To His Excellency the Right Honourable Arthur William de Brito Savile, Earl of Liverpool, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, Member 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.

1. The difficulties experienced owing to the large number of officers absent with the Expeditionary Forces and the creation of new services on account of the war, referred to in the Fourth Report, have increased during the past year, but it is still possible to say that requirements have been reasonably met without any diminution of the ordinary services to the public, except such as are referred to in paragraph 5.

2. The recruiting of the Service is necessarily difficult owing to the competition, of a somewhat crude form, which exists throughout the country for trained men and women, but this is no doubt impossible to prevent so long as national service does not exist. On the whole, however, the wastage of the staff, owing to deaths, retirements, and resignations, has not been so great as was anticipated, and the position will become much less acute as the large number of cadets, male and female, recently appointed are trained.

3. In a later paragraph it is shown that the expansion of the Service is negligible, and, as few Departments are doing less business than before the war, while in some Departments the work has considerably increased, heads of Departments and their principal officers must be given credit for the generally satisfactory results. A large body of untrained men and women placed in a Department is not conducive to smooth working without a considerable tax on the energy and initiative of controlling officers.

4. The number of officers absent with the Expeditionary Forces on the 31st March, 1917, was 2,133, an increase of 814 over the previous year, and the wastage of the permanent staff numbered 1,183, all of which has had to be provided for. The wastage represents approximately 10 per cent. for Departments other than the Post and Telegraph, and 5 per cent. for the latter Department, rates which do not differ materially from those before the war. The lower rate in the Post and Telegraph Department is the result of the policy followed for many years of appointing juniors only.

5. Generally, it is becoming obvious that it will be almost immediately necessary to determine what facilities at present enjoyed by the public are to be restricted or abandoned. Up to the time of writing it is not known that any Department except the Lands and Survey and Public Works Departments has restricted its operations. In the former Department the restrictions are mainly those incident to the absence of professional officers at the war, and represent so many less acres of land surveyed than in normal times. In the latter less money is being spent on public works.

6. In the meantime the permanent staff is being rapidly depleted not only by officers being called up for active service, but by the demand of the Defence Department and its war branches for trained officers. It is very desirable, therefore, that it should be decided without delay what services are to be restricted or abandoned before the Second Division officers of the Public Service are called up.