

1925.

NEW ZEALAND.

PUBLIC SERVICE COMMISSIONER

(THIRTEENTH REPORT OF THE).

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

To His Excellency General Sir Charles Fergusson, Baronet, General on the Retired List and in the Reserve of Officers of His Majesty's Army, Doctor of Laws, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, Knight Commander of the Most Honourable Order of the Bath, Companion of the Distinguished Service Order, 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.

R E P O R T .

LAST year's annual report was written on the eve of completion of the second quinquennial regrading of the Service as required by section 17 of the Public Service Act, and as a number of officers exercised their right of appeal in accordance with section 31 of the Act it has been necessary to devote a considerable amount of time to appeal matters.

During the year Mr. A. D. Park, who was Acting Assistant Commissioner for the past two years, was transferred to the Treasury to fill the important position of Assistant Secretary of that Department. As he took up his new duties shortly after the commencement of the hearing of the appeals against the regrading, the carrying-out of the many duties imposed by the Public Service Act has been particularly onerous. It is desired to take this opportunity of placing on record the valuable service rendered by Mr. Park during his term of office as Assistant Commissioner. His familiarity with the several Departments through which he graduated since entering the Service as a cadet, coupled with his experience as an Inspector, gave him an insight into Service conditions that made him a most helpful assistant.

EFFICIENCY OF SERVICE.

The high standard of efficiency of the Service has been well maintained. It has been aptly said that the efficiency of a Department is reflected by its capacity to carry out promptly and properly its duties and obligations to the public, having

due regard to economical administration. In order to develop and maintain a high standard of service, not only must an endeavour be made to impress on employees a right sense of their duty to the State, but also a means must be devised whereby they will be rewarded both in respect of salary and promotion on a basis that will afford an incentive to the best possible effort. Every opportunity exists for the accelerated promotion of officers displaying ambition and possessing the necessary ability and qualifications. The application of promotion by merit, and by merit alone, is still rigidly adhered to.

A glance at the Classification List will reveal the fact that a large number of responsible positions are now held by well-qualified officers who have received promotion on account of special ability and attainments, without regard to seniority by length of service.

The following quotation from a memorandum submitted by a British Royal Commission on service matters recently enunciated what may be termed an ideal in this respect:—

The Civil Service is becoming more and more the indispensable servant of the community, and it is the business of the community to ensure that all who serve it are appointed on the score of capacity and character alone, and that those who reach the highest posts in the Service shall do so by virtue of *ability* and *merit*. The inevitable result of any shortcomings in these matters will be weakness and failure.

HISTORICAL DEVELOPMENT OF PRESENT SYSTEM.

When referring to the question of classification of the Service in the last annual report mention was made of the fact that the principles underlying the system of administration as defined by the Public Service Act were gradually being extended to nearly all English-speaking countries. In this respect it is interesting to note the historical development of the system. The change-over to a more equitable and more scientific method in the older lands has been slow, and in the face of the hostile criticism of many whose motives have not been altogether in the interests of the best service to the State.

In Great Britain, as far back as 1694, the unsatisfactory state of affairs in Civil Service administration, due largely to patronage, became so acute that in that year a series of statutes was passed aiming at the disfranchisement of certain classes of public employees. Again in 1809 the position was such that legislation directed against the brokerage of offices was enacted, and the Reform Bill of 1832 contained provisions the object of which was to eradicate the evils that existed in the Civil Service. Later, in 1853, Gladstone appointed a special Commission to investigate the Civil Service, and an attempt was made to solve the problem of combating patronage, to reorganize the personnel of the Service, and to raise the standard in an endeavour to attract men of talent and intellectual capacity. The report stressed the principles of open competition and promotion by merit, and also recommended a systematic grading of positions.

This report met with a storm of adverse criticism, and it was not until June, 1870, that the principle of open competition for clerkships and similar appointments was admitted, and thirty years before other fundamental features of the report (which are largely in force at the present time) were adopted. An indication of the state of affairs that existed is given in an extract from a statement of the Chancellor of the Exchequer in 1871: "Under the former system there never was such a thing known as a man's being appointed because he was supposed to be fit for the place . . ."

In the United States the public agitation against the wasteful effects of what was known as the "spoils system" has been long and insistent. Although earnest efforts at improvement were made as far back as 1850, it was not until over thirty years later that the matter took definite shape in the form of the Civil Service Act of 1883. It has been stated that the passing of this Act was the direct result of the shooting of President Garfield by a disappointed office-seeker. The law thus enacted in 1883 remedied the more flagrant abuses of patronage, and, although it has been modified in certain respects to make it fit in with the extended functions of Government and to make provision for a classification scheme, the principles of that Act are largely in vogue to-day.

In Australia the Commonwealth Public Service was placed under the control of a Commissioner in 1903, the underlying principles being—

- (1.) The elimination of political influence ;
- (2.) The affording of equal opportunity for advancement of officers ;
- (3.) The introduction of a duties' classification scheme through a central authority ; and
- (4.) The promotion of efficient and economical administration.

In South Africa, Canada, and New Zealand, statutes embodying the principles referred to above were passed in 1912. In New Zealand the adoption of the principle was the outcome of the findings of a special Commission appointed to investigate matters affecting the conditions of the State services. Although New Zealand may be said to have profited by the experience of Australia and the Mother-country, such marked progress has been made in the efficiency of the administration and the high standard of educational attainment in our Service that New Zealand possesses a Public Service that not only reflects "credit on those who compose it, but ensures the confidence of the public who maintain it."

ADMINISTRATIVE CHANGES.

During the year several changes have taken place in the Administrative Division :—

Crown Law Office.—On the elevation of Mr. W. C. MacGregor to the Supreme Court Bench Mr. A. Fair was appointed to the position of Principal Law Officer. During the year he was further advanced by Government to the position of Solicitor-General.

Inland Revenue Department.—On the 30th June last Mr. D. G. Clark, who held the joint positions of Commissioner of Taxes, Commissioner of Stamp Duties, and Secretary for Land and Deeds, retired on superannuation after completing forty years' service. An announcement has already been made that it is intended to separate the positions, and the appointment of successors is at present under consideration.

Justice Department.—During the year the position of Under-Secretary for Justice and Controller-General of Prisons was rendered vacant through the lamented death of Mr. C. E. Matthews. Government decided on the separation of the administration of the two Departments, and Mr. R. P. Ward, late Inspector, Justice Department, was appointed to the position of Under-Secretary for Justice, and Mr. M. Hawkins, who occupied the position of Inspector of Prisons, was appointed Controller-General of Prisons.

State Accident Insurance.—During the year this branch of insurance was removed from the Government Insurance Department and placed under the control of Mr. J. H. Jerram, the General Manager of the State Fire Insurance Department.

Treasury Department.—The position of Secretary to the Treasury became vacant through the retirement on superannuation of Colonel J. J. Esson. The Assistant Secretary, Mr. R. E. Hayes, was promoted to the position, and Mr. A. D. Park, acting Assistant Public Service Commissioner, took over the duties of Assistant Secretary to the Treasury.

INSPECTION.

During the past year, owing partly to the lengthy sitting of the Appeal Board in connection with the regrading and partly to other causes, it has not been possible to carry out as much inspection as could be desired. To ensure an efficient and economical administration of the Service it is essential that a regular system of inspection (both departmental and otherwise) must be maintained.

As mentioned in last annual report, an endeavour was made last year by the Commissioner to visit nearly every part of the Dominion with a view of affording officers an opportunity of a personal interview prior to the regrading. It is felt, however, that, in addition to giving officers an opportunity to state their cases in person, a regular and systematic investigation should be made of the actual work of every officer and office.

Excellent results have followed the appointment of additional departmental Inspectors familiar with the working details of the Departments to which they have been appointed. A pleasing feature is that increased efficiency has resulted

with little extra cost. By arrangement with the Auditor-General and Secretary to Treasury, Audit and Treasury Inspectors are co-operating with departmental Inspectors, with the result that overlapping of duties is obviated and departmental practices are placed on a uniform basis.

DIVISIONS OF OFFICERS.

Reference has been made in previous reports to the desirability of an alteration of the grouping and designation of the principal divisions of the service—viz., Administrative, Professional, Clerical, Educational, and General. Any change is a matter which would require legislative authority, and, although from a practical point of view the division in which an officer is classified is not of material consequence, the question is frequently raised by officers, who seem to feel that one division carries more prestige than another. This viewpoint was again stressed before the Appeal Board during the hearing of the recent regrading appeals, but in no case was there put forward by any appellant a practical basis of defining the qualifications that should be stipulated for inclusion of a position in one division more than another. On several occasions representations have been made for an extension of the number of divisions by the creation of a specialist or expert division, but it is considered that no practical benefit would result. The setting-up of divisions tends towards the establishment of a distinctive stratification which would be likely to engender a class feeling inimical to a proper *esprit de corps* which should prevail throughout the Service. All officers, irrespective of the division, have a common purpose—viz., the service of the State.

A review of the position persuades one to the opinion that an abandonment of some of the present divisions would be an improvement. In the interest of discipline it would be desirable to maintain the Administrative Division, but there is little or no advantage in retaining the others. The grading of the actual work of the officers and the fixing of an appropriate salary should be a sufficiently distinctive classification.

ADMINISTRATIVE DIVISION.

The question of grading officers in the Administrative Division has been referred to in previous reports. At present, Administrative Division officers are not classified under the Public Service Act, the provision of their salaries being fixed from year to year by Parliament. The question of what offices shall be in the Administrative Division rests with the Commissioner, who, whenever it appears advantageous to the Public Service to do so, may certify to the Governor-General that offices in that division shall be added to or abolished. It is considered, however, that there should be a definite scheme of grading of administrative positions, due regard being taken of the respective responsibilities and importance of each position.

A comparison of the salaries paid to officers occupying administrative positions with those paid to persons in managerial positions in outside firms and institutions, having in many cases considerably less responsibility and less intricate problems to deal with, shows that the salaries paid to the higher administrative officers in the Service are relatively low.

SALARIES OF ATTENDANTS IN MENTAL HOSPITALS, PRISON OFFICERS, ETC.

As mentioned in the annual report of 1914, an endeavour was made to improve the position of attendants in mental hospitals and prisons warders by adding to their salaries the value of such emoluments as board and lodging, a corresponding deduction being made for maintenance. It had been a long-standing grievance that the salaries of these officers were fixed with regard to emoluments, and that the value of the emoluments did not count towards superannuation.

The Crown Law Office, however, advised that the alteration had no effect upon the officers' retiring-allowances. The Superannuation Act provides that "salary" means the actual sum paid an officer as salary in respect of his office, but does not include allowances or other payments. For the purposes of that Act, therefore, an officer's total remuneration was irrelevant, as "salary" meant the *net* amount of cash actually paid to him. The attention of Government was drawn

to the matter, with a suggestion that the Superannuation Act might be amended to meet the case. I am pleased to report that Government has indicated its intention to make provision this year in the direction indicated.

OFFICE ACCOMMODATION.

The continued expansion of business due to the natural development of the country and the increase in Government functions shows its effect not only in the matter of increased expenditure on salaries, but also in regard to the problem of arranging for suitable office accommodation. For example, in the Land Transfer Office, in consequence of the recent legislation dealing with the compulsory registration of titles, there has been a considerable increase in staff which has necessitated an increase in office accommodation, and in Auckland and Christchurch this has proved a decidedly awkward problem to meet satisfactorily. In Wellington the position is less acute, as the erection of a number of new public buildings has eased the congestion in many departmental offices, and at the same time has enabled several Departments and sub-departments that were scattered in various offices to be housed together under one roof. The transfer, for instance, of certain Departments to the State Fire building has enabled the National Provident Fund, Friendly Societies, and Public Service Superannuation Offices to be accommodated in the Government Insurance building, thus bringing together the whole of the Departments under the one administrative head. The bringing-together of Departments whose duties are interrelated should make for greater efficiency; and, indeed, it would be an advantage if Government offices generally were less scattered.

The question of suitable office accommodation is one of increasing difficulty, for it is not merely sufficient to provide adequate premises, but in so doing the convenience of the public must also be considered. An illustration of this arose recently in connection with the Tourist Department at Auckland. The Bureau had been housed in the Customs buildings, in a room not even directly connected with the street. As it was obvious that more effective service could be rendered if better accommodation could be found, a forward move was decided upon, and the Bureau was moved to a central site on Queen Street. The increase in the volume of business transacted has demonstrated the advantage of studying the convenience of the travelling public.

STANDARDIZATION OF FORMS, ETC.

There is a rule in the Service that all Departments must obtain the approval of the Commissioner before printing any new forms. The object of this is three-fold: firstly, it ensures that only necessary forms are printed—the printing of matter of no practical value has involved a large amount of unnecessary expense in the past; secondly, it provides for a careful scrutiny of all new forms by officers experienced in the adaptation of various kinds of forms, and who are in many cases able to suggest helpful alterations to extend the usefulness of certain forms; thirdly, it ensures a standardization of forms used by different Departments for similar purposes. It is satisfactory to note that a number of Departments have sets of forms that are practically standardized. This practice has been recently applied to stores forms for several Departments. As officers are readily transferred from one Department to another, it is obvious that there is less loss of efficiency on transfer if an officer is familiar with the forms and practices of the Department to which he is transferred.

STORES.

During the year the question of consolidating and co-ordinating the various regulations relating to Government stores received consideration, and in order to obviate any conflict of authority it was decided that action be taken in the direction of centralizing the authority under the Public Revenues Act. Provision was made by statute in 1887 authorizing the issue of regulations governing the purchase, accounting for, and inspection of stores, but until comparatively recent years no action had been taken in this regard. On the inception of the Public Service Act of 1912 the matter was investigated, and there were brought into

operation regulations providing for a more effective method of dealing with the purchase and control of stores.

The question of stores has always been regarded by this Office as having an important bearing on the problem of economical administration, and as far back as the Commissioner's first annual report in 1913 the following comment was made:—

Stores for all practical purposes may be divided under the headings of "consumable" and "non-consumable." It is of the greatest importance that they shall be purchased under the best and most favourable conditions, that when received they shall be economically dealt with, and that if not immediately required they shall be properly cared for, so that custody and disposal shall be beyond question. All these points have been provided for in the regulations, and nothing now remains but that Permanent Heads shall see that the regulations are observed.

It cannot be too strongly emphasized and borne in mind that stores represent cash. It takes cash to replace them if by any means unfortunate conditions arise by which they are lost, or become depreciated, or are not turned to the best account, consequently they should be treated from the standpoint of the value they represent.

In the records which have been maintained too great an elaboration of detail has prevailed, possessing in some cases little or no relation to the issues involved. Moreover, the inspection and audit has not always been of utility.

In every subsequent report the question of stores and the necessity for a proper system of control has been referred to at considerable length, and insistent efforts have been made to ensure that Treasury and Audit should exercise their proper function in relation to this important matter. In the third report of the Commissioner reference was made to the necessity of placing the audit of stores on a satisfactory basis. Direct representations were made to Government, and as a result regulations outlining the procedure for the audit of stores, which had been drafted by the Commissioner, were approved by Government and gazetted on the 10th June, 1915. In 1919 a special branch in the Audit Office was established for this work. In 1922 a Stores Control Board was established, and in that year regulations were gazetted under the Public Revenues Act, vesting in that Board the authority for the purchase and control of stores. In March, 1924, a regulation under the Public Revenues Act was brought into operation, in which reference was made to the disposal of stores in accordance with departmental regulations which had been approved by Treasury and Audit. Prior to this regulation all departmental rules had been subject to the provisions of section 34 of the Public Service Act. There thus began an overlapping in the manner of control between Treasury, Audit, and the Public Service Commissioner. After conferring with the Treasury and the Audit Office on the matter, it was agreed that it would be more satisfactory if the regulations relating to stores were consolidated and vested in one authority. Representations made to Government in the matter suggested the Treasury as the proper central authority. The suggestion was approved, and the necessary regulations prepared and gazetted. Provision has been made in the amended regulations that departmental rules previously approved by the Public Service Commissioner in pursuance of Regulation 18 of the Public Service Stores Regulations, where not inconsistent with the Public Revenues Act and Treasury Regulations, would be deemed to remain in force for the time being.

APPEAL BOARD.

The Public Service Appeal Board commenced hearing appeals against the recent regradings towards the end of January last, and completed its sittings on the 19th August. Most of the time was devoted to the hearing of classification appeals, although, when the Board was visiting centres outside Wellington, opportunity was taken to hear certain promotion appeals, and thereby save the expense of bringing the appellants to Wellington.

The following is a summary of the cases dealt with by the Board: Number of classification appeals heard, 863. Allowed, 119; disallowed, 505; allowed by consent, 52; withdrawn, 172; did not lie, 15.

The Board resumed sittings during September for the purpose of concluding the hearing of promotion appeals. In all, 120 promotion appeals were considered, three of which were allowed by the Board and one allowed by the Commissioner by consent.

Now that the regrading appeals are disposed of it is opportune to refer to the general question of appeals. After a long experience of Appeal Board matters, one is constrained to the opinion that the constitution of the Board should be amended. In last year's report it was suggested that the present constitution should be altered by providing for a Board with a Chairman and two members only, one to be nominated by Government and one to be elected by the Service. Instead of having two Service members as at present, the Government member and the Service representative would each have a deputy who would act in cases of absence, illness, &c., and on appeals affecting officers in the respective Department with which either of the members was connected. It would require to be laid down that a deputy should have no standing with the Board except when actually functioning as a member of the Board.

The reasons underlying this suggestion are obvious, as circumstances may arise that would prejudice an appeal, or, as experience has proved, cause some embarrassment to both an appellant and a member of the Board.

There is also the consideration of the inconvenience and expense of two Service representatives being away from duty with the Appeal Board during the whole time the Board is sitting; and, further, it is desirable that only one Service member should participate in the Board's deliberations.

It is considered that the Government nominee should be the Commissioner's representative on the Board, just as the elected member represents the Service. This arrangement is analogous to the constitution of the Arbitration Court, which is comprised of a President and two members, one representing the employers and the other the employees. The fact of one member being recognized as the Commissioner's representative would impart to the Board a measure of responsibility, which at present rests exclusively with the Commissioner.

PRIVATE EMPLOYMENT OUTSIDE OFFICIAL HOURS.

Occasionally requests are made by members of the Service for permission to engage in private employment or to carry on some business enterprise in their spare time. From time to time also complaints are received from the public to the effect that certain persons in the employ of the State are engaging in some competitive business on an unfair plane of competition.

As a general principle, it is unfair that a Government employee, who is remunerated from funds obtained by means of taxation, should be permitted to enter into competition to the detriment of his employers, the public. It is also unfair that an officer receiving substantial and regular remuneration should be permitted to engage in outside work in the performance of which he may be depriving less fortunate competitors of the means of livelihood.

It is also quite possible that the carrying-on of private business may be inimical to the interests of the State, in that it may lend itself to fraudulent practices, or impair an officer's efficiency in his public duties.

Section 59 of the Act provides that, except with the express permission of the Commissioner, no officer shall engage in the conduct of any commercial undertaking. This discretionary power has been very sparingly exercised.

CO-ORDINATION AND CO-OPERATION OF DEPARTMENTS.

The Public Service Act contemplates a free interchange of officers between Departments, and this means that the advancement of a promising officer is not confined to the Department through which he happens to enter the Service. This practice allows greater scope to officers of ambition and ability.

Experience has shown that in an organization comprised of many separate Departments, co-ordination and co-operation are essential to prevent overlapping and duplication and to conserve the public funds. The harmonious working-together of Departments is one of vital importance to efficient administration.

It is satisfactory to note the marked improvement that has taken place. As an illustration the position regarding departmental accounts in 1913 is con-

trusted with what obtains at the present time. The following is an extract from the Commissioner's annual report in 1913 :—

Under the system by which the Public Service was divided into a number of Departments there was little co-operation between them. One of the most glaring examples is, or has been, the lack of co-operation between Departments and the Treasury. Although the latter Department is in sole charge of the accounts of the Dominion, it has not for a long time exercised its full powers. There has, for example, been no inspection by the Treasury and no examination of the method of account-keeping of Departments, with the result that a mass of work is unnecessarily duplicated at considerable expense and to the detriment of efficiency. Some Departments, it is said, pay little heed to the directions of the Treasury, and in the past, when the Treasury has endeavoured to assert itself in simple matters, it has often happened that the Minister in charge of the offending Department has been called in to support his own officers, which he would naturally do.

While the lack of co-operation may be to some extent accounted for by the absence of a central control such as now exists, the position has been rendered more difficult in the past by the number of small Departments which, although nominally grouped under large Departments, maintain a practically independent existence

So great has the division become that in at least two important Departments the tendency has been to rigidly separate every section of the office, each section having most of the machinery of an independent Department and offering the same lack of co-operation within the Department itself as would exist if the divisions of the Department were separate concerns.

It would be possible to multiply examples of the lack of co-operation between Departments and the branches of Departments

In contradistinction, the present position, which may be attributed to the persistent efforts of my predecessors and the close co-operation of Treasury, Audit, and other Departments concerned, must be regarded as a distinct improvement.

Financial control is now effectively consolidated by Treasury exercising more complete supervision in all matters pertaining to the expenditure and finances of Departments. The question of Stores Regulations and control has been reviewed and placed on a more satisfactory footing. Departmental accounts are now required to be placed on a proper basis to enable Departments to produce an annual balance-sheet on commercial lines. In Departments engaged in industrial or manufacturing activities proper systems of costing are required to be kept. A system of inspection has been instituted to ensure that regulations are duly observed and practices are in order. The Treasury now has three Inspecting Officers, besides which many of the larger Departments have their own Inspectors.

There is abundant evidence to show that, as the result of the system of central control, coupled with a policy of unified effort, the organization of Departments has been improved, the machinery of government has attained a higher standard of efficiency, and the public interests are better served.

SUGGESTIONS FOR IMPROVEMENTS.

The changing conditions in the Service, due to expansion of business and increased Governmental activity, give plenty of scope for initiative on the part of all departmental officers. It is desired that improvements in methods shall keep pace with new developments, in order that the business of the State shall be conducted as economically as possible, and with this object in view all officers are asked to co-operate by submitting any suggestions they may have to make in this respect. P.S. Regulation 17 is a standing invitation to officers to forward, for the consideration of the Commissioner, any fresh ideas or proposals that are likely to improve the efficiency of Departments. Even if these are not considered by the Commissioner to be suitable for adoption, the submission of an intelligent suggestion is regarded as an evidence of zeal, and it is duly noted on the personal file of the officer concerned.

Mr. L. J. Bayfeild, of the Tourist Department, submitted a proposal, which was adopted, in regard to the booking of tickets by officers travelling on public business. It is estimated that there will be a considerable saving to Government by way of commissions allowed by transport companies, and there will also be the further advantage that all fares will be checked before payment by expert officers. Mr. Bayfeild has been awarded a cash bonus.

Several other suggestions were made during the year, and, although none was considered of sufficient novelty and merit to warrant monetary recognition, the following are deserving of mention herein :—

Name.	Department.	Suggestion.
J. H. M. Russell ..	Customs	Improved salary-card.
W. E. A. Gibbs ..	Lands	Improved Lands form (two).
H. R. Robinson ..	"	Improved system for receiving cash.
C. E. Pfeifer ..	"	Alteration in Native Land Court plans.
G. S. Rowe ..	Valuation	Improved valuer's field-book.
C. H. Biss ..	"	Method of computing salaries.
J. H. Flowers ..	Native	Department's organization.
R. S. Wogan ..	Superannuation	(1) <i>Re</i> audit of Superannuation Fund vouchers; (2) installation of addressograph.
G. Chipper ..	Stamp Duties	Improved form for keeping death-duty accounts.
F. W. E. Mitchell ..	Lands	Method of payment of salaries.

DEPARTMENTAL OFFICERS ON LOAN TO OTHER ADMINISTRATIONS.

The following officers were, on the 31st March, 1925, on leave of absence from the New Zealand Public Service to enable them to take up duty with the Administrations named :—

Administration.	Name.	Department from which loaned.
Cook Islands	Reid, E. A.	Agriculture.
	McMahon-Box, J. P.	Customs.
	Sleight, K. M.	Internal Affairs.
	Morris, G. N.	Justice.
	Luckman, A. A.	Prisons.
	Carter, R. W.	Agriculture.
Falkland Islands	Marker, Miss D. A.	Public Works.
	Grainger, P.	Agriculture.
		Wright, W.
	Steere, H. C.	Audit.
	Sandford, F. T.	Immigration.
	Black, J. W.	Internal Affairs.
	Jervis, D. M.	"
Willcocks, Miss M. G.	"	
Samoa	Halliday, H. L.	Customs.
	Stevens, A. O.	"
	Hawke, V. J.	Health.
	Ritchie, Dr. T. R.	"
	McKay, C. G. R.	Internal Affairs.
	Morilleau, E. M.	Lands and Survey.
	Crawford, J.	Public Works.
	Lofley, W. G.	"
Secretariat of League of Nations	Chapman, J. H.	Customs.

The question of filling the higher executive positions in the High Commissioner's Office by the appointment of New-Zealanders, preferably those experienced in the New Zealand Public Service, has been under consideration by Government on several occasions. It is recognized that an almost essential qualification for these positions is a fairly extensive knowledge of New Zealand conditions, and it is considered that the Dominion's interests would be more effectively conserved by the adoption of this policy.

Early this year it became necessary to consider the question of filling the position of New Zealand Trade and Produce Officer in London. Government directed that applications be invited from within the Public Service, with the result that Mr. W. S. Ferguson, Stores Inspector, Public Works Department, was appointed to

the position. This officer's knowledge of local conditions, his wide experience in handling stores, and his familiarity with Stores Control Board matters should eminently fit him for the position.

DEPARTMENTAL CONFERENCES OF OFFICERS.

The following conferences of departmental officers were held during the year :—

Department.	Nature of Conference.
Education	Inspectors : (1) To discuss Inspectors' duties and general procedure ; (2) to discuss the teaching of agriculture in primary schools.
.. ..	Physical Instructors : Refresher course.
Labour	Inspectors of Weights and Measures : To discuss new Bill to be submitted to Parliament.
Public Trust	Public Trustee, Assistant Public Trustees, and departmental officers : To consider proposal to create position of Chief Auditor and to formulate his duties.
Public Works	Engineers : To discuss departmental matters.
State Forest	Departmental officers : Held at Rotorua, to discuss matters appertaining to tree-planting, milling, &c.

LEAVE OF ABSENCE FOR EDUCATIONAL AND TRAINING PURPOSES.

During the year the following officers were granted special leave of absence, in some cases to permit them to proceed abroad for the purpose of extending their knowledge and experience, and in others to enable them to pursue their studies :—

- Lambie, Miss M. I., Nurse, Health Department, Dunedin : To undertake course of training in public-health nursing at Toronto University.
- Fletcher, R. S., Draughtsman, Lands and Survey Department, Auckland : To further studies at University.
- Smart, E. C., Draughtsman, Lands and Survey Department, Christchurch : To further studies at University.
- Roberts, Dr. C. R. S., Assistant Medical Officer, Mental Hospitals Department, Christchurch : To visit England to study psychological medicine.
- Alecock, C. E. K., Engineering Cadet, Public Works Department, Gisborne : To undergo workshops training in New Zealand.
- Bascand, A. C., Assistant Engineer, Public Works Department, Napier : To attend Canterbury College.
- Beck, T. G. G., Assistant Engineer, Public Works Department, Dunedin : To attend Canterbury College.
- Carter, N. R., Engineering Cadet, Public Works Department, Kapuni : To undergo workshops training in New Zealand.
- Doig, F. M., Engineering Cadet, Public Works Department, Head Office : To undergo workshops training in England.
- Garlick, E. J., Engineering Cadet, Public Works Department, Arapeti : To undergo workshops training in New Zealand.
- Gibson, E. A., Assistant Engineer, Public Works Department, Pukehuia : To attend Canterbury College.
- Hulse, D. F., Engineering Cadet, Public Works Department, Napier : To attend Canterbury College.
- Langbein, C., Assistant Engineer, Public Works Department, Nelson : To attend Canterbury College.
- McIntyre, R., Assistant Engineer, Public Works Department, Alexandra : To attend Canterbury College.
- Marchbanks, D. S. G., Assistant Engineer, Public Works Department, Okahukura : To attend Canterbury College.
- Moorhouse, T., Engineering Cadet, Public Works Department, Tauranga : To undergo workshops training in New Zealand.
- Stevenson, C. L., Shift Operator, Public Works Department, Lake Coleridge : To undergo further training in England.
- Williams, D. R., Assistant Engineer, Public Works Department, Wellington : To attend Canterbury College.

DEPARTMENTAL OFFICERS ON DUTY ABROAD.

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

- Aston, B. C., Chemist, Agriculture Department, Wellington : To visit South Africa and Europe for the purpose of obtaining information in connection with agricultural chemistry.
- Myers, J. G., Assistant in Entomology, Biological Laboratory, Agriculture Department, Wellington : To attend Entomological Conference in London. Later proceeded to France to investigate plant parasitic diseases.
- Rice, W. H., Orchard Instructor, Agriculture Department, Hastings : To visit South America as representative of the Export Advisory Committee and the New Zealand Fruitgrowers' Federation (Limited).
- Tennent, R. B., Instructor in Agriculture, Agriculture Department, Dunedin : To visit America to investigate irrigation development.
- Marbrook, H. L., Audit Inspector, Wanganui, and D. V. Saunders, Clerk, Audit Department, Wellington : To undertake annual audit of accounts of Samoan Administration.
- Beck, J., Officer in Charge, Special Schools Branch, and Inspector of Industrial and Special Schools, Education Department, Wellington : To visit United States and Canada for the purpose of obtaining information regarding social-service systems.
- Marsden, Dr. E., Assistant Director of Education, Education Department, Wellington : To visit America in connection with school-inspection work.
- Strong, T. B., Chief Inspector of Primary Schools, Education Department, Wellington : To report on educational matters in Fiji and Samoa, and to attend Intercolonial Inspectors' Conference in Brisbane.
- Hunter, T. A., Director, Division of Dental Hygiene, Health Department, Wellington : To proceed to Rarotonga for the purpose of reporting on dental matters in Cook Islands.
- Valentine, Dr. T. H. A., Director-General of Health, Wellington : To undertake a study tour in Europe at invitation of the Health Section of the League of Nations.
- Gunn, Dr. E. C., School Medical Officer, Health Department, Wanganui : To visit America to inquire as to the methods of the medical inspection of school-children.
- Clinkard, G. W., Advisory Officer, Industries and Commerce Department, Wellington : To visit Australia in connection with Government transactions in wheat.
- Gribben, Dr. St. L. H., Superintendent, Prisons Department, Waikeria : To attend Prisons Conference in England and to visit institutions in Great Britain.
- Marks, J. R., District Engineer, Public Works Department, Dunedin : To visit America to investigate irrigation development.
- McKenzie, C. J., Assistant Engineer-in-Chief, Public Works Department, Wellington : To visit United States of America on departmental business.

AMENDMENTS TO GENERAL REGULATIONS.

During the year the principal amendments were as follows :—

Regulation 56 : Providing that applications for leave to attend compulsory camps and compulsory courses of military instruction should be referred to the Commissioner for approval.

Regulation 128 : Authorizing the Commissioner to grant a lump sum in lieu of payment of the actual cost of the removal of an officer's furniture and effects.

Regulation 150 : Providing that temporary workmen in the Defence Department may be engaged or discharged by the Adjutant-General.

Regulation 161 : Providing that, except in special cases, the maximum age for candidates for appointment to cadetships in the Clerical Division shall be eighteen years.

Regulation 164 : Specifying the conditions governing the appointment of candidates to clerical cadetships.

Regulations 177, 178, 178A, 179, 180, and 181 : Amending the syllabus for the Public Service Entrance Examination.

Regulation 212 : Providing that officers of the Public Service who are required to attend camps and courses of military instruction may have the option of receiving either departmental or Territorial pay, whichever is the greater, but may not receive both.

Regulations 8E, 109, 117, 201, 209, 213, and 214 : Preserving the same relative rates of payment as existed prior to the adoption of new salary scales in connection with 1924 regrading.

Regulation 4 of the special regulations relating to the examination of draughtsmen of the Lands and Survey Department was also amended to bring the salary barriers into line with the new scale.

The Stores Regulations under the Public Service Act were revoked, also the Stores Regulations (Departmental Property).

OFFENCES COMMITTED BY OFFICERS.

Full investigation has been made in all cases of offences committed by officers, and inquiries have been held where necessary. The principal classes of cases dealt with during the year, and the decisions arrived at, are as follows :—

- (a.) Misappropriations (5) : Dismissed ; forfeited office.
- (b.) Irregularities (1) : Dismissed ; forfeited office.
- (c.) Theft of Government property (1) : Services dispensed with.
- (d.) Neglect of duty (2) : Dismissed.
- (e.) Negligence and carelessness in discharge of duties (1) : Warned.
- (f.) Unsatisfactory work (1) : Disrated.
- (g.) Misconduct (2) : Services terminated.

The seven cases of misappropriations, irregularities, and theft of Government property referred to above were dealt with by the Courts in accordance with the provisions of the Public Revenues Act.

As pointed out in earlier reports, there is a mandatory provision in the Public Revenues Act requiring a prosecution to be instituted in every case of misappropriation or theft of public money or stores. The publicity resulting from this practice tends to unduly magnify the actual extent of the malpractices in the Public Service. Publicity of this nature is not desired by many businesses, and these unpleasant episodes in private businesses are often hushed up. The Service thus appears to contrast unfavourably in this respect with private firms. However, taking into consideration the large number of officers employed in the Public Service, it will be seen that the relatively small number of officers who deviate from the path of rectitude reflects creditably on the general standard of integrity of the Service.

A review of the Audit investigations during the year discloses that there has been a drop in the number of defalcations ascertained in connection with cash, which indicates increased efficiency in the care and custody of Government moneys.

CONCLUSION.

It is customary to include, as appendices to the annual report, certain statistical tables showing the summarized classifications of Departments and a comparison with the previous year's salaries. Such statistical data are dependent on the figures in the Classification List ; and, as the final determination of many positions has been contingent on the findings of the Appeal Board, which has only recently concluded its sittings, it has not been possible to complete the current year's list in time to include the summaries in this year's report.

I desire to acknowledge the loyal assistance and co-operation of Permanent Heads, and also to place on record my appreciation of the services they have rendered. I am also deeply sensible of the good work accomplished by my own staff during the past year.

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

P. Verschaffelt

Commissioner.

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