment annulled (1); dismissed (1).
(c) Unsatisfactory work (7)	..	Services terminated (2); appointment annulled (1); reprimanded and reduced (2); reprimanded and transferred (1); fined (1).
(d) Unsatisfactory conduct (14)	..	Appointment annulled (5); dismissed (2); retired (1); reprimanded and transferred (2); fined (3); payment of increment delayed (1).

LEAVE OF ABSENCE FOR EDUCATIONAL AND TRAINING PURPOSES.

During the year the following officers were granted leave of absence to enable them to proceed abroad for educational and training purposes:—

- Calder, R. A., Instructor in Agriculture (seconded as Assistant Agronomist to Plant Research Bureau, Scientific and Industrial Research Department, Palmerston North), Agriculture Department, Palmerston North: To visit research institutions concerned with plant-breeding or seed-production overseas.
- Hervey, Miss M. E., Masseuse, Mental Hospitals Department, Porirua: To visit England to take refresher courses in Electro-therapy and cognate subjects.
- Hetherington, Miss J. J., Inspector of Secondary Schools, Education Department, Wellington: To proceed abroad to study and contact recent developments in teaching.
- Kidson, Miss E. B., Assistant Chemist, Soil Survey, Scientific and Industrial Research Department, Nelson: To England and Scotland, to obtain up-to-date experience in soil chemistry and other related matters.
- Lambie, Miss M. I., Director, Division of Nursing, Health Department, Wellington: To United States of America, Canada, and Europe, to take up a Rockefeller Travel Fellowship.
- Potter, F. W., 5th Operator, Public Works Department, Arapuni: To England, to further engineering experience.
- Taylor, Miss H., Physical Instructress, Education Department, Wellington: To attend refresher courses in physical education abroad.
- Watt, I. G., Clerk, Veterinary Laboratory, Agriculture Department, Wallaceville: To Sydney, Australia, to take up a veterinary bursary.

DEPARTMENTAL OFFICERS ABROAD ON DUTY.

During the year the following officers proceeded abroad for the purposes stated:—

- Arnold, Miss N. P., Matron, St. Helens Hospital, Health Department, Wellington: To Finland, Sweden, Denmark, and Holland, to study midwifery training.
- Barry, W. C., Director, Live-stock Division, Agriculture Department, Wellington: To Dutch East Indies, Queensland, and New South Wales, to investigate animal-disease matters.

- Cockayne, A. H., Director-General, Agriculture Department, Wellington : To Australia, to discuss methods of co-ordination of wool publicity and research matters with Australian and South African growers, also to Canberra and Adelaide, in connection with departmental matters.
- Fawcett, E. J., Farm Economist, Agriculture Department, Wellington : To Australia, to investigate egg-marketing scheme in New South Wales.
- Grange, Dr. L. L., Geologist (Acting Director, Soil Survey Division), Scientific and Industrial Research Department, Wellington : To Australia, to discuss soil matters.
- Foy, N. R., Seed Analyst, Agriculture Department, Palmerston North : To Australia, to represent Department at Centenary Conference of Australian and New Zealand seed-merchants at Adelaide, and to look into certain aspects of seed trade in Sydney and Melbourne.
- Griffin, K. M., Analyst, Scientific and Industrial Research Department, Auckland : To United States, Canada, and Britain, to study latest methods in laboratory practice, especially the manner of dealing with water pollution in the United States.
- Grigg, F. J. T., Analyst, Scientific and Industrial Research Department, Christchurch : To United Kingdom, to investigate laboratory methods.
- Hullett, E. W., Chemist, Wheat Research Institute, Scientific and Industrial Research Department, Christchurch : To America, the United Kingdom, and Europe, to gain first-hand information of the latest developments and processes in the wheat industry.
- Levy, E. B., Agrostologist, Agriculture Department, Palmerston North (seconded as Director, Grasslands Division, Plant Research Bureau, Scientific and Industrial Research Department, Palmerston North) : To Great Britain, to attend Fourth International Grassland Conference, to be held at Aberystwyth, Wales, and to visit research stations in England and Europe, Canada, and United States of America.
- Lowe, C., Instructor in Tobacco Culture, Agriculture Department, Auckland : To England, to acquaint himself with the requirements of the trade with a view to the further development of the export of tobacco-leaf.
- Hutchings, N. E., Chief Clerk, Public Works Department, Head Office : To Australia, to accompany the Hon. the Minister of Public Works on an official visit.
- Neill, J. O. C., Field Mycologist, Agriculture Department, Palmerston North (seconded to Plant Research Bureau, Palmerston North, Scientific and Industrial Research Department) : To Australia, to visit mycological centres in order to discuss investigations in which the Plant Research Bureau is co-operating with workers there.
- Shanly, W. J., Private Secretary to Minister of the Crown, Internal Affairs Department, Wellington : To Geneva, to accompany the Hon. the Minister of Labour to the International Labour Conference.
- Small, Miss L. G., School Nurse, Health Department, Wellington : To visit Canada, to obtain first-hand knowledge of certain developments which are taking place in public-health work in that country.
- Smart, E. C., Assistant Engineer, Public Works Department, Head Office : To various Pacific Islands, to secure preliminary reports on their suitability for the construction of landing-grounds for service aircraft.
- Sutherland, R., Cool Storage Officer, Agriculture Department, Wellington : To Cook Islands, for special duty in connection with erection of cool store at Avarua.
- Thomsen, I. L., Observatory Assistant, Dominion Observatory, Scientific and Industrial Research Department, Wellington : To Phoenix Island to represent Dominion Observatory with expedition to observe eclipse of sun.
- Thomson, R., Assistant Agronomist, Plant Research Bureau, Scientific and Industrial Research Department, Lincoln : To Australia, to investigate and report on rice-growing.
- Whitehead, H. R., Dairy Bacteriologist, Scientific and Industrial Research Department, Palmerston North : To Berlin, to attend the Eleventh Triennial World's Dairy Congress, and also to investigate the research work carried out on various matters connected with the dairy industry.
- Williams, W. R. L., Orchard Instructor, Agriculture Department, Alexandra : To United States of America, to gather latest information on the question of "frost fighting" in protecting fruit against frost damage.

To accompany the Minister of Finance to Great Britain :—

- Aicken, T. R., and Sutch, W. B., Private Secretaries to Minister of the Crown, Internal Affairs Department, Wellington.
- Johnson, J. P. D., Advisory and Investigating Officer, Customs Department, Head Office.
- Pascoe, G. A., Industrial, Investigating, and Advisory Officer, Industries and Commerce, Tourist and Publicity Department, Head Office.
- Armitage, Miss T. F., Senior Shorthand-typist, Relieving Staff, Internal Affairs Department, Wellington.

To accompany the New Zealand Delegation to the Coronation and Imperial Conference :—

- Rodda, G. C., Secretary to the Treasury, Wellington.
- Berendsen, C. A., Permanent Head, Prime Minister's Department, Wellington.
- Lewis, A. L., Senior Messenger, Internal Affairs Department, Wellington.

SUGGESTIONS FOR IMPROVEMENT.

Under Public Service Regulation 17, officers are invited to forward for the consideration of the Commissioners any fresh ideas or proposals that are likely to improve the organization or efficiency of the Service. Such suggestions are appreciated and are given every consideration. In cases where a suggestion which is considered to be of merit is brought forward, it is the practice to make a small monetary reward.

Though no such monetary consideration was granted, the following suggestions, made during the year, are worthy of mention :—

Name.	Department.	Suggestion.
Brooker, W. A. ..	Customs	New form for returns of certain duty collected. <i>Adopted.</i>
Gainey, S. C. ..	Public Service Superannuation	Improved method of recording journal entries. <i>Adopted.</i>
Jones, I. D. ..	Lands and Survey ..	Method of filing papers.
Kay, A. R. ..	Land and Deeds ..	Method of compilation of departmental statistics.
Knightsbridge, H. J.	Agriculture	Improvement in form for daily return of stock examined at abattoir. <i>Adopted.</i>
Seddon, G. H. ..	Land and Deeds ..	Scheme for amalgamation of work of Land and Deeds and Stamp Duties Departments.
Sherwood, F. E. ..	Agriculture	Formation of "Publicity and Intelligence Bureau" in Department.

CONFERENCES.

Conferences of officers as set out below were held since last report :—

Department.	Nature of Conference.
Agriculture	District Superintendents and Veterinarians : To discuss veterinary matters generally. Stock Inspectors : To discuss generally stock-inspection matters. Orchard Instructors : To discuss problems connected with fruit export.
Industries and Commerce, Tourist and Publicity	District Managers and Hostel Managers : To discuss methods for increased business.
Public Works	District Electrical Engineers : To discuss general matters relating to the Hydro-electric Branch.
State Advances Corporation ..	North Island Rural Field Staff and Branch Managers : To discuss valuing methods and general matters.
Valuation	Assistant Valuers : To discuss phases of work and compare methods for uniformity of practice.

CONCLUSION.

Reference has been made in previous reports to the particularly harmonious relations existing between this Office and the staffs of the various Departments, and also with representatives of the New Zealand Public Service Association. We are pleased to report that these have been well maintained during the past year.

We also desire to express our thanks and appreciation for the loyal support accorded to us by Permanent Heads and by officers generally, and particularly to our own staff for their loyal and devoted assistance.

All of which is respectfully submitted for Your Excellency's gracious consideration.

J. H. BOYES, Public Service Commissioner.

T. MARK, Public Service Commissioner.

Office of the Public Service Commissioners, Wellington, 28th September, 1937.

TABLE I.—PUBLIC SERVICE LIST, 31ST MARCH, 1936.—GENERAL SUMMARY OF CLASSIFICATION BY DEPARTMENTS (EXCLUDING OFFICERS IN ADMINISTRATIVE DIVISION).

Department.	Number of Officers.	Total Salaries, Year ending 31st March, 1936.	Classification Salaries, Year ending 31st March, 1937.	Scale Increase.
		£	£	£
Agriculture	520	175,026	179,559	4,533
Appointed, 1/4/36	1	..	269	..
On loan	6	..	..	..
On leave	1	..	..	..
Audit	173	54,016	56,442	2,426
On loan	1	..	..	..
Census and Statistics	66	14,879	15,730	850
Crown Law	7	4,311	4,353	42
Customs	345	96,986	100,087	3,101
On loan	2	..	..	..
On leave	1	..	..	..
Defence	33	8,814	9,089	275
Education	269	88,994	90,336	1,342
Appointed, 1/4/36	1	..	154	..
External Affairs	6	1,592	1,659	66
On loan	5	..	..	..
Government Insurance	111	31,504	32,649	1,144
On loan	1	..	..	..
Health	389	97,878	101,609	3,730
Appointed, 1/4/36	1	..	77	..
On leave	4	..	..	..
Industries and Commerce, Tourist and Publicity	122	32,835	33,665	830
Appointed, 1/4/36	1	..	241	..
Internal Affairs	226	55,526	57,374	1,847
On loan	7	..	..	..
On leave	2	..	..	..
Justice and Prisons	542	147,749	151,037	3,288
On loan	1	..	..	..
Labour	213	53,536	56,752	3,216
Appointed, 1/4/36	1	..	269	..
On loan	1	..	..	..
Land and Deeds	119	36,483	37,293	810
Land and Income Tax	201	49,501	52,093	2,592
Lands and Survey	595	170,992	178,177	7,184
Appointed, 1/4/36	1	..	77	..
On loan	2	..	..	..
Marine	165	54,719	55,413	694
Appointed, 1/4/36	1	..	406	..
Mental Hospitals	1,085	233,687	235,707	2,019
On leave	4	..	..	..
Mines	51	16,162	16,585	423
On loan	2	..	..	..
On leave	1	..	..	..
National Provident and Friendly Societies	34	8,356	8,881	525
On loan	1	..	..	..
Native	141	37,704	39,363	1,658
On loan	1	..	..	..
Pensions	116	27,471	28,866	1,394
Police	7	2,441	2,455	13
Prime Minister's	6	1,967	2,008	41
Printing and Stationery	230	61,569	62,510	941
Appointed, 1/4/36	17	..	4,318	..
Public Service Commissioner's	9	3,071	3,174	102
Public Service Superannuation	8	1,715	1,820	104
Public Trust	719	208,003	217,196	9,193
Appointed, 1/4/36	1	..	77	..
On loan	1	..	..	..
On leave	1	..	..	..
Public Works	724	219,508	229,038	9,530
Appointed, 1/4/36	10	..	2,429	..
On loan	3	..	..	..
On leave	1	..	..	..
Scientific and Industrial Research	67	24,865	25,698	833
Stamp Duties	74	20,664	21,174	510
State Advances	52	11,172	11,651	478
On loan	1	..	..	..
State Fire Insurance	133	38,703	39,710	1,007
State Forest	98	30,427	31,095	668
On leave	3	..	..	..
Transport	25	6,085	6,502	417
Treasury	87	23,438	24,469	1,030
On loan	5	..	..	..
Valuation	83	26,312	27,221	908
On leave	1	..	..	..
Totals	7,851	2,178,679	2,248,458	69,778
Appointed, 1/4/36	35	..	8,321	..
On loan	40	..	..	..
On leave	19	..	..	..
Totals, 31/3/36*	7,851	2,178,679	..	..
Totals, 31/3/37*	7,886	..	2,256,779	..
Native-school teachers	321	71,175	..	..
Vacant, 1/4/36	78	..	..	..

* Excluding 40 officers on loan and 19 on leave without pay.

NOTE.—Fractions of £1 are not taken into consideration in tables.

TABLE II.—PUBLIC SERVICE LIST, 31ST MARCH, 1936.—GENERAL SUMMARY OF CLASSIFICATION BY CLASSES (EXCLUDING OFFICERS IN ADMINISTRATIVE DIVISION).

Class (excluding Administrative).	Number of Officers.	Total Salaries, Year ending 31st March, 1936.	Classification Salaries, 31st March, 1937.	Scale Increase.
Professional—		£	£	£
Over scale	71	54,047	54,047	..
A	129	78,015	79,112	1,096
A (on leave)	2	..	..	..
B	128	63,487	65,201	1,714
B (on loan)	1	..	..	..
C	125	52,508	53,993	1,485
C (appointed, 1/4/36)	1	..	406	..
D	108	35,349	38,003	2,653
D (on loan)	2	..	..	..
D (on leave)	1	..	..	..
E	41	10,377	11,125	747
E (appointed, 1/4/36)	2	..	585	..
E (on leave)	1	..	..	..
F	10	1,394	1,703	309
Clerical—				
Special (over scale)	8	5,899	5,899	..
Special (over scale—on loan)	1	..	..	..
Special	85	54,358	55,615	1,256
Special (on loan)	2	..	..	..
I	125	64,884	66,803	1,918
I (on loan)	2	..	..	..
II	108	48,573	50,015	1,441
II (on loan)	1	..	..	..
III	166	68,875	70,218	1,343
III (on loan)	1	..	..	..
III (on leave)	1	..	..	..
IV	257	95,835	98,366	2,531
IV (on loan)	2	..	..	..
IV (on leave)	1	..	..	..
V	325	106,964	110,842	3,877
V (on loan)	2	..	..	..
VI	868	254,486	263,221	8,735
VI (on loan)	4	..	..	..
VII (£251/9/0–£269/15/0)	830	216,546	221,430	4,883
VII (appointed, 1/4/36)	2	..	539	..
VII (on loan)	10	..	..	..
VII (on leave)	2	..	..	..
VII (£202/14/0–£241/6/0)	502	104,375	114,203	9,828
VII (appointed, 1/4/36)	1	..	222	..
VII (on loan)	5	..	..	..
VII (on leave)	1	..	..	..
VII (£77/5/0–£183/8/0)	786	71,324	84,734	13,410
VII (appointed, 1/4/36)	5	..	386	..
VII (on leave)	1	..	..	..
General—				
I (£431 and over)	102	48,714	49,814	1,100
I (on loan)	3	..	..	..
II (£266–£430)	977	310,591	316,360	5,769
II (appointed, 1/4/36)	5	..	1,467	..
II (on loan)	1	..	..	..
II (on leave)	2	..	..	..
III (£242–£265)	353	89,170	89,508	337
III (appointed, 1/4/36)	12	..	3,187	..
III (on loan)	2	..	..	..
IV (£226–£241)	723	171,418	171,959	540
IV (appointed, 1/4/36)	6	..	1,372	..
V (£206–£225)	207	44,777	45,171	394
V (on loan)	1	..	..	..
V (on leave)	3	..	..	..
VI (£171–£205)	309	57,093	59,684	2,590
VII (£170 and under)	449	55,155	56,705	1,549
VII (on leave)	4	..	..	..
Educational—				
I (£431 and over)	1	539	562	22
II (£266–£430)	18	5,590	5,617	27
III (£242–£265)	8	2,018	2,057	38
IV (£266–£241)	4	945	960	14
V (£206–£225)	7	1,500	1,520	19
VI (£171–£205)	17	3,224	3,320	96
VII (£170 and under)	4	632	675	43
VII (appointed, 1/4/36)	1	..	154	..
Totals	7,851	2,178,679	2,248,458	69,778
Appointed, 1/4/36	35	..	8,321	..
On loan	40	..	..	..
On leave	19	..	..	..
Totals, 31/3/36*	7,851	2,178,679	..	..
Totals, 31/3/37*	7,886	..	2,256,779	..
Native-school teachers	321	71,175	..	..
Vacant	78	..	..	..

* Excluding 40 officers on loan and 19 on leave without pay.

NOTE.—Fractions of £1 are not taken into consideration in totals.

TABLE III.—SHOWING ALTERATIONS IN STAFFS AND SALARIES OF DEPARTMENTS BETWEEN CLASSIFIED LIST FOR 1935-36 AND 31ST MARCH, 1936.

Departments.	Classified List, 1935-36.			Increase.																Decrease.												Net Increase or Decrease. Columns 1 to 13 inclusive.		At 31st March, 1936.		Departments.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				
	Number of Officers.	Total Classified Salaries.	Additions to Salary in terms of Finance Act, 1935. (7½ per centum).	(1) Additions to Salary on Promotion, &c. (within Department).		By Transfer from other Departments or from Unclassified Positions.		By New Entrants.				Total Increase. Columns 1 to 7 inclusive.		(8) By Reduction in Salary.		(9) By Transfer to other Departments or to Unclassified Positions.		(10) By Death.		(11) By Retirement on Superannuation or Pension.		(12) By Resignation.		(13) By Dismissal (including Cases where Services dispensed with).		Total Decrease. Columns 8 to 13 inclusive.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																														
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TABLE IV.—TEMPORARY EMPLOYEES OTHER THAN WORKMEN, ETC., AS AT 1ST APRIL, 1936.

Department.				Male Clerks.	Sorters.	Female Clerks.	Shorthand-typists, Typists, and Machinists.	Office Assistants.	Draughtsmen and Computers.	Draughtswomen and Tracers.	Engineers and Engineers' Assistants.	Inspectors and Instructors.	Milk Testers.	Overseers and Foremen.	Medical Officers.	Storekeepers and Storemen.	Miscellaneous.
Agriculture	..	..	..	5	4	..	26	15	..	..	..	108	12	4	..	..	18
Audit	..	..	..	..	..	3	1	..	..	..	..	..	..	..	..	..	..
Crown Law	..	..	..	..	..	..	2	..	..	..	..	..	..	..	..	..	1
Customs	..	..	..	1	..	..	13	..	..	..	..	..	..	..	..	..	..
Defence	..	..	..	19	..	..	6	9	..	..	..	..	..	1	..	44	34
Education	..	..	..	6	4	18	25	18	..	..	..	2	..	1	..	..	41
External Affairs	..	..	..	..	..	..	1	..	..	..	..	..	..	..	2	..	2
Government Insurance	..	..	..	..	..	..	14	16	..	..	..	..	..	..	..	..	1
Health	..	..	..	9	1	4	11	2	..	..	1	6	..	..	9	1	82
Industries and Commerce, Tourist and Publicity	..	..	..	8	..	..	45	13	..	..	..	3	..	..	..	..	10
Internal Affairs	..	..	..	13	2	..	63	13	..	..	..	2	..	..	..	..	15
Justice and Prisons	..	..	..	6	1	..	29	4	..	..	..	5	..	..	..	..	34
Labour	..	..	..	33	4	..	45	1	..	..	6	3	..	..	..	..	5
Land and Deeds	..	..	..	..	1	..	10	1	..	11	..	..	..	..	..	..	1
Land and Income Tax	..	..	..	..	2	..	3	45	..	..	..	..	..	..	..	..	..
Lands and Survey	..	..	..	8	14	..	72	3	5	..	..	13	..	6	..	2	13
Marine	..	..	..	1	..	..	7	2	..	..	..	1	..	..	..	..	2
Mental Hospitals	..	..	..	1	..	..	12	5	..	..	9	..	..	..	2	5	8
Mines	..	..	..	2	..	..	7	3	..	..	..	1	..	..	..	1	1
National Provident, Friendly Societies, and Government Actuary's	..	..	..	..	..	..	3	12	..	..	..	..	..	..	..	..	..
Native	..	..	..	18	2	..	33	7	..	..	..	..	..	4	..	..	19
Pensions	..	..	..	14	1	..	31	27	..	..	..	..	..	..	..	..	1
Police	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1	..
Printing and Stationery	..	..	..	..	..	..	3	..	..	1	..	..	..	..	..	..	1
Public Service Superannuation	..	..	..	..	..	..	1	2	..	..	..	..	..	..	..	..	..
Public Trust	..	..	..	21	3	..	177	1	..	..	..	1	..	1	..	..	12
Public Works	..	..	..	16	4	..	89	3	62	..	59	9	..	91	..	38	120
Scientific and Industrial Research	..	..	..	..	..	..	6	4	..	..	..	..	..	1	..	..	62
Stamp Duties	..	..	..	..	..	..	9	1	..	..	..	..	..	..	..	..	2
State Advances	..	..	..	8	13	..	40	21	..	..	..	..	..	..	..	..	26
State Fire and Accident Insurance	..	..	..	1	..	..	35	16	..	..	..	..	..	..	..	..	2
State Forests	..	..	..	3	..	..	14	..	4	..	..	..	..	35	..	..	13
Transport	..	..	..	1	..	..	8	1	..	..	..	..	..	..	..	..	1
Treasury	2	..	10	13
Valuation	3	1	..	32	5	5
Totals	197	59	25	883	263	71	12	75	154	12	144	13	92	532

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