

1939.

NEW ZEALAND.

PUBLIC SERVICE COMMISSIONER

(TWENTY-SEVENTH 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 Commissioner under the Public Service Act, 1912, I have the honour to submit the following report as required by section 15 of the Public Service Act.

REPORT.

The year has been marked by a constitutional change in the form of control of the Service. The Public Service Act of 1912 provided for the administration of the Act to be vested in one Commissioner and two Assistant Commissioners. This system of control continued to obtain until 1936, when the Finance Act of that year enabled the appointment of two persons to hold office jointly as Commissioners.

In pursuance of that legislation Mr. J. H. Boyes, at that time Commissioner of Pensions, and Mr. T. Mark, then acting Public Service Commissioner, were duly appointed and continued to act jointly until December, 1938. The Social Security Act then made it necessary to establish a Department for the purpose of that Act, and Mr. Boyes was appointed Chairman of the Commission which controls that large and important Department which is to administer the most vital and far-reaching social programme yet initiated in this country.

Mr. Boyes, of course, is eminently fitted for this important post. He has had a life-long experience in the administration of social policy, to demonstrate his success in which his rapid advancement to the highest position in the Pensions Department need only be mentioned. Added to that comes his experience as Joint Commissioner in personnel management. While it is a matter of gratification that Mr. Boyes should have been selected for a position of such significance, it is, at the same time, a cause for real personal regret that thereby a capable and helpful colleague should be lost.

The Act which brought Joint Commissioners into being provided a formula whereby a dispute between the Commissioners might be referred for determination to a third person appointed for that purpose by the Governor-General. It is an

interesting commentary upon the association of Mr. Boyes and Mr. Mark that not only was there no occasion when recourse was had to this expediency, but there was never at any time any suggestion that such a step need be contemplated.

Upon Mr. Boyes' resignation as Joint Commissioner the control of the Service has reverted to a sole Commissioner, and Mr. Mark's appointment in that capacity was made by the Governor-General in terms of section 7 of the Public Service Act, 1912, and thereby was terminated an interesting and valuable experiment in joint management.

It will not be inappropriate at this juncture to express some views on this system of control. Primarily and obviously it depends for success upon compatibility of personalities. If the two Commissioners are incapable of co-existing in personal harmony, then that method is not feasible. As in marriage, so in the jointure of two persons holding office, performing duties and having responsibilities devolving upon them in common, there must exist personal conditions under which they can associate without friction. Fortunately, this was the case in the highest sense in the relationship of the two Commissioners. It is not difficult to conceive the untoward consequences if it had been otherwise.

If this mutual goodwill does in fact exist, then Joint Commissioner control has several advantages. It enables a sharing of work and responsibility. It gives opportunities of consultation that cannot be enjoyed in other circumstances. It permits one Commissioner to travel, investigating and inspecting, while the normal work of the central office proceeds unhindered under the control of the other. This latter arrangement is difficult under one Commissioner because of the powers that are vested in the Commissioner alone and of which delegation is not permitted.

EFFICIENCY OF THE SERVICE.

The general inspection of Departments made by the Public Service Inspectors has continued during the year. It is noticeable that as a result of the number of vacancies the interchange between Departments has increased considerably. This is all for the good of the Service. Not only do officers realize that all Departments under the Commissioner constitute one Service, but in addition they widen their experience, broaden their outlook, and increase their general utility. Frequently, too, they take with them to new Departments fresh ideas for the betterment of procedure. Opportunity is thus given for those attached to smaller Departments or Departments where there is comparatively little staff movement, to gain promotion much sooner than would be possible if they were restricted to the Departments to which they were originally recruited. It is also apparent that in quite a number of cases officers, who previously were content to remain in one centre and take a chance for vacancies arising in that centre, have been stimulated to apply for positions, by the accelerated promotion being given to those prepared to transfer notwithstanding that it would mean moving. This is all for their good and the benefit of the Service. As a general rule the usefulness of an officer is improved by an occasional change of environment. It prevents him from stagnating and developing what is commonly described as a "one-track mind."

With the changes taking place there is a breaking-down of the tendency which has existed in some Departments to adhere rigidly to established procedure in spite of developments which call for considerable alteration in practice. The responsibilities cast on most Departments by legislative changes and the breadth of the field covered by departmental activities necessitate that departmental procedure shall be constantly reviewed in order to evolve the system best suited to the Departments' requirements both from an economical and practical standpoint. It is very gratifying to note that most Departments are adapting themselves to the altered conditions, but there is still room for improvement in one or two quarters where the desirability of amendment has not yet been recognized.

It has been necessary during the year to extend to all Departments the requirement that copies of Inspectors' reports shall be furnished to this office. Much valuable work is performed by the departmental Inspectors, and a review of their reports enables the Commissioner to assist in the establishment of a greater degree of uniformity throughout all Departments.

The practice of using a departmental committee to consider all applications for vacancies has now become established and is functioning effectively. In each case a Public Service Inspector is associated with senior officers of the Department concerned, and where the advice of an expert from another Department is desirable in reviewing the applications a suitable officer from that Department is associated with the committee. The recommendation of the committee is considered by the Permanent Head, who is usually able to concur in the committee's recommendation. In this way the Service can be assured that the qualifications and experience of all applicants, including those from Departments other than that in which the vacancy occurs, are reviewed with the utmost care and receive proper valuation for the particular vacancy.

It is gratifying to find that right throughout Departments there is a keen appreciation of the necessity for giving true service to the people with whom the Departments deal. It is easily possible for officers to fail to appreciate that what to them is simple and routine to outsiders may be difficult and involved. There is very little room for complaint in the attitude that officers are adopting in this sense, but Controlling Officers would do well to ensure that new appointees are fully imbued with the fact that it is their obligation to give the very highest degree of service to all members of the public, irrespective of the class of inquiry or assistance that may be sought. There is still just a tendency in some Departments for Controlling Officers to render themselves inaccessible to the public, whether inquiries come by telephone or by personal attendance. The Commissioner requires that all officers shall be available to inquirers with the greatest facility that is possible.

In spite of the above comments and notwithstanding the additional load which has been imposed upon the Service during the last few years, it may be said that the standard of efficiency has been maintained and that officers generally have responded very well indeed to the additional responsibilities thrust upon them. In some cases it has called for long hours of duty, but this has been cheerfully given. Many officers have seized the opportunity of demonstrating their fitness for filling positions in advance of their gradings and years of service.

PRINCIPLES REGULATING THE CONDUCT OF PUBLIC SERVANTS.

From time to time it has been suggested that Heads of Departments and others are not sympathetically administering the Government's policy.

The first duty of every public servant is to give his undivided allegiance to the State at all times and on all occasions when the State has a claim upon his services.

The late Sir Theodore Morison, K.C.S.I., K.C.I.E., C.B.E., when Vice-Chancellor, University of Durham, speaking on the subject of Civil Service traditions, stated, *inter alia* :—

The theory and practice of parliamentary Government is that decisions are taken by Ministers and that the Civil servants supply the Minister with the information necessary for coming to a right decision.

From this general proposition there follow certain consequences which have become maxims in Whitehall :—

- (1) The Civil servant must place before his chief the arguments on both sides of the case, fully and fairly. Whatever his own sympathies may be, he must put before his chief all the arguments which may be urged against the view which is taken in the office.
- (2) When the decision is once taken he must loyally carry out the policy chosen, even though he may have preferred a different one.
- (3) The Civil Service is responsible for continuity of policy, or such continuity as is possible under our system of party Government
- (4) The Civil servant must observe absolute silence and discretion as to what occurs in the office. The decision when once taken is that of the Minister or of Cabinet, and it is contrary to tradition for a Civil servant to take credit for any measure accepted by Parliament, though he may in fact have been the author of it. Self-effacement, therefore, at least in the eye of the public, is one of the conditions required of the Civil servant, and there follows from this effacement a correlative obligation upon the Minister. As the decision is his, the Minister must take full responsibility for it. If the decision happens to be wrong he must not shield himself by blaming his officials, and it is expected that he should defend his officials if they are attacked in public ; if he cannot defend them, he must resign.

These observations are equally applicable in New Zealand.

It is the duty of every public servant loyally to carry out the policy of Government, whatever his own personal views may be.

It is the duty of every Permanent Head to direct his Department according to the policy of Government and in accordance with the statutes he is called upon to administer. No case has been brought under my notice where any officer has failed in his duty in this respect. If any such charges were made the Public Service Acts provide the necessary machinery for investigation and any necessary disciplinary action.

GROWTH OF THE PUBLIC SERVICE.

The past few years have seen a very considerable growth in the personnel of the Public Service. A comparison is made herein with the position as it existed on 1st April, 1930—*i.e.*, just prior to the effects of the depression being reflected in the Service. The numbers of staff quoted indicate to what extent Government activities have increased since that year.

For purposes of comparison the various Departments of State under Commissioner control have been grouped under the following headings: (a) Social services; (b) development services; (c) trading services; (d) administration, law and order, &c.

(a) Social Services.

Department.	As at 1st April, 1930.			As at 1st April, 1939. (Provisional.)		
	Permanent.	Temporary.*	Total.	Permanent.	Temporary.*	Total.
Broadcasting .. .. .	..	..	..	104	89	193
Education	297	75	372	313	169	482
Health	453	109	562	558	215	773
Labour	112	24	136	223	353	576
Mental Hospitals	945	24	969	1,381	57	1,438
National Provident	35	19	54	30	21	51
Social Security†	107	58	165	470	461	931
Totals	1,949	309	2,258	3,079	1,365	4,444

* Other than workmen.

† Figures for 1939 are for Pensions Department only.

The Broadcasting Department, previously under the control of a Board, was created a Department and placed under the control of the Commissioner on the passing of the Broadcasting Act, 1936.

Expansion in the Education Department has been caused (1) by the development of activities such as the Correspondence School and child-welfare work, and (2) by increase of staff necessitated by the introduction of the forty-two-hour week in the Department's institutions.

The growth of the School Dental Service, together with the introduction of shorter working-hours at institutions, has necessitated the increase in the staff of the Health Department.

The large increase in the Labour Department is due to the passing of industrial legislation during recent years which has involved many additions to the inspectorial staff. A special staff to deal with the unemployment problem was set up towards the close of 1930.

The increase shown in the Mental Hospitals Department has been occasioned by (1) the increase in the number of patients under treatment; (2) the extension of the villa system of treatment and other reforms resulting in better conditions for the patients—*e.g.*, the provision of an evening shift to cover evening hours so that a larger proportion of the patients would be able to enjoy longer evenings; and (3) the introduction of the forty-two-hour week to the nursing staff.

The passing of social security legislation and the introduction of its benefits has necessitated the employment of the staff shown. The former Pensions Department was wholly incorporated in the new Department, as well as a large number of the staff of the Employment Division of the Labour Department.

(b) *Development Services.*

Department.	As at 1st April, 1930.			As at 1st April, 1939. (Provisional.)		
	Permanent.	Temporary.*	Total.	Permanent.	Temporary.*	Total.
Agriculture	558	175	733	635	364	999
Industries and Commerce, Tourist and Publicity	113	31	147	191	214	405
Iron and Steel .. .. .	..	..	..	4	13	17
Lands and Survey	627	92	719	588	208	796
Mines	53	11	64	63	15	78
Primary Products Marketing .. .. .	..	..	..	46	102	148
Public Works	758	617	1,375	1,006	1,587	2,593
Scientific and Industrial Research	53	43	96	172	159	331
State Forest	123	35	158	143	76	219
Totals	2,285	1,007	3,292	2,848	2,738	5,586

* Excluding workmen.

The above figures indicate the extent in the growth of the development services during late years.

Increased demands from the farming community for additional instruction and inspection staff, the growth of research and veterinary services, and special problems such as facial eczema resulted in the expansion indicated in the Agriculture Department.

The activities of the Industries and Commerce, Tourist and Publicity Department have extended in all directions. Additional work has resulted from the formation of the Bureau of Industry, industrial, commercial, and price investigations, and expansion of publicity activities *e.g.*, at film studio, &c. The near approach of the Centennial Exhibition has also necessitated additional staff.

The Primary Products Marketing Department was set up under the provisions of the Primary Products Marketing Act, 1936. The Internal Marketing Branch has been added to this Department. The introduction and the extension of marketing control over various commodities have resulted in ever-increasing staff for this particular branch of the Department.

In the Public Works Department the increase in staff is not as great as would be indicated by the figures shown. Since 1930 various groups of employees (such as hydro-electric staff, foremen, &c.), previously regarded as workmen, have been brought directly under the control of the Commissioner, and are, of course, shown in the 1939 figures. Nevertheless, the resumption of development work after the depression years and various other engineering undertakings on a more elaborate scale than ever before has occasioned large staff increases. The passing of the Southland Electric-power Supply Act, 1936, and the consequent transfer of the employees of the Southland Power Board to the status of public servants are also reflected in the figures quoted.

Improved conditions and the demands of industry generally have necessitated additional staff in the Scientific and Industrial Research Department. A number of these research workers is remunerated either wholly or in part from contributions from the industries benefiting as a result of their activities. The development of air services has required the appointment of additional staff to the Meteorological Branch of this Department.

Increased activities and the adoption of the forty-hour week have made demands on the State Forest Service that could be met only by increased staff.

(c) Trading Services.

Department.	As at 1st April, 1930.			As at 1st April, 1939. (Provisional.)		
	Permanent.	Temporary.	Total.	Permanent.	Temporary.	Total.
Government Insurance	107	24	131	108	22	130
National Commercial Broadcasting .. ..	..	..	..	37	212	249
Public Trust	646	188	834	750	214	964
State Advances	97	46	143	474	664	1,138
State Fire Insurance	136	49	185	158	63	221
Totals	986	307	1,293	1,527	1,175	2,702

Increase in the staffs of the Public Trust and the State Fire Insurance Departments was due to expansion of business.

The assumption by Government of all activities connected with commercial broadcasting resulted in the formation of the National Commercial Broadcasting Service, employing, on 1st April, 1939, a total of 249 employees.

The growth of the State Advances Corporation has been brought about by (a) the transfer from the Lands and Survey Department of mortgages vested in the Crown in respect of advances made to discharged soldiers under the authority of the Discharged Soldiers' Settlement Act, 1915; (b) the passing of the Mortgagors and Lessees Rehabilitation Act, 1936, resulted in a great increase of work of a temporary nature; (c) the housing policy of Government. The figures indicated above include all employees (apart from workmen) engaged in connection with the activities of the Housing Construction Department.

The remuneration of the employees, both permanent and temporary, engaged in the above Trading Departments is not a direct charge on the Consolidated Fund.

(d) Administration, Law and Order, &c.

Department.	As at 1st April, 1930.			As at 1st April, 1939. (Provisional.)		
	Permanent.	Temporary.	Total.	Permanent.	Temporary.	Total.
Air (civilian staff) .. ..	..	..	..	29	29	58
Army (civilian staff)	47	18	65	35	157	192
Audit	158	4	162	197	4	201
Census and Statistics .. ..	..	..	..	73	42	115
Crown Law	6	1	7	8	1	9
Customs	310	9	319	452	60	512
External Affairs	6	2	8	9	5	14
Internal Affairs	379	136	515	222	194	416
Justice and Prisons	513	35	548	632	79	711
Land and Deeds	131	55	186	124	33	157
Land and Income Tax	159	17	176	412	225	635
Marine	189	23	212	181	25	206
Native	102	44	146	181	178	359
Navy (civilian staff) .. ..	..	..	..	25	48	73
Police (clerical)	6	..	6	7	1	8
Prime Minister's	1	..	1	7	5	12
Printing and Stationery	305	7	312	269	10	279
Public Service Commissioner's	8	..	8	13	..	13
Public Service Superannuation	9	2	11	9	5	14
Stamp Duties	76	11	87	86	17	103
Transport	7	1	8	52	117	169
Treasury	88	17	105	94	31	128
Valuation	83	42	125	88	42	130
Totals	2,583	424	3,007	3,205	1,309	4,514

The development and the expansion of the Air Department have necessitated the employment of the civilian staff indicated above.

Although the increase in the civilian staff of the Army Department is not as considerable as the figures shown would imply, the civilian staff of this Department has naturally grown owing to international tension. The increase, however, can be discounted greatly owing to the fact that present-day figures include many employees who in 1930 were engaged on a military basis.

The natural development of the State services and the assumption of activities previously not controlled by Government have resulted in corresponding increases in such departments as Audit, Public Service Commissioner's, Public Service Superannuation, and Treasury.

Census and Statistics Department was previously a branch of the Internal Affairs Department.

The staffs of the Navy Office and of the Prime Minister's Office were previously shown as members of the Relieving Staff of the Internal Affairs Department.

Increase in the staff of the Justice Department is due to the transfer to that Department of the Registrar-General's Branch and the Electoral Branch from the Internal Affairs Department.

The staff of the Land and Deeds Department shows a decrease due to the completion in most districts of the compulsory registration of titles work.

Sales-tax and import restrictions have been the main causes of the increase in the staff of the Customs Department.

The large increase in the Land and Income Tax Department was occasioned by work arising out of the collection of employment-tax (now social-security tax). Originally these duties were performed by the Post and Telegraph Department. When business began to improve the Post and Telegraph Department commenced to feel the need of their trained staff for the ordinary activities of that Department. It was also felt that considerable overlapping would be avoided and a more efficient check be exercised by placing the whole responsibility of collection of this tax on the Land and Income Tax Department.

The responsibilities and the activities of the Native Department have greatly increased owing to Native-land development, Native employment schemes, Maori welfare work, and Native housing.

In 1930 the Transport Department had only just been created a Department. Since that year the Department has taken over control of traffic on main highways from local authorities. A vigorous campaign for road safety has also been instituted during recent years. These activities have resulted in the expansion of staff shown above.

Summary.

	1st April, 1930.	1st April, 1939. (Provisional.)
Social services	2,258	4,444
Development services .. .	3,292	5,586
Trading services .. .	1,293	2,702
Miscellaneous services (Administration, law and order, &c.)..	3,007	4,514
Totals .. .	9,850	17,246

The above figures are illuminating in that they indicate that the increases which have taken place in the social services and the trading services are proportionately greater.

Trading services are not a direct charge on the Consolidated Fund and therefore not on the taxpayer.

From figures recently published relating to the Railways Department it is noted that the staff of that Department increased from 15,410 in 1931 to 25,297 in April, 1939, approximately an increase of 64 per cent. When it is remembered that a certain proportion of the increase in the staff of the Public Service is due to new activities assumed by Government—*e.g.*, Broadcasting, Primary Products Marketing, Commercial Broadcasting, and Air Department—it is considered that the growth in the Services controlled by the Commissioner is not out of proportion to the expansion of State services generally.

A point not generally realized is that most Acts passed by the Legislature directly or indirectly add to the number of public servants.

COST-OF-LIVING FIGURES AND SALARY SCALES.

The following table shows the variation in cost-of-living figures and the salary scale for Class VII officers—*i.e.*, the lowest grade of clerical employee. The cost-of-living figures are those of the Government Statistician (all groups combined—food groups, rent, fuel and light, clothing, drapery and footwear, and miscellaneous).

Year.					Increase per Cent. over July, 1914.	Maximum of Class VII. £
1920	..	..	..	..	.. 62·3	320
1921	..	..	..	..	.. 64·6	320
1922	..	..	..	..	.. 51·6	295
1923	..	..	..	..	.. 52·7	295
1924	..	..	..	..	.. 56·7	295
1925	..	..	..	..	.. 59·9	295
1926	..	..	..	..	.. 60·8	295
1927	..	..	..	..	.. 59·4	295
1928	..	..	..	..	.. 60·2	295
1929	..	..	..	..	.. 59·9	295
1930	..	..	..	..	.. 56·2	295
1931	..	..	..	..	.. 44·3	265
1932	..	..	..	..	.. 33·4	239
1933	..	..	..	..	.. 26·6	239
1934	..	..	..	..	.. 28·7	251
1935	..	..	..	..	.. 33·3	270
1936	..	..	..	..	.. 37·6	295
1937	..	..	..	..	.. 47·0	305
1938	..	..	..	..	.. 51·4	305
1939 (April)	..	..	..	..	.. 54·8	305

It cannot be said that the cost-of-living figures at present justify any alteration in this salary scale, particularly when it is realized that under the present policy efficient Class VII officers after two years' service on £305 are permitted to proceed to the next class (salary £320) with maximum salary of £335.

One matter in this connection, however, that is giving the Commissioner cause for concern is the difficulty in securing housing accommodation. This has always been difficult in Wellington, and the matter has not been improved by the approach of the Centennial Exhibition and the consequent influx of people to the capital city. Public servants at present stationed in district offices view with considerable alarm any prospect of transfer to Head Office. When an officer is transferred to a new centre and is unable to obtain housing accommodation it is the practice to pay, for a limited time, an allowance based on the difference between actual expenses and 60 per cent. of the officer's salary.

TRAINING AND TESTING OF OFFICERS.

Latterly much thought has been given to the matter of training of officers in the Public Service with the object of improving the methods which have hitherto obtained in some Departments and of expanding the scope and purpose of training.

It has now become possible to embark upon what may yet prove to be one of the most important departures since the Public Service Act of 1912 formulated the basis for the present organization of the Service. As a preliminary step a senior officer has been appointed as Superintendent of Staff Training, and he will co-ordinate the efforts in the various Departments. Certain fundamental principles have been propounded, and these will be observed in the future programme of staff training and testing.

The first principle that has been enunciated is that the training of every entrant to the Public Service will be supervised from this office, and every officer will be given equal opportunity of displaying his capacity of mind and character. The responsibility of training within each Department will be in the hands of a personnel officer under the jurisdiction of his Permanent Head, and in most cases with the general guidance of a staff committee. In the capacity of personnel

officer he will be the liaison officer acting between his Department and the Commissioner's Office in all matters pertaining to the training of staff. It is pertinent to observe that such an officer will have to bring to his task a considerable fund of personal enthusiasm, for no good qualities will accomplish the objective unless the personnel officer has a sincere interest in the welfare and careers of the young men who are committed to his guidance.

Throughout the whole training process the aptitudes and the progress of each officer will be observed and everything possible will be done to faithfully notice deserving officers. My Inspectors have just completed a visit to every centre to ascertain the merits of all junior officers, particularly those who joined the Service later than the average joining age because of the restrictions imposed during the depression upon recruitment to the Public Service. It is my intention to specially reward those among them, who by reason of special merit or previous experience or because of their advanced age, are giving service of greater value than is to be expected from officers with their short service. In a wider and more detailed manner the career of each officer will be in future placed under observation. In other words, a new purpose will be implied in the probation system that has always been a part of the modern Public Service. The system has been directed chiefly to the elimination of the unfit and the ascertainment of the misfits. It will also assist to reveal the best fitted.

It is apparent to the most casual student of affairs that the problems and responsibilities of administration are ever becoming more complex and various. When the foundations of the New Zealand Public Service as we know it were laid in 1912, its administrative functions, regarded comparatively with those of to-day, were elementary. Since that time the front has widened and the functions have been multiplied. The whole conception of the Public Service has been radically altered in the last twenty-five years, and it needs no prophetic genius to anticipate even greater changes in the next twenty-five years. We have therefore to commence now to build anew if we are to meet the situation that is developing for the Public Service of the future.

It has been pleasing to receive and hear the commendation of senior officers of the Public Service and of educational authorities with whom the kernel of the scheme has been discussed. The text of the resolution adopted spontaneously by the advisory committee is printed here as showing the keenness of the members of the committee to be associated with the formulation of the details of the scheme :—

The Committee desires to inform the Commissioner that his action in instituting a scheme for staff training is in its opinion a most valuable and statesmanlike advance towards the improvement of the Public Service and towards establishing the Public Service as a career. The committee is in hearty accord with the Commissioner's project and will do everything possible to co-operate in carrying it into execution.

It is to be hoped that similar goodwill will be experienced everywhere when the practical co-operation of Departments is being sought.

The second matter to which I propose to give systematic and close attention is that of testing the efficiency of officers. Legislative and regulatory powers were provided in the Public Service Act, 1912, to enable the Commissioner to test officers for efficiency and promotion purposes. The powers that are given are illustrated by Public Service Regulation 196 which is quoted hereunder :—

The efficiency tests or examinations referred to in sections 20 and 21 of the said Act shall be held at such times and places as the Commissioner shall from time to time prescribe. They shall be mainly in the class of work performed in the Department or branch of Department in which the officer is employed, and shall be of such a nature as shall from time to time be prescribed by the Commissioner.

These provisions, however, have not been exercised except in isolated cases, but I have now decided to institute a series of efficiency tests that will apply throughout the Service at appropriate stages of an officer's career.

It has always been a matter of profound satisfaction to observe the steadily increasing tendency of officers of the Public Service to obtain academic qualifications. When the régime of Commissioner control of the Service began there were but 241 holders of degrees and diplomas in the Service ; to-day there are above two

thousand. This has resulted in a marked enhancement of the efficiency of the Public Service and in the elevation of its status in the community. It cannot be otherwise than gratifying to the Government, to the Commissioner, and to the public alike that this should be so.

The successive Public Service Commissioners have always encouraged officers to improve their educational standard, and this will continue. However, it is felt that the swing to academic achievement has been excessive and that more emphasis can and should be given to the need for study of the immediate tasks that concern an officer. Moreover, there is a tendency for officers, after securing University honours, to relax and consider themselves as relieved from any further attempt to acquire knowledge. I think that a University degree must be regarded merely as a foundation on which to build and that all officers should realize how necessary it is to be fully acquainted with everything that concerns their Department and to be right up to date in their knowledge of its functions, its policy, and practice. In order to stimulate officers to do this I have decided to set tests at various stages.

I am under no misapprehension as to the opposition in some quarters that will be encountered in giving effect to this programme. Reforms have ever been met with antagonism. If we were to await the concurrence of the whole Public Service before introducing an innovation the Service would simply stagnate, and I do not propose that that state of affairs should ever obtrude itself. Because a certain standard of knowledge and efficiency has been reached, no matter how much better it may be than twenty-five years ago, or even ten years ago, it is no reason why we should be content. It may be said that a certain standard has been sought and that officers have striven to reach that standard. That is not a reason why we should stand still. It is obvious that a career Service, such as the Public Service is, must be constantly advancing. I would not fulfil my duty as Commissioner if I did not make reasonable demands for progressively higher standards of efficiency on the part of my officers. The very word "career" suggests advancing not only in personal status, but in personal competence.

In deciding upon these tests I ask no more than that an officer should display his knowledge of matters directly concerning the duties he is required to perform. This is not an unreasonable requirement. Much more stringent demonstrations of knowledge and capacity may yet be imposed, especially for the higher positions, but it is realized that these must be implemented gradually. Meantime I think that no officer can justifiably complain when he is asked to show no more than that he possesses knowledge which will qualify him for promotion.

Some months have elapsed since the examination prescriptions for a considerable number of groups in the General Division were made known in the *Public Service Official Circulars*. These prescriptions were drawn in pursuance of a special regulation enacted in 1937. The position in regard to the General Division is different from that of the Clerical and Professional Divisions. In the latter there was statutory provision in the original Public Service Act to impose tests, but there was nothing of that nature for the General Division. The reason for this omission is easy to understand. In 1913 the General Division was largely composed of persons of the workman class or those doing unskilled work. The character of the Division has radically changed since then and, although the same class are to be found therein, the Division also contains officers who are required to have at their command a high degree of technical knowledge and skill and who are remunerated at rates commensurate with the importance of their duties. It is therefore no less than equitable that these officers should be called upon to demonstrate their capabilities seeing that they are being paid, in many cases, on a scale equal to that of professional officers who have to reach a high standard of knowledge to secure admission to their respective professions.

The first series of examinations for the General Division will be held in December, 1939. As is only fair, generous exemptions have been allowed for older officers, although every one will have to submit to some test, even if it is only an oral one. But gradually these oral tests will become no longer necessary and each group will have a definite standard which will have to be passed before any officer can pass to a higher grade within his group.

I have been pleased to learn of the support that has been accorded the scheme by Permanent Heads, who realize that it can mean much in the improvement of the efficiency and the organization each controls. There has been a total absence of complaint or protest from the officers themselves, and I take that as expressive of corporate recognition of the endeavour to lift the status of their occupation.

I do not expect otherwise than that a great body of the clerical and professional division officers will receive my project with the same good sense, realizing that anything that is proposed for lifting the efficiency of the Public Service must inevitably have beneficial reaction upon themselves.

By the time this is published I shall have made known my plans in greater detail. In respect of the Clerical and Professional Divisions I shall provide exemptions from the first test to *bona fide* students of external professional and academic qualifications as it is my desire not to hamper study for such. I shall also indicate that there will be no obstruction in payments of increments for two years, although the examinations will first be held at the end of 1940. It will be made clear that the tests will be effective for the Departments in which the officer is placed at the time, but that inter-departmental promotion and transfer will be available to those who have special qualifications.

PHYSICAL WELFARE.

I am naturally keenly interested in the physical welfare of the Public Service. Just as a high standard of education is a vital necessity in the maintenance and enhancement of the efficiency of the Public Service, so too a high degree of physical fitness is equally indispensable. Loss through ill health and lack of vigour could conceivably amount to disastrous proportions in an organization as large as the Public Service of this country. It is one of those aspects of employment on a large scale for which it is difficult to regulate.

In this country there are many natural advantages, climate and the like, which all combine to make for healthy people and active workers. For instance, we do not have to contend with a staff enervated by excessive heat and humid atmosphere. Nevertheless, it is agreed that much can be done to lift the general standard of physical fitness, and whatever is done in this direction is necessarily of the greatest interest to me because it must inevitably reflect in the increased efficiency of the people generally and incidentally of the Public Service. One cannot therefore be otherwise than in full accord with the policy of the Government as expressed in the Physical Welfare and Recreation Act in which the Government indicates its desire to promote within the Dominion a movement directed towards the improvement of the physical welfare of the whole nation.

Apart altogether from the general health aspect of the matter, I welcome the tendency among Public Servants to unite in Departments and districts for the purpose of engaging in various forms of sports and recreations. There are few things that can better assist in inducing friendliness between and a hearty morale in a staff than their joining in play and recreation. I am therefore pleased to observe that the Public Service is engaged as a combination and departmentally in many of the national sports. I am gratified to notice that Public Service clubs for a variety of games are being formed all over the Dominion and that they are competing with success in open competition and moreover organizing inter-departmental and district contests. The most prominent example of this is the Public Service Tournament in Wellington, which includes sections devoted to tennis, swimming, golf, and general athletics in which a trophy presented by the late Sir Joseph Ward is at stake. The Wellington Public Servants have also competed successfully against Wellington representative teams in both cricket and football. The activity, however, is not centred in Wellington, and there appears to be a quickening of interest in the provincial centres also.

There has also been commenced in Wellington a gymnasium for both ladies and men who are in the personnel of the Public Service. Government has assisted

financially to the extent of covering the cost of the hall. I am gratified to be informed that the classes have begun with good attendances and, what is better, are increasing steadily in numbers, so that it is being made possible to organize in various grades. It is an enterprise that I hope will be imitated in the other main centres.

When I say that I am anxious to encourage all this, I must not be misunderstood. It will not be necessary for me to say that sport must be secondary to duty, and must not be permitted to prejudice the full discharge of an officer's tasks. I am prepared, for the sake of the beneficial effect which I have already referred to, to foster Public Servants as individuals, and particularly as groups, engaging freely in activities of a recreational and athletic nature, but I cannot allow participation in such when it is likely to interfere with the work of an officer or a Department. It is hoped that promoters of the various contests and activities will see to it that when these are being arranged there will be no need to ask for special concessions to enable officers to compete. What may be regarded as a special occasion is that of the proposed Centennial Tournament to be held in Wellington next year in connection with the centenary of New Zealand. I have agreed to special facilities so that there may be a contest of various sports on a national basis.

APPOINTMENT IN TERMS OF SECTION 6 (3) OF THE PUBLIC SERVICE AMENDMENT ACT, 1927.

Section 6 (3) of the Public Service Amendment Act, 1927, provides that, notwithstanding any restrictions with respect to appointments imposed by the Public Service Act, 1912, the Commissioner may appoint any person to a position in the Public Service if in his opinion it is desirable in the public interest so to do.

It is further provided that no person shall be appointed to a position under this section unless the Commissioner is of opinion that no person then in the Public Service and available for appointment to that position is fully qualified for appointment to that position and capable of efficiently carrying out the duties thereof.

The section also provides that every appointment made under this section, with the Commissioner's reasons for making the appointment, shall be expressly referred to in his next annual report to Parliament.

During last year one appointment was made under this section. In May, 1938, applications were invited for the position of Assistant Director of Education. After considering the applications and receiving the benefit of the advice of a special committee consisting of H. H. Cornish, Esq., Solicitor-General (formerly Professor of English and New Zealand Law at Victoria College), N. T. Lambourne, Esq., Director of Education, James Shelley, Esq., Director of Broadcasting (formerly Professor of Philosophy at Canterbury College), Sir T. A. Hunter, Vice-Chancellor of the New Zealand University, and W. A. Armour, Esq., Headmaster of Wellington College, the Commissioners considered that the most suitable applicant was Dr. C. E. Beeby, who was not already in the Public Service, and that it was desirable in the public interest that he should be appointed. The Hon. the Minister of Education concurred in the opinion that the appointment of Dr. Beeby was in the public interest. The Commissioners' reasons for making the appointment were :—

- (1) That Dr. Beeby possessed all the qualifications, knowledge, and experience in sufficient degree to enable him to successfully fill the position.
- (2) That none of the other applicants possessed all the necessary qualifications, knowledge, or experience in sufficient degree.
- (3) That the importance of the position demanded that the appointee should be fully qualified and capable of efficiently carrying out the duties required, and that in the public interest the best available person should be appointed.

PUBLIC SERVICE SUPERANNUATION.

For some time past Commissioners have felt it incumbent upon them to animadvert upon some of the grave detractions of the superannuation scheme that is available to Public Servants. I feel compelled to mention these again in this report, as it is considered that there are at least three aspects of the existing scheme that call for improvement not only in fairness to the contributors, but also to enhance the attractiveness of the Public Service as a career. The three matters I have in mind are :—

(a) The removal of the Pension Limitation of £300 per annum which applies to all Officers who joined the Service after the 24th December, 1909.

Not only is the smallness of the ultimate amount that an officer may receive in issue, but the fact that officers who joined the Service since the 24th December, 1909, are required to contribute on the full amount of their salary. To illustrate, an officer may earn a pension of £300 if at the end of forty years' service he has been receiving an average salary of £450 for the last three years of his service. Yet an officer appointed subsequent to 24th December, 1909, may have been receiving £750 and upwards for, say, twenty years and yet have to pay on the whole of that sum and then not be capable of drawing an annuity on a greater sum than £450. The injustice of this is so palpable as not to admit of any extenuation.

It is also a strong deterrent to the recruitment of professional and specialist officers joining the Service in their maturer years, and consequently having to pay an annual premium higher than the basic rate. With the pension limitation they cannot look forward to a retiring allowance which will maintain them in anything approaching the same standard of living to which they will have been accustomed. Moreover, in the interim they will have been mulcted for contributions on the amount of salary which would provide a pension adequate to meet their needs. It is difficult enough to encourage this class of officer to join the Public Service, particularly from overseas, without this added detraction. It is a common experience that men with special qualifications, for whom we are anxiously searching, lose all interest in the New Zealand Public Service on being informed of the superannuation conditions.

(b) The Provision for Joint Life and Survivor Pensions in the Case of Married Officers.

On the death of an officer the pension for his widow is limited to £31 per annum. It has been repeatedly suggested that in such cases it would not be unreasonable to permit contributors the option of exchanging the normal retiring pension for a joint life and survivor pension payable to the death of the last survivor whether it be husband or wife, or, alternatively, a pension payable to the husband and continuing on his decease at half-rates in favour of his widow. While the Social Security Act has improved the lot of the widow, there is still much cause for anxiety on the part of husbands who desire to see their wives reasonably provided for and who are, without prejudicing the Common Fund, willing to adjust their personal pension to secure their wife's future.

(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.

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.

OVERSEAS RECRUITS.

Mention in the preceding note of the restrictions on the superannuation and the ill effect it has upon recruitment evokes a reference to the unusual difficulty that has been experienced in the period under review in inducing overseas specialists to enroll in the New Zealand Public Service. The development of the activities of the State in the fields of science, agriculture, public health, and in other directions has made it essential to seek abroad for men who have special training and experience which cannot be secured in this country.

We find three main causes why offers of appointment are rejected. The first has already been mentioned—namely, the limitations of the pension scheme. With this goes the fact that other Service features, such as leave conditions, are less generous than may be found in Services abroad. The second is the dismay that ensues when a monetary calculation is made of what New Zealand currency means in terms of sterling. The third is even more repugnant than the former two— that is, the lower standard of remuneration for the more senior professional officers that obtains generally in the Public Service of New Zealand. However, this is a matter that has been repeated in many places and on many occasions. It goes to the root of the question of the recruitment of the product of New Zealand to the service of the State and of making the Public Service a career service that can compete on reasonable terms with comparable services both in New Zealand and out of it, whether they be local bodies or public or private corporations.

MATTERS AWAITING CONSIDERATION BY GOVERNMENT.

The New Zealand Public Service Association, through its official organ, the *Public Service Journal*, has called attention to the fact that there are several matters outstanding concerning which a decision of Government is sought. Most of these matters have already been the subject of representation by the Commissioner to Government. The statement has been made by the Public Service Association that the delay in finalizing these matters is leading to a spirit of unrest in the Service.

The following questions, at present the subject of representations by the New Zealand Public Service Association, have been referred to Government for direction :—

- (1) *Improvements in Rates of Travelling-allowances.* All hotels throughout the Dominion have increased their tariffs during recent years. Public Service rates of travelling-allowance have remained stationary. Travelling officers—particularly the lower-paid ones— are experiencing considerable difficulty in living within their allowance. An improved scale has been recommended.
- (2) *Conditions and Payment for Overtime.*—The rates payable in the Public Service for overtime compare very unfavourably with those payable under awards. In some cases the overtime payable is lower than the ordinary rate of pay. An improved scale has been recommended.
- (3) *Minimum Award Rates of Pay for Artisans.*—Government decided that the Public Service rate of pay for artisans should be £275 per annum from 1st April, 1937. It has been recommended that this rate should be increased to £285 per annum.
- (4) *Extension of Clerical Award Wages to Clerical Workers who are Twenty-six Years of Age.*—Suggestions for improvement to the scale of pay for adult clerical employees in receipt of low salaries on account of late entry to the Public Service due to the depression have already been placed before Government.
- (5) *Minimum Wage for Married Officers.*—The minimum rate of pay to an adult married officer in the Public Service is at present £210 8s. 1d. Under present conditions this is thought to be on the low side, and accordingly a recommendation was made to Government that the rate be increased.
- (6) *Extension of Basic Wage at Twenty-one Years of Age to the Public Service.*—The submissions referred to in (4) above cover this matter.

Other matters which are exercising the minds of the Executive of the New Zealand Public Service Association are :—

Rights of Appeal.—The requests of the Association in this matter would involve amending legislation.

Payment of Salaries Fortnightly.—Treasury are unable to recommend this matter at present owing to certain budgetary difficulties.

Appointment of Qualified Temporary Employees to the Permanent Staff.—As opportunity offers, qualified temporary employees are appointed to the Permanent Staff, provided they are giving satisfaction and that the duties they are performing can reasonably be regarded as likely to continue. The question is one of some difficulty, however, as many temporary employees do not possess the necessary educational qualifications for permanent appointment. Moreover, as any appointments made would be subject to a right of appeal from members of the present permanent staff, any appointments to positions above the lowest grade can be made only where the Commissioner is of opinion that there are no officers already in the Service available and fully qualified to efficiently carry out the duties of the positions under review.

Leave for General Division Officers.—This is a matter for uniformity between the Railway, Post and Telegraph, and Public Services. Leave for certain General Division officers in the Public Service is not as liberal as that granted to similar classes of employees in the Post and Telegraph Department, but it is more liberal than that granted in the Railway Service. Alteration to the Railway schedule of leave would involve Government in considerable additional expense.

Improvement in Boarding-allowance for Cadets.—It is recognized that rates payable for board have increased over recent years, particularly in Wellington. Budgets have been submitted, and it appears that certain hardship exists in a few cases, but in these cases the hardship is caused more by expense other than board, such as tuition and coaching fees, insurance, &c. It should be realized that the Public Service is one of very few employers who at present pay additional rates of remuneration to officers in recognition of the fact that such officers are required to reside away from home.

The restiveness throughout the Service has become more pronounced recently and has culminated in certain sections of temporary employees seeking to break away from the New Zealand Public Service Association.

SAMOA AND COOK ISLANDS.

A further effort has been made to achieve uniformity in the Islands Public Services.

Regulations.

The first draft of regulations under the Public Service Act has been prepared and submitted to the Administrations. The criticism has been reviewed, and it is hoped to issue the approved regulations during the year.

An Inspector has been appointed to the External Affairs and Cook Islands Department, and this should enable a closer touch to be kept with the problems of the Islands Services, as well as assist in obtaining complete uniformity. Previously it was possible to make periodical visits of inspection only at fairly lengthy intervals. Mr. W. Tailby, the Inspector, who has had considerable Islands experience, has already spent some weeks at Niue, and in due course will be visiting the other Islands controlled by the External Affairs Department.

Teachers' Salaries.

The amended regulations dealing with teachers' salaries in New Zealand have been considered in relation to the salaries paid to European teachers in the Islands. A new scale has been approved based upon the New Zealand scale in relation to the

rates of salary paid to other officials in the respective territories. It is anticipated that the new scales will continue to attract the right types of young virile teachers and, by preserving relevancy and association between the various Islands, will provide sufficient higher status positions to induce the best of these teachers to remain in the work sufficiently long to help build the teaching service into that best suited to requirements.

ACCOMMODATION.

The partial review of office accommodation in the various centres which took place when accommodation was being arranged for the Social Security Department again showed clearly that there is considerable room for improvement in many centres. This particularly applies to the towns next in importance to the four centres. The situation calls for either a comprehensive building programme which will permit the Departments to be properly housed and centrally located or, pending such a final settlement of the difficulties, the renting of suitable premises which will accommodate together most, if not all, of the Departments in such centres. It is fitting to give commendation to the Public Works Department on the work which was achieved in a very short time in connection with the accommodation for the new Social Security Department.

PUBLIC SERVICE BOARD OF APPEAL.

As mentioned in last year's report, the Public Service Board of Appeal commenced the hearing of appeals against the 1937 Reclassification of the Public Service on 18th March, 1938.

The personnel of the Board was :—

W. F. Stilwell, Stipendiary Magistrate, Chairman.

J. H. Jerram, General Manager, State Fire and Accident Insurance Department, Government nominee.

A. S. Houston, Secretary, Agriculture Department, Public Service representative.

A. E. Reynolds, Clerk of Magistrates' Court, Wellington, Public Service representative.

In appeals affecting the State Fire and Accident Insurance Department it was necessary to appoint a Deputy-Member for varying short periods, *vice* Mr. J. H. Jerram, and in this connection the undermentioned functioned as Government Members of the Board when necessary :—

P. G. Pearce, Secretary for Land and Deeds and Commissioner of Stamp Duties.

F. N. Abercrombie, Collector of Customs, Auckland.

A. D. McGavock, Director and Secretary, State Forest Department.

The Board of Appeal proceeded first to the South Island, appeals being heard at Invercargill, Dunedin, Timaru, Greymouth, Christchurch, and Blenheim.

North Island appeals were then proceeded with, the Board journeying to Wanganui, New Plymouth, Hamilton, Auckland, Rotorua, Palmerston North, Gisborne, and Napier before returning to Wellington to hear local appeals.

In addition to appeals against reclassification, the Board took the opportunity of determining non-promotion appeals whilst on circuit at the various centres.

A summary of Appeal Board decisions is appended.

Appeals against Reclassification as at 1st April, 1937.

Allowed, 38 ; allowed by consent, 5 ; not allowed, 263 ; do not lie, 177 ; withdrawn, 173 ; total, 656.

Appeals against Non-promotion.

Allowed, 2 ; not allowed, 105 ; do not lie, 4 ; withdrawn, 62.

The Board concluded its hearing of the majority of reclassification appeals at the end of October, 1938.

A further brief sitting of the Board was held prior to the 1938 Christmas vacation, when nine appeals against non-promotion to advertised positions were disposed of, decisions being recorded : Not allowed, 7 ; withdrawn, 2.

APPEALS AND THE GENERAL REGRADING.

It will be noticed that out of a total of 656 appeals against the 1937 regrading coming before the Board of Appeal in only 43 cases (including 5 cases where the Commissioners consented to allow the appeal prior to hearing) did the Board consider a better grading justified than that allotted by the Commissioners. The task of regrading a Public Service of approximately ten thousand officers whose activities, widely varying in nature, are divided among more than forty separate Departments is one of considerable magnitude. The fact that comparatively few appeals were allowed would tend to show that the Board of Appeal appreciated that the claims of officers for higher gradings had, generally speaking, been given very careful consideration by the Commissioners. It is inevitable that in a few cases certain circumstances, possibly not fully represented to the Commissioners or their Inspectors prior to regrading, on consideration justify better grading than that allotted.

During the course of the regrading inspections and the hearing of the resultant appeals one of the most outstanding features coming under the Commissioners' notice was the keenness all officers without exception showed as regards their positions. In all cases it could be said that their positions were more to them than just a "job." The duties may have varied from those of a gardener trimming hedges to those of an engineer controlling and directing the efforts of hundreds of men, but the enthusiasm and interest were the same throughout.

UNIVERSITY ENTRANCE EXAMINATION.

Prominence has lately been given to the possibility of abolishing the University Entrance Examination and substituting an accrediting system in lieu thereof. At the present time the University Entrance Examination is the recognized examination in the Public Service for qualifying an officer for advancement beyond Class VI—*i.e.*, beyond £335 per annum. It has been pointed out to the New Zealand University that the Commissioner would be unable to accept a qualification awarded on an accrediting system either for admission to the Service or for promotion purposes. Hitherto the majority of recruits to the Clerical Division of the Public Service have passed the University Entrance Examination. If this examination is largely abolished, the main qualifications for entrance will be the School Certificate and the Public Service Entrance Examinations. The School Certificate is almost equal in standard to the University Entrance Examination, but unless it is accepted by the University for matriculation purposes the result will be that fewer Public Service officers will be eligible to attend University, and ultimately there will be fewer officers with degree qualifications.

FORMATION OF THE SOCIAL SECURITY DEPARTMENT.

The launching of the Social Security Department as a going concern from 1st April, 1939, was a task of considerable magnitude from the staff organization point of view. Approximately ninety positions graded from Class VI upwards required to be filled, and for these positions it was necessary to invite applications throughout the Public Service. Nearly 8,500 applications were received, and to build up a competent and efficient staff it was necessary to select promising officers from practically all Departments of the Service. Although many appeals were received against the appointments made, in only one case was the appeal allowed. This is a cause for congratulation to the advisory Committee appointed by the Commissioner to consider all the applications received.

Although the framework of the new Department came from the Pensions Department and the Employment Division of the Labour Department, many vacancies were filled by transfer without promotion from other Departments.

The Commissioner appreciates the efforts by all officers to give to the public the benefits of the provisions of social security legislation with as little delay and inconvenience as possible.

SHORTAGE OF MENTAL NURSES.

Towards the end of 1938 it became apparent to the Commissioner that the various institutions under the control of the Mental Hospitals Department were experiencing considerable difficulty in filling locally vacancies occurring on the female staff. Although the rates of pay for mental nurses are considerably higher, and the conditions of service, such as hours of work, &c., are more attractive than they have ever previously been, the female staff is, and always has been, very much a changing population. Medical Superintendents usually experience little difficulty in filling vacancies locally, but at the commencement of the present year the position, due to the lack of local applicants, was acute. Many of the female staff were working far longer hours than the Commissioner thought desirable.

Considerable prominence was given to the attractions of mental nursing as a career for young women by radio and by newspaper throughout the Dominion. As a result a very good type of applicant became available and the shortage at hospitals was rapidly relieved, and institutions at present have a waiting-list of applicants desirous of appointment.

EMPLOYMENT OF ALIENS IN THE PUBLIC SERVICE.

Section 36 (1) of the Public Service Act, 1912, provides—

Except with the permission of the Governor-General, no person shall be admitted to the Public Service unless he is a natural-born or naturalized subject of His Majesty.

The international unrest in Europe has resulted in many people of alien birth leaving their own countries and settling in New Zealand. The section of the Public Service Act above quoted prohibits the employment of these people except with the approval of the Governor-General. Approval has not been sought unless—

- (1) The person whom it was desired to appoint had qualifications not possessed by any natural-born or naturalized applicant available for appointment and already resident in the Dominion—*e.g.*, specialists in the Agriculture or Scientific and Industrial Research Departments; or
- (2) The supply of certain professional services was not equal to the demand and well-qualified foreign applicants were available—*e.g.*, draughtsmen, architects, and engineers in the Housing Construction and Public Works Departments.

In all, some twenty appointments of the above nature have been made. In all cases the appointments are to the temporary staff of the Public Service, so that the rights of present members of the Service are not affected.

INTRODUCTION OF OFFICE MACHINERY.

New and urgent problems resulting in applications from certain Departments for substantial increases in staff have necessitated the closest consideration being given to the introduction of further mechanical aids and labour-saving devices. Machines for adding, calculating, and reproduction work have been employed throughout the Public Service for many years, although latterly their use has been largely extended. In order to keep abreast of the latest developments in this

connection arrangements are made for the demonstration of improved models with a wider range of adaptability which are placed on the market from time to time.

Applications by Departments for office machinery must be submitted to the Public Service Commissioner for approval prior to purchase. Each application is carefully investigated, and if it is established that the Department's operations are suited to mechanization and the purchase is an economical proposition the application is approved. Subject to these conditions, Departments are encouraged to make the fullest possible use of labour-saving machinery.

The latest types of book-keeping machines have recently been installed in several of the larger Departments, but the most important advancement made in the past year is the adoption of what may be termed the "punched-card" system. This equipment has now been installed in several Government Departments and is working very satisfactorily.

There are two makes of punched-card equipment manufactured, but they are almost identical in operation. A brief description of the system, which involves three basic processes, may be of interest. In the first place, accounting and statistical transactions of every description are registered on cards of standard size by perforating holes in predetermined positions to represent definite values, descriptions, or designations. The perforations are made by means of a punching-machine and the punching of holes is the quickest known method of recording such data. The amount of information which can be incorporated on one card is surprising. Each card accommodates all the essential facts appertaining to the relevant transaction and provides an unchanging record which can be interpreted visually and is also capable of mechanical selection and tabulation. Experienced female operators can turn out punched cards with great speed and accuracy. As the cards form the basic records for the whole system the punching is verified on a machine which automatically detects any errors.

The second process is the sorting of the cards into any required order. This is done by an automatic sorting-machine which mechanically senses the perforations in the cards and automatically groups and arranges them in whatever order may be desired. The sorting machine handles the cards at the rate of twenty-four thousand per hour.

The final process is the tabulation of the cards—that is, the translation of the information represented by the holes into words and figures and printing the results on suitably prepared forms. The production of the results includes the automatic segregation of debit and credit items and the printing of sub-totals, grand totals, and accumulated balances at predetermined points. The tabulating machine prints at speeds up to seven thousand five hundred per hour.

Punched-card equipment has been in use in the Census and Statistics Department for many years, but there it has been employed on purely statistical work. Incidentally, the machine was originally invented to cope with this type of work, but now its possibilities for accounting processes have been recognized, and the modern machines can provide all the attachments necessary for this purpose.

The equipment is rather expensive and consequently a complete installation is economically justifiable only in those Departments where there is a large volume of accounting or statistical work. In order to meet the needs of those Departments whose work is adaptable to the system but where the volume does not warrant the purchase of a complete equipment consideration is being given to the installation of a central plant on which the work of the smaller Departments may be handled. Even with some of the larger Departments it may be possible to combine their work on one plant. There is no doubt that this equipment has wonderful labour-saving possibilities, and its application to various phases of departmental activities will develop materially when it has passed what may be termed the experimental stage so far as this country is concerned. In England and America it is very widely used, but there is a tendency here to regard it with a certain degree of conservatism, particularly in regard to its application to accounting processes.

A question which naturally arises in this connection is the effect mechanization will have on existing staffs. Up to the present stage installations have not caused any dismissals nor are they likely to do so for two reasons— firstly, the general trend is for departmental activities to increase to such an extent that any staffs displaced by mechanical aids are immediately absorbed elsewhere ; secondly, machines are in many cases installed to cope with additional work or work which was not attempted previously on account of the prohibitive cost which would have been entailed under a manual system.

MECHANICAL OFFICE APPLIANCES.

Public Service Regulation 19 reads as follows :—

Mechanical office appliances for adding, calculating, tabulating, and listing shall be brought into use wherever practicable and economical.

The approval of the Commissioner is necessary prior to the purchase of mechanical office appliances over £10 in value. All applications for purchase of machines are investigated and are approved only where the Commissioner is of the opinion that the acquisition of the appliances would result in a saving of time, labour, or money.

Since the import restrictions and the necessity for conserving sterling funds, all applications of this nature have received most careful scrutiny. In many cases it has been possible to transfer machines from Departments not making continuous use of them to other Departments whose needs were more urgent. In other cases arrangements have been made for Departments to share the use of machine appliances. Purchases have been approved since the import restrictions only in most urgent cases where it was not possible to make other arrangements or where the required machines could be purchased from stock.

SUGGESTIONS MADE BY OFFICERS.

The Public Service Regulations have provision whereby officers are invited to submit for the consideration of the Commissioner any suggestions having for their object improvements in the methods of working which will tend to increase efficiency and economy. Where circumstances justify such a course it is usual for the Commissioner to approve of payment of a monetary award.

The following suggestions were submitted during the year :—

Officer.	Suggestion.
R. G. Dick, Assistant Surveyor-General, Lands and Survey Department, Wellington	Suggestion to print a manual for use of field officers ; adopted, and award of £25 granted.
M. J. Lawless, Accountant, Native Department, Wellington	Suggestion to schedule deductions from salaries annually. Salary abstracts to show only net amount payable each half-month.
J. M. Murray, Liaison Officer, Internal Affairs Department, Wellington	Suggestion for improvements to files and filing system.
A. M. Prichard, Assistant Commercial Pilot, Public Works Department, Wellington	Experiments and suggestions regarding parachutes for supply-dropping ; adopted, and award of £25 granted.
G. T. Railton, Draughtsman, Lands and Survey Department, Head Office.	Suggestion of methods of sealing envelopes and filing papers.
E. S. Summers, Traffic Inspector, Transport Department, New Plymouth	Suggested design for an illuminated sign to be used on traffic-patrol cars ; adopted, and award of £1 ls. made.
R. W. Wills, Accountant, Lands and Survey Department, Nelson	Suggested tables of interest products. Adopted subject to amendment, and £5 awarded.

CONFERENCES.

The following conferences were held during the year :

Department.	Branch.	Subject.
Agriculture	Horticulture Division	To discuss general matters in connection with fruit industry.
	Live-stock Division	To discuss veterinary matters generally.
	Fields Division	Three conferences to discuss field matters generally.
	Dairy Division	To discuss general matters pertaining to dairy industry.
Army	District Accountants	To discuss rates of pay of territorials and new regulations <i>re</i> finance.
Education	Departmental Inspectors	To discuss general matters.
	Executive Officers	To discuss with representatives of New Zealand Institute matters relating to grading of teachers, school text-books, and salaries.
	Executive Officers and Inspectors of Schools	To discuss with Education Board Secretaries Teachers' Salaries Regulations.
	Executive Officers	To discuss with representatives of secondary teachers the question of salaries.
Health	Medical Officers of Health in North Island	To discuss Maori hygiene.
Industries and Commerce, Tourist and Publicity	District Managers	To discuss general matters in regard to tours.
	Field Officers	To discuss question of deer-destruction.
Internal Affairs	Inspectors and Public Works Department's Inspectors	To discuss use of explosives.
Mines	Station Directors	Four conferences to discuss policy and staff matters.
National Commercial Broadcasting Service	Chief Engineer and Station Engineers	Two conferences to discuss technical matters.
	Station Accountants	To discuss general accounting matters.
Public Trust	District Public Trustees	To discuss delegation of duties.
State Advances Corporation of New Zealand	District Farm Appraisers	To discuss general policy matters.
	Transport	District Vehicle Inspectors .. .. .	To discuss general matters in respect of machinery.
	Traffic Inspectors	To discuss general matters regarding traffic inspection.

OFFENCES BY OFFICERS.

Offences and irregularities are dealt with in accordance with the provisions of sections 11 and 12 of the Public Service Amendment Act, 1927.

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

- | | | |
|---------------------------------|----|--|
| (a) Misappropriations (2) | .. | Dismissed (1) ;
Appointment annulled (1). |
| (b) Unsatisfactory work (20) | .. | Appointments annulled (7) ;
Fined (7) ;
Salary reduced and transferred (5) ;
Salary reduced and reprimanded (1). |
| (c) Unsatisfactory conduct (33) | .. | Permitted to resign (4) ;
Dismissed (6) ;
Appointments annulled (6) ;
Fined and reprimanded (10) ;
Salary reduced and transferred (6) ;
Exonerated (1). |

In an investigation into certain happenings in a district office of a Department affecting most members of the staff it was necessary, as a measure of discipline, to deduct by way of penalty from the salary of each one affected an amount equivalent to one full day's pay, and to deprive each of a day's annual leave.

AMENDMENTS TO THE GENERAL REGULATIONS.

The following amendments to the Public Service Regulations were gazetted during the year :—

- (a) The Public Service Remuneration Order 1938—prescribing minimum rates of remuneration for adult officers and for married officers in the Public Service.
- (b) The Public Service Amending Regulations 1938—providing for the form and effect of appointments and evidence thereof.
- (c) The Public Service Amending Regulations 1939—revoking the existing Regulation 150 whereby the Commissioner was authorized to delegate power to certain specified senior officers to engage and discharge temporary workmen and employees. In place thereof the Commissioner is now authorized in general terms to give permission to officers duly appointed by him to engage temporary staff as and when the need arises.
- (d) Public Service Amending Regulations 1939 (No. 2)—covering amendments to Regulations 178, 178A, and 181A, providing for an alteration in the syllabus for junior draughtsmen in the Public Service Entrance Examinations.

COMMONWEALTH FUND FELLOWSHIPS.

References have been made in previous reports to the debt of gratitude the New Zealand Public Service owes to the Commonwealth Fund Foundation of New York. The Commonwealth Fund, established through the munificence of the Harkness family, has for its object the encouragement of friendly relations between England and America, and to this end provision has been made for the award of post-graduate fellowships to officers of the Dominion Services desirous of furthering their studies in American Universities. A successful candidate is required to give an undertaking to remain in Government Service for at least two years after the completion of his fellowship. This is considered to be a very useful and reasonable provision.

As these fellowships are very liberally endowed, and as the opportunities available for Dominion graduates for overseas post-graduate study are very limited it is natural that these fellowships are eagerly sought. It is therefore very pleasing to record that New Zealand has been successful in obtaining two fellowships this year. The successful officers were :—

- H. L. Hume, B.E., B.Sc., A.M.I.C.E., Engineer, Public Works Department, Wellington.
- D. W. Woodward, M.Com., Senior Investigating Officer, Industries and Commerce, Tourist and Publicity Department, Wellington.

Since the first New Zealand fellowship was awarded in 1929 the following officers have proceeded overseas to further their studies with the assistance of the Commonwealth Fund :—

- R. M. Campbell, Ph.D., M.A., LL.B.
- T. G. G. Beck, A.M.I.C.E.
- C. W. O. Turner, B.Sc.
- J. G. Gibbs, M.Agr., Dip.Agr.
- C. R. Barnicoat, M.Sc., Ph.D., F.I.C.
- R. G. Simmers, Sc.D.

The value of overseas study has always been emphasized in reports of various Commissioners. The training and experience gained by these officers in this manner must be of great value to the Departments in which they are now serving.

DEPARTMENTAL EXAMINATIONS.

Departmental examinations were again conducted in 1938, and the following table shows the results of the various classes of examinations held.

Class of Examination.	Number sat.	Number passed.
Departmental Examination, General	114	32
Labour Department —		
Departmental Examination for Inspectors of Factories ..	4	2
Land and Income Tax Department —		
Senior Examination	12	8
Junior Examination	9	9
Junior Examination (Employment Tax Division) ..	19	16
Lands and Survey Department —		
Draughtsman's Examination	20	{ 4 first grade. 4 second grade.
Computer's Examination (second grade)	21		10
Public Works Department —		
Draughtsman's Examination	15	9

The general departmental examination was held in November, 1938, and conducted in twenty-three centres (from Whangarei in the north to Invercargill in the south). Candidates offering for this examination were from twenty-four different Departments. The Public Works Department Draughtsman's Examination was conducted in conjunction with the previously-mentioned examination and was held in nine centres. Both these examinations are held in terms of Public Service Regulation 201 to enable officers not otherwise eligible to qualify for promotion beyond C, VI.

The examinations under the heading of Lands and Survey Department are also held to enable Draughtsmen to proceed beyond C, VI. To do this an officer must pass either the First Grade Draughtsman's or First Grade Computer's Examination, or obtain passes in both the Second Grade Draughtsman's and Computer's Examinations.

Officers in the Land and Income Tax Department are required to pass various examinations before proceeding beyond certain salaries, and the above-cited examinations are held for that purpose.

Inspectors of Factories in the Labour Department may become eligible for appointment to the position of Officer in Charge of certain of the larger centres by passing the prescribed examination. This is held from time to time as fixed by the Commissioner.

Owing to the scattered locations of examination centres and the number of Departments with officers participating, considerable arrangement of accommodation and supervision was necessary. The Commissioner appreciates the assistance rendered by Departments and departmental officers in this connection.

ENTRANCE TO THE PUBLIC SERVICE.

Last year the qualifications of the appointees to cadetships were as shown :—

Portion of degree or professional examination	13
University Scholarship (credit)	2
Higher Leaving Certificate	43
University Entrance	318
School Certificate Examination	63
Public Service Entrance Examination	144
	—
Total	583

Although the number of entrants during 1938 did not equal that for 1937, when 638 were appointed, the appointments are still above those of average years. The expansion of the Public Service and the lack of appointments during the depression years are the main reasons for the high number of appointments considered necessary for the efficient running of the Service.

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-two centres, and there were 1,901 entries, an increase of 137 over the previous year. Altogether 1,013 candidates were successful in passing the examinations, 854 failed, and 34 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 80 words a minute in shorthand and 30 words a minute in typewriting, while the senior speeds are 110 words a minute in shorthand and 40 words a minute in typewriting.

There were 274 entries for the Intermediate and Special Examinations; 22 of the candidates were successful, 248 failed, and 4 candidates absented themselves from the examination.

The requirements of the Intermediate Examination are 130 words a minute in shorthand and 50 words a minute in typewriting, and of the Special Examination 150 words a minute in shorthand and 50 words a minute in typewriting.

Three entries were received this year for the Shorthand Reporters' Examination, and all the candidates were successful in passing. 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.

Difficulty is still being experienced, especially in Wellington, in obtaining the required number of efficient shorthand-typists to meet the demands of the various Departments.

EDUCATIONAL AND TRAINING LEAVE ABROAD.

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

- Austin, J. M., Assistant, Apia Observatory, Scientific and Industrial Research Department :
To proceed to Massachusetts Institute of Technology to undertake a post-graduate course in meteorology.
- Bear, W. G., Second Grade Assessment Clerk, Land and Income Tax Department, Wellington :
To England to study the routine and system of English taxation methods.
- Bullot, B. R., Clerk, Public Trust Department, New Plymouth : To Duntroon Military College, Australia, to qualify for entrance to the New Zealand Staff Corps.
- Campbell, I. L., Dairy Husbandman, Scientific and Industrial Research Department, Palmerston North : To America to undertake a special course of studies in dairy research.
- Cameron, Miss F. J., District Health Nurse, Health Department, Wanganui : To proceed to Toronto University to study medical social work.
- Davidson, J. W., Clerk, Internal Affairs Department, Wellington : To undertake research work in Colonial History at St. John's College, Cambridge.
- Dayus, C. V., District Superintendent, Live-stock Division, Department of Agriculture, Dunedin : To England to study veterinary instructional and research work.
- Dwyer, F. B., Accountant and Reception Officer, Internal Affairs Department, Wellington :
To England to attend Imperial Defence College for one year.

- Hope, R. W., Clerk, Public Trust Department, Christchurch: To England to study Psychology, public administration, and English Public Trust Office methods.
- Hart, Dr. B. D., Medical Superintendent, Mental Hospitals Department, Porirua: To study at psychiatric clinics and hospitals.
- Hume, H. L., Engineer, Public Works Department, Wellington: Awarded Commonwealth Fund Service Fellowship—to visit America to study highway engineering.
- James, L. H., Chemist, Scientific and Industrial Research Department, Dunedin: To proceed to England to study analytical chemistry and investigate methods of examining foods for traces of contaminating metals, &c.
- Partridge, E., Inspector of Schools, Education Department, Wellington: To travel under Carnegie Traveller's Grant.
- Steele, C. C., Clerk, Audit Department, Wellington: To England to study certain branches of accountancy and auditing in London.
- Stevenson, G., School Medical Officer, Health Department, Dunedin: To England and United States of America to undertake post-graduate study, particularly in reference to open-air schools and backward children.
- Watt, Dr. M. H., Director-General of Health, Wellington: To tour United States of America, Canada, Great Britain, and Europe under a Rockefeller Foundation Grant.
- Wilson, E. P., Process Engraver, Printing and Stationery Department, Wellington: To England to attend London County Council School of Photo Engraving and Lithography.
- Woodward, D. W., Senior Investigating Officer, Industries and Commerce, Tourist and Publicity Department, Wellington: To America under a Commonwealth Fund Service Fellowship to study public administration in relation to economic affairs and industrial planning and organization.

ADMINISTRATIVE CHANGES.

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

- Labour Department:* Mr. H. E. Moston, C.B.E., Assistant Secretary of Labour, Chief Inspector of Factories, and Chief Inspector of Weights and Measures, was appointed on 1st April, 1939, to the position of Secretary of Labour, Chief Inspector of Factories, and Chief Inspector of Weights and Measures, *vice* Mr. J. S. Hunter, who was appointed a Director in the Social Security Department.
- Lands and Survey Department:* Mr. W. Robertson, I.S.O., Under-Secretary and Land Purchase Controller, retired on 30th June, 1939. Mr. R. G. Macmorran has been appointed to succeed Mr. Robertson.
- Social Security Department:* Mr. J. H. Boyes, a Public Service Commissioner, was appointed on 16th December, 1938, to the position of Chairman, Social Security Commission. Dr. M. H. Watt, C.B.E., M.D., D.P.H. (N.Z.), was appointed on the same date to be a Member of the Social Security Commission, while retaining his present position of Director-General of Health. Mr. J. S. Hunter, Secretary of Labour, and Mr. H. D. Smith, Commissioner of Pensions, were appointed Director and Director and Secretary for War Pensions respectively on 1st April, 1939.
- Treasury Department:* Mr. G. C. Rodda, M.B.E., Secretary to Treasury, Receiver-General, and Paymaster-General, retired on 31st January, 1939. Mr. B. C. Ashwin, M.Com., First Assistant Secretary to the Treasury and Accountant, was appointed to succeed Mr. Rodda. Mr. G. G. Rose, M.A., LL.B., Second Assistant Secretary to the Treasury and Solicitor, was advanced to the position of First Assistant Secretary to the Treasury and Treasury Solicitor. Mr. E. L. Greensmith, M.Com., Law Prof., was promoted to the position of Second Assistant Secretary to the Treasury.
- State Forest Service:* Mr. A. D. McGavock, Director and Secretary, retired on 30th June, 1939. Mr. A. R. Entrican, Engineer in Forest Products, has been appointed to succeed Mr. McGavock.

DEPARTMENTAL OFFICERS ABROAD ON DUTY.

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

- Aburn, F. B., Inspector, and Casey, E. F., Assistant Assessor, Land and Income Tax Department, Wellington: To Australia to investigate modern mechanical accounting equipment and matters relating to taxation.
- Barnicoat, C. R., Chemist, Scientific and Industrial Research Department, Wellington: To Australia—seconded to Council for Scientific and Industrial Research to study meat transportation.

- Brogan, F. J. A., Assistant Secretary, Scientific and Industrial Research Department, Wellington : To Australia to attend meeting of Australian and New Zealand Association for Advancement of Science.
- Claridge, J. H., Seed Certification Officer, Agriculture Department, Wellington : To Sydney as representative to Third Biennial Convention of Inter-State and New Zealand Merchants' Associations.
- Davies, J. E., Instructor in Agriculture, Department of Agriculture, Hawera : To Australia with South Taranaki Young Farmers' Clubs.
- Duncan, G. A., Director, Dairy-produce Export Division, Primary Products Marketing Department, Wellington : To London to discuss marketing policy of Department.
- Frankel, O. H., Wheat Breeder, Scientific and Industrial Research Department, Christchurch : To Edinburgh to attend International Congress of Genetics.
- Gibson, E. A., Resident Engineer, Aerodromes Service, Public Works Department, Wellington : To Pacific Islands on air survey duties.
- Hadfield, J. W., Director, Agronomy Division, Scientific and Industrial Research Department, Lincoln : To Australia, England, Continent, and United States of America to study procedure in activities in connection with growing of linen flax.
- Harper, A. G., Officer in Charge, Local Government Branch, and Deputy Clerk of the Writs, Internal Affairs Department, Wellington : To Mexico City to attend International Housing and Town-planning Conference.
- Hobbs, D. F., and Rapson, A. M., Biologists, Marine Department, Wellington : To Australia to attend a scientific congress.
- Holden, A. D., Engineer's Assistant, Public Works Department, Wellington : To Australia to inspect ships regarding proposed purchase for servicing aeradio and meteorological stations.
- Jackson, G. M. F., Chief Clerk and Deputy Registrar of Industrial Unions, Labour Department, Wellington : To Geneva as delegate to Conference of International Labour Organization.
- King, W. R., Private Secretary, Internal Affairs Department, Wellington : To Australia with Hon. the Minister of Agriculture.
- Kidson, Dr. E., Director, Meteorological Office, Scientific and Industrial Research Department, Wellington : To Australia for meeting of Australian and New Zealand Association for Advancement of Science.
- Marsden, Dr. E., Secretary, Scientific and Industrial Research Department, Wellington : To England on special duties.
- Modriniak, N., Geophysical Surveyor, Scientific and Industrial Research Department, Wellington : To United States of America to purchase special plant and to confer with experts regarding special survey of West Coast of South Island.
- O'Connor, W., Inspector of Native Schools, Education Department, Wellington : To Fiji on inspection duties.
- Pascoe, G. A., Acting-Commissioner, Iron and Steel Industry Department, Wellington : To England on departmental matters.
- Reid, W. D., Plant Bacteriologist, Scientific and Industrial Research Department, Palmerston North : Appointed while in Edinburgh official delegate to the Fourth Imperial Mycological Conference.
- Rodden, J. W., Assistant Manager, Primary Products Marketing Department, London : From London to New Zealand on departmental matters.
- Smith, G. M., Assistant Chemical Engineer, Scientific and Industrial Research Department, Wellington : To Australia to study the operation of engines for testing fuel for aeroplane-engines.
- Strongman, C. J., Superintendent of State Collieries, Mines Department, Greymouth : To Australia to study mechanization of coal-mines.
- Tennent, R. B., Director, Fields Division, Department of Agriculture, Wellington : To Australia on urgent matters relating to shipping of potatoes.
- Thomas, J. E., Investigating Officer, Industries and Commerce Department, Wellington : To Australia on citrus fruit and potato marketing.
- Thompson, J., Clerk, Public Works Department, Wellington : To Australia to assist in recruiting artisans for Housing Construction Department.
- White, P., Leather Research Chemist, Scientific and Industrial Research Department, Wellington : Overseas to study latest methods of manufacture of leather, boots, shoes, and allied commodities.
- Wright, N. L., Liaison Officer, Scientific and Industrial Research Department, London : From London to America and New Zealand on departmental matters.

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.	"
	Miller, R. J.	Audit.
	Webster, C. K.	"
	Benge, T. I.	"
	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.	"
	McKenzie, Miss J. R.	"
	Clendon, Miss E. K.	"
	Sandford, F. T.	Labour.
	Wright, N. L.	Scientific and Industrial Research.
	Hamilton, W. M.	"
	Sunley, R. M.	Treasury.
	Hope, G. R. J.	"
	Samoa (including officers on duty in Samoa but not attached to Administration)	McCulloch, W. R. .. ..	Audit.
Hepburn, P. J.		"
Harper, D. E.		"
Gillies, K.		"
Moorhouse, A. F.		Customs.
Clendon, Miss N. C.		Education.
McKay, C. G. R.		External Affairs.
Murphy, E. F.		"
Quin, C. E. H.		"
Gratton, F. J. H.		"
Cook, L. M.		"
Sutch, E. J.		"
Gibb, A.		"
Turnbull, A. C.		Internal Affairs.
Malone, R. A.		Labour (Employment Division).
Edwards, W. L.		Lands and Survey.
Wynyard, W.		Public Trust.
Mulvey, J. G.		"
Jones, D. M.		Public Works.
Sapsford, H. B.		Scientific and Industrial Research.
Tremewan, C. W.	"	
Austin, J. M.	"	
Ayers, A. B. F.	"	
Cook Islands	McMahon-Box, J. P.	Customs.
	Roberts, W. H.	External Affairs.
	Larsen, C. H. W.	"
	Pitt, L. K.	Land and Income Tax.
	Morgan, H. J.	Native.
	Empen, H. J.	"
	Jackson, J. D.	Public Works.
Baigent, P. F.	Treasury.	
Secretariat to League of Nations	Chapman, J. H.	Customs.
Falkland Islands	Weir, D. S. A.	Agriculture.
Palestine	Wood, G. E. F.	Census and Statistics.

CONCLUSION.

I am again indebted to all Permanent Heads throughout the Service for their loyal support extended to me during the past year. I am particularly appreciative of the whole-hearted and devoted assistance rendered by my own staff.

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

T. MARK, Commissioner.

Office of the Public Service Commissioner, Wellington, 7th July, 1939.

TABLE I.—PUBLIC SERVICE LIST, 31ST MARCH, 1938.—GENERAL SUMMARY OF CLASSIFICATION BY DEPARTMENTS (EXCLUDING OFFICERS IN ADMINISTRATIVE DIVISION).

Department.	Number of Officers.	Total Salaries, Year ending 31st March, 1938.	Classification Salaries, Year ending 31st March, 1939.	Scale Increase.
		£	£	£
Agriculture	578	216,871	225,341	8,470
Appointed, 1/4/38	1	..	255	..
On loan	5	..	..	..
On leave	3	..	..	..
Air	20	5,845	6,145	300
Army	29	9,315	9,495	180
Audit	188	63,005	65,925	2,920
On leave	1	..	..	..
Broadcasting	100	30,755	32,935	2,180
On leave	1	..	..	..
Census and Statistics	69	16,190	17,225	1,035
Crown Law	8	5,690	5,755	65
Customs	377	116,345	122,935	6,590
On loan	2	..	..	..
On leave	1	..	..	..
Education	297	106,321	108,297	1,976
Appointed, 1/4/38	5	..	2,365	..
External Affairs and Cook Islands	8	2,115	2,280	165
On loan	6	..	..	..
Government Insurance	109	34,115	35,405	1,290
Health	482	123,258	126,726	3,468
Appointed, 1/4/38	1	..	320	..
On leave	1	..	..	..
Industries and Commerce, Tourist and Publicity	164	44,095	46,205	2,110
On leave	1	..	..	..
Internal Affairs	215	61,171	63,096	1,925
Appointed, 1/4/38	2	..	160	..
On loan	7	..	..	..
On leave	3	..	..	..
Justice and Prisons	585	174,695	180,435	5,740
Appointed, 1/4/38	1	..	245	..
On loan	1	..	..	..
Labour	400	98,580	103,110	6,530
Appointed, 1/4/38	13	..	3,265	..
On loan	3	..	..	..
On leave	1	..	..	..
Land and Deeds	119	38,855	40,225	1,370
Land and Income Tax	371	81,690	88,100	6,410
Lands and Survey	575	181,260	189,505	8,245
Appointed, 1/4/38	1	..	280	..
On leave	3	..	..	..
Marine	181	66,270	67,575	1,305
Mental Hospitals	1,499	339,545	350,830	11,285
Appointed, 1/4/38	26	..	4,360	..
On leave	11	..	..	..
Mines	59	19,835	20,650	815
On leave	2	..	..	..
National Commercial Broadcasting	21	6,240	6,575	335
National Provident and Friendly Societies	32	8,375	8,775	400
Native	174	49,350	52,160	2,810
On loan	2	..	..	..
On leave	1	..	..	..
Navy Office	23	4,635	5,075	440
Pensions	170	37,810	40,635	2,825
Police	8	2,940	3,005	65
Primary Products Marketing	32	9,450	9,840	390
Prime Minister's	6	2,565	2,590	25
On loan	2	..	..	..
Printing and Stationery	254	76,960	78,590	1,630
Appointed, 1/4/38	26	..	6,910	..
Public Service Commissioner's	12	4,765	4,975	210
Public Service Superannuation	8	2,100	2,250	150
Public Trust	765	242,920	254,205	11,285
On loan	3	..	..	..
On leave	2	..	..	..
Public Works	870	292,182	305,041	12,859
Appointed, 1/4/38	107	..	36,510	..
On loan	2	..	..	..
On leave	4	..	..	..
Scientific and Industrial Research	151	55,810	58,515	2,705
Appointed, 1/4/38	1	..	280	..
On leave	4	..	..	..
Stamp Duties	80	22,690	23,815	1,125
State Advances	394	114,900	121,745	6,845
Appointed, 1/4/38	4	..	1,555	..
On loan	1	..	..	..
State Fire Insurance	147	43,840	45,555	1,715
State Forest	108	37,970	39,715	1,745
Transport	44	12,370	13,075	705
Treasury	94	28,585	30,255	1,670
On loan	2	..	..	..
Valuation	88	29,500	30,835	1,335
On leave	1	..	..	..
Totals	9,917*	2,921,778	3,047,421	125,643
Appointed, 1/4/38	188	..	56,505	..
On loan	36	..	..	..
On leave	40	..	..	..
Totals, 31/3/38	9,917*	2,921,778	..	..
Totals, 31/3/39	10,105*	..	3,103,926	..
Native-school teachers	332	81,190	..	..
On loan	1	..	..	..
On leave	1	..	..	..
Vacant, 1/4/38	98	..	..	..

* Excluding officers on loan and on leave without pay.

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

TABLE II.—PUBLIC SERVICE LIST, 31ST MARCH, 1938.—GENERAL SUMMARY OF CLASSIFICATION BY CLASSES (EXCLUDING OFFICERS IN ADMINISTRATIVE DIVISION).

Class (excluding Administrative).	Number of Officers.	Total Salaries, Year ending 31st March, 1938.	Classification Salaries, 31st March, 1939.	Scale Increase
		£	£	£
Professional—				
Over scale	74	67,988	68,171	183
Special (£665-£765)	133	92,205	93,730	1,525
Special (appointed, 1/4/38)	1	..	665	..
I (£540-£615)	141	80,500	82,345	1,845
I (appointed, 1/4/38)	1	..	615	..
I (on loan)	1	..	..	..
I (on leave)	1	..	..	..
II (£490-£515)	118	57,710	59,270	1,560
III (£445-£470)	65	28,690	29,925	1,235
III (appointed, 1/4/38)	1	..	470	..
III (on leave)	1	..	..	..
IV (£400-£425)	51	19,880	21,025	1,145
V (£355-£380)	55	18,990	20,375	1,385
V (appointed, 1/4/38)	1	..	355	..
V (on leave)	2	..	..	..
VI (£280-£335)	36	11,255	11,865	610
VI (on leave)	1	..	..	..
VII (£296-£305)	26	7,030	7,930	900
VII (£296-£305), (appointed, 1/4/38)	6	..	1,830	..
VII (£265-£295)	20	5,100	5,600	500
VII (£265-£295), (appointed, 1/4/38)	3	..	840	..
VII (£235-£264)	3	640	765	125
VII (£235-£264), (appointed, 1/4/38)	1	..	255	..
VII (£235-£264), (on leave)	1	..	..	..
VII (£176-£209)	5	775	900	125
VII (£176-£209), (on leave)	1	..	..	..
VII (£175 and under)	4	440	580	140
Sub-total	731*	391,203	402,481	11,278
Clerical—				
Over scale	20	17,385	17,385	..
Special (£665-£765)	102	71,230	71,880	650
Special (on loan)	6	..	..	..
I (£540-£615)	157	89,765	91,715	1,950
I (on leave)	1	..	..	..
II (£490-£515)	156	77,720	79,590	1,870
III (£445-£470)	250	112,835	115,850	3,015
III (on loan)	3	..	..	..
IV (£400-£425)	287	116,595	120,600	4,005
IV (appointed, 1/4/38)	6	..	2,450	..
V (£355-£380)	596	213,565	223,580	10,015
V (appointed, 1/4/38)	7	..	2,585	..
V (on loan)	3	..	..	..
VI (£280-£335)	1,138	367,565	377,980	10,415
VI (appointed, 1/4/38)	8	..	2,680	..
VI (on loan)	7	..	..	..
VI (on leave)	1	..	..	..
VII (£296-£305)	496	146,555	151,280	4,725
VII (£296-£305), (appointed, 1/4/38)	3	..	915	..
VII (£296-£305), (on loan)	7	..	..	..
VII (£296-£305), (on leave)	5	..	..	..
VII (£265-£295)	69	17,595	19,320	1,725
VII (£265-£295), (appointed, 1/4/38)	2	..	560	..
VII (£265-£295), (on leave)	1	..	..	..
VII (£235-£264)	18	3,915	4,590	675
VII (£235-£264), (appointed, 1/4/38)	7	..	1,785	..
VII (£210-£234)	71	14,230	16,330	2,100
VII (£210-£234), (appointed, 1/4/38)	3	..	690	..
VII (£210-£234), (on leave)	2	..	..	..
VII (£176-£209)	281	46,395	53,805	7,410
VII (£176-£209), (appointed, 1/4/38)	1	..	205	..
VII (£176-£209), (on leave)	3	..	..	..
VII (£175 and under)	1,587	148,820	183,980	35,160
VII (£175 and under), (appointed, 1/4/38)	4	..	335	..
VII (£175 and under), (on leave)	4	..	..	..
Sub-total	5,228*	1,444,170	1,527,885	83,715

* Excluding officers on loan and on leave without pay.

TABLE II.—PUBLIC SERVICE LIST, 31ST MARCH, 1938.—GENERAL SUMMARY OF CLASSIFICATION BY CLASSES (EXCLUDING OFFICERS IN ADMINISTRATIVE DIVISION)—*continued.*

Class (excluding Administrative).	Number of Officers.	Total Salaries, Year ending 31st March, 1938.	Classification Salaries, 31st March, 1939.	Scale Increase.
General—		£	£	£
£516-£765	118	68,545	69,745	1,200
£516-£765 (on loan)	3	..	..	..
£471-£515	46	22,515	23,100	585
£471-£515 (appointed, 1/4/38)	1	..	475	..
£351-£470	668	261,966	269,936	7,970
£351-£470 (appointed, 1/4/38)	23	..	9,035	..
£351-£470 (on loan)	1	..	..	..
£351-£470 (on leave)	2	..	..	..
£306-£350	442	139,583	143,632	4,049
£306-£350 (appointed, 1/4/38)	44	..	14,750	..
£306-£350 (on loan)	1	..	..	..
£306-£350 (on leave)	1	..	..	..
£296-£305	198	58,665	60,205	1,540
£296-£305 (appointed, 1/4/38)	9	..	2,700	..
£296-£305 (on loan)	1	..	..	..
£265-£295	720	199,683	201,718	2,035
£265-£295 (appointed, 1/4/38)	23	..	6,290	..
£265-£295 (on leave)	1	..	..	..
£235-£264	614	152,287	153,415	1,128
£235-£264 (appointed, 1/4/38)	14	..	3,420	..
£235-£264 (on loan)	1	..	..	..
£210-£234	197	41,152	43,122	1,970
£210-£234 (appointed, 1/4/38)	1	..	230	..
£210-£234 (on loan)	1	..	..	..
£210-£234 (on leave)	4	..	..	..
£176-£209	241	43,885	46,235	2,350
£176-£209 (on leave)	3	..	..	..
£175 and under	635	75,645	82,950	7,305
£175 and under (appointed, 1/4/38)	18	..	2,370	..
£175 and under (on loan)	1	..	..	..
£175 and under (on leave)	5	..	..	..
Sub-total	3,879*	1,063,926	1,091,058	30,132
Educational—				
£516-£765	2	1,290	1,325	35
£471-£515	2	995	995	..
£351-£470	8	3,149	3,194	45
£306-£350	6	1,963	2,005	42
£296-£305	12	3,571	3,620	49
£265-£295	12	3,306	3,403	97
£235-£264	19	4,470	4,545	75
£210-£234	16	3,420	3,570	150
£176-£209	1	175	190	15
£175 and under	1	140	150	10
Sub-total	79	22,479	22,997	518
Totals	9,917*	2,921,778	3,047,421	125,643
Appointed, 1/4/38	188	..	56,505	..
On loan	36	..	..	..
On leave	40	..	..	..
Totals, 31/3/38	9,917*	2,921,778	..	..
Totals, 31/3/39	10,105*	..	3,103,926	..
Native-school teachers	332	81,190	..	..
On loan	1	..	..	..
On leave	1	..	..	..
Vacant, 1/4/38	98	..	..	..

* Excluding officers on loan and on leave without pay.

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

TABLE III.—SHOWING ALTERATIONS IN STAFFS AND SALARIES OF DEPARTMENTS BETWEEN CLASSIFIED LIST FOR 1937-38 AND 31ST MARCH, 1938.

Departments.	Classified List, 1937-38.		Increase.														Decrease.										Net Increase or Decrease, Columns 1 to 13 inclusive.		At 31st March, 1938.		Departments.						
	Number of Officers.	Total Classified Salaries.	(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.		Number of Officers.	Total Classified Salaries.							
			Number.	Amount.	Number.	Amount.	Number.	Amount.	Number.	Amount.	Number.	Amount.	Number.	Amount.	Number.	Amount.	Number.	Amount.	Number.	Amount.	Number.	Amount.	Number.	Amount.	Number.	Amount.	Number.	Amount.				Number.	Amount.				
																																		Appointments from Outside the Service.		Temporary Employees made Permanent.	
Agriculture ..	537	205,581	67	2,880	10	1,520	4	605	16	2,995	16	5,510	1	255	22	6,395	69	20,160	9	2,575	3	1,295	5	1,915	10	2,470	1	615	28	8,870	41	11,290	578	216,871	Agriculture.		
Air ..	9	3,020	..	..	1	95	9	2,905	..	..	3	255	..	..	..	..	13	3,255	2	430	..	..	..	..	..	..	..	..	2	430	11	2,825	20	5,845	Air.		
Army ..	28	9,020	..	..	1	355	1	335	..	..	2	160	..	..	..	..	4	850	1	155	..	..	..	..	..	..	..	3	555	1	295	29	9,315	Army.			
Audit ..	181	63,765	7	365	10	1,605	..	..	2	160	4	320	..	..	..	..	16	2,450	3	1,575	..	..	1	335	5	1,300	..	..	3	555	7	790	188	63,065	Audit.		
Broadcasting ..	90	29,710	3	150	3	365	8	1,370	1	80	4	855	..	..	..	..	16	2,820	2	15	4	1,240	..	..	2	520	..	..	6	1,775	10	1,045	100	30,755	Broadcasting.		
Census and Statistics ..	65	17,380	1	25	2	400	..	..	12	960	6	480	..	..	..	..	20	1,865	..	..	11	2,040	..	..	5	1,015	..	..	16	3,055	4	1,190	69	16,190	Census and Statistics.		
Crown Law ..	7	4,955	..	..	2	965	..	..	..	..	..	..	..	..	1	765	3	1,730	..	..	1	900	..	..	1	95	..	..	2	995	1	735	8	5,690	Crown Law.		
Customs ..	369	118,150	71	1,460	6	850	2	500	15	1,200	2	160	..	..	..	..	25	4,170	..	..	6	1,205	2	720	8	3,865	1	185	..	..	17	5,975	8	1,805	377	116,345	Customs.
Education ..	280	102,919	22	550	3	255	1	305	13	2,110	14	4,010	2	435	4	855	37	8,520	7	50	5	915	2	1,380	3	1,065	10	1,708	..	..	20	5,118	17	3,402	297	106,321	Education.
External Affairs and Cook Islands	8	2,395	..	..	1	180	1	320	..	..	..	..	..	..	..	..	2	500	..	..	2	780	..	..	..	..	..	..	2	780	..	..	8	2,115	External Affairs and Cook Islands.		
Government Insurance	112	37,495	1	10	2	400	..	..	11	880	1	80	..	..	..	..	14	1,370	..	..	9	2,880	..	..	1	305	6	1,385	1	180	17	4,750	3	3,380	109	34,115	Government Insurance.
Health ..	430	119,160	12	4,077	4	545	3	530	6	480	72	5,670	..	..	5	1,235	90	12,537	..	..	1	95	5	2,112	2	367	28	5,715	2	150	38	8,439	52	4,098	482	123,258	Health.
Industries and Commerce, Tourist and Publicity	150	43,905	3	95	5	855	6	1,085	14	1,290	8	640	..	..	1	80	34	4,045	..	..	6	1,355	2	655	..	..	12	1,845	..	..	20	3,855	14	190	164	44,095	Industries and Commerce, Tourist and Publicity.
Internal Affairs	155	50,128	1	88	1	205	2	660	3	240	..	..	..	..	..	..	6	1,193	..	..	3	865	..	..	4	1,360	1	250	..	..	8	2,475	2	1,282	153	48,846	Internal Affairs.
Internal Affairs Relieving Staff	56	11,910	1	80	..	..	8	1,835	1	155	19	2,025	..	..	1	80	29	4,175	..	..	20	3,280	..	..	1	285	2	195	..	..	23	3,760	6	415	62	12,325	Internal Affairs Relieving Staff.
Justice and Prisons	543	170,565	37	815	3	730	2	190	25	2,480	16	1,645	19	4,745	10	2,395	75	13,000	..	..	12	2,345	2	695	9	3,325	9	2,225	1	280	33	8,870	42	4,130	585	174,695	Justice and Prisons.
Labour ..	332	88,015	11	395	8	1,770	13	2,715	36	3,275	35	6,605	1	205	2	585	95	15,550	..	..	17	2,950	1	470	1	205	7	1,025	1	335	27	4,985	68	10,565	400	98,580	Labour.
Land and Deeds	120	40,510	11	555	2	400	2	720	1	80	6	480	..	..	..	..	11	2,235	..	..	8	1,765	..	..	3	1,870	1	255	..	..	12	3,890	1	1,655	119	38,855	Land and Deeds.
Land and Income Tax	329	79,875	6	245	2	980	2	430	41	3,315	49	4,370	..	..	..	..	94	9,340	..	..	28	4,045	..	..	1	615	23	2,865	..	..	52	7,525	42	1,815	371	81,690	Land and Income Tax.
Lands and Survey	543	186,985	31	725	15	2,195	12	2,350	19	1,520	18	1,655	..	..	2	695	66	9,150	1	50	16	3,195	1	335	7	3,345	9	1,575	1	375	34	8,875	32	275	575	181,260	Lands and Survey.
Marine ..	173	64,420	9	170	..	..	..	..	15	3,750	5	1,795	..	..	..	..	20	5,625	..	..	4	750	1	400	3	1,415	4	1,210	..	..	12	3,775	8	1,850	181	66,270	Marine.
Mental Hospitals	1,508	338,045	528	8,045	1	95	3	350	232	35,655	11	1,580	..	..	..	..	217	45,725	3	85	12	2,720	5	2,225	9	2,480	219	34,815	11	1,900	256	44,225	9	1,500	1,499	339,545	Mental Hospitals.
Mines ..	57	20,420	3	85	1	145	..	..	7	560	2	160	..	..	..	..	10	1,250	..	..	5	935	1	80	1	615	1	205	..	..	8	1,835	2	585	59	19,835	Mines.
National Commercial Broadcasting	..	..	2	50	2	385	22	6,230	1	80	2	160	..	..	1	295	28	7,200	..	..	2	585	..	..	..	..	2	375	..	..	4	960	24	6,240	24	6,240	National Commercial Broadcasting.
National Provident and Friendly Societies	35	10,050	..	..	2	585	..	..	1	80	2	160	..	..	..	..	5	825	..	..	8	2,500	..	..	..	..	..	..	..	8	2,500	3	1,675	32	8,375	National Provident and Friendly Societies.	
Native ..	155	48,505	3	55	2	210	4	760	7	560	15	1,209	..	..	1	305	29	3,090	..	..	7	1,450	..	..	..	..	3	795	..	..	10	2,245	19	845	174	49,350	Native.
Navy Office ..	19	4,060	..	..	..	..	1	355	..	..	4	335	..	..	..	..	5	690	..	..	1	115	..	..	..	..	..	..	..	1	115	4	575	23	4,635	Navy Office.	
Pensions ..	157	37,450	2	40	..	..	..	..	13	1,040	11	880	..	..	1	255	25	2,215	..	..	8	1,140	..	..	1	185	3	530	..	..	12	1,855	13	360	170	37,810	Pensions.
Police ..	8	2,940	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	8	2,940	8	2,940	Police.
Primary Products Marketing	30	9,760	1	50	1	95	2	670	..	..	3	255	..	..	..	..	6	1,070	3	25	2	845	..	..	..	..	2	510	..	..	4	1,380	2	310	32	9,450	Primary Products Marketing.
Prime Minister's Printing and Stationery	5	2,210	..	..	..	..	..	..	..	1	355	..	..	..	..	..	1	355	..	..	..	..	..	..	..	..	..	..	..	..	1	355	6	2,565	6	2,565	Prime Minister's Printing and Stationery.
Public Service Commissioner's	262	79,785	24	605	1	490	..	..	1	80	3	240	..	..	..	..	5	1,415	..	..	5	1,255	1	350	6	2,465	1	170	..	..	13	4,240	8	2,825	254	76,960	Public Service Commissioner's.
Public Service Superannuation	10	4,140	..	..	1	470	1	155	..	..	..	..	..	..	..	..	2	625	..	..	..	..	..	..	..	..	..	..	..	..	2	625	12	4,765	12	4,765	Public Service Commissioner's.
Public Service Superannuation	8	2,135	..	..	..	..	..	..	1	80	..	..	..	..	..	..	1	80	..	..	1	115	..	..	..	..	..	..	..	..	1	115	..	35	8	2,100	Public Service Superannuation.
Public Trust ..	759	250,565	19	470	3	255	..	..	20	1,815	27	2,160	..	..	3	1,155	53	5,855	1	50	31	9,025	1	665	3	1,615	11	2,065	1	80	47	13,500	6	7,645	765	242,920	Public Trust.
Public Works ..	835	292,162	76	1,725	10	2,050	12	1,835	34	3,190	23	3,610	5	1,055	2	660	86	14,125	..	..	23																

TABLE IV.—TEMPORARY EMPLOYEES OTHER THAN WORKMEN, ETC., AS AT 1ST APRIL, 1938.

Department.	Male Clerks.		Female Clerks.	Shorthand-typists, Typists, and Machinists.	Office Assistants.	Draughting and Computing.	Engineers (including Technicians and Operators).	Inspecting and Instructing.	Testers.	Supervisors, Over- seers, Foremen, and Managers.	Medical Officers.	Storekeepers and Storemen.	Miscellaneous.	Totals.
	Sorters.													
Agriculture	24	1	..	40	10	..	..	180	52	4	..	..	15	326
Air .. .. .	..	2	..	6	4	..	..	..	..	..	..	..	1	13
Army	21	..	..	11	16	..	..	..	..	2	..	56	41	147
Audit .. .. .	..	..	3	1	..	..	..	..	..	..	..	..	..	4
Broadcasting .. .. .	..	..	1	29	1	..	19	..	..	..	..	..	24	74
Census and Statistics	6	..	..	30	..	..	..	..	..	..	..	..	..	36
Crown Law .. .. .	..	..	..	2	..	..	..	..	..	..	..	..	..	2
Customs	3	..	..	20	..	..	..	..	..	..	..	..	3	26
Education	9	7	14	38	22	..	1	3	..	..	..	..	65	159
External Affairs	2	1	..	1	..	..	..	..	..	..	..	..	1	5
Government Insurance .. .. .	..	..	..	15	8	..	..	..	..	..	..	..	..	23
Health	8	3	5	18	7	..	3	2	..	..	16	1	127	190
Industries and Commerce, Tourist and Publicity	11	..	..	46	14	..	3	3	..	..	..	1	80	158
Internal Affairs*	8	3	..	109	17	..	..	1	..	..	..	..	38	176
Justice and Prisons	12	1	3	44	2	..	..	6	..	..	..	..	31	99
Labour†	99	32	..	41	358	..	..	7	..	..	..	..	50	587
Land and Deeds	3	1	1	12	1	12	..	..	..	..	..	..	1	31
Land and Income Tax .. .. .	..	40	..	15	49	..	..	..	..	..	..	..	..	104
Lands and Survey	15	12	..	74	12	19	..	13	..	25	..	6	7	183
Marine .. .. .	..	..	..	7	3	..	..	1	..	1	..	..	5	17
Mental Hospitals .. .. .	..	..	..	16	6	..	5	..	..	2	5	3	9	46
Mines	1	..	..	10	3	..	..	1	..	..	..	2	1	18
National Commercial Broadcasting National Provident and Friendly Societies	12	..	2	31	..	..	53	..	..	..	..	..	145	243
Native	1	1	..	2	15	..	..	..	..	..	..	..	..	19
Navy Office	35	4	..	41	19	..	..	..	..	52	..	1	..	152
Navy Office	6	..	..	5	5	..	..	..	..	..	..	11	3	30
Pensions	24	3	..	44	35	..	..	..	..	..	..	..	..	106
Police .. .. .	..	..	..	..	..	..	..	..	..	..	..	1	..	1
Primary Products Marketing‡	22	..	4	28	21	..	..	3	..	11	..	20	33	142
Printing and Stationery .. .. .	..	..	..	6	1	1	..	..	..	..	..	..	1	9
Public Service Superannuation .. .. .	..	..	..	1	3	..	..	..	..	..	..	..	..	4
Public Trust	12	1	..	190	3	..	..	2	..	..	..	..	5	213
Public Works	142	3	..	136	6	142	278	2	..	621	..	189	14	1,533
Scientific and Industrial Research	4	1	..	20	6	..	..	1	..	6	..	..	94	132
Stamp Duties .. .. .	..	..	..	12	..	..	..	..	..	..	..	..	3	15
State Advances	69	55	..	134	71	34	..	10	..	51	..	..	36	460
State Fire Insurance	4	..	..	37	13	..	..	..	..	..	..	..	..	54
State Forest Service	2	..	..	16	..	3	1	..	..	40	..	..	8	70
Transport	4	5	..	20	2	1	..	72	..	..	..	..	..	104
Treasury	3	2	..	9	17	..	..	1	..	..	..	..	..	32
Valuation	4	..	..	30	6	4	..	..	..	..	..	..	1	45
	566	178	33	1,347	756	216	363	308	52	815	21	291	842	5,788

* Does not include 197 full-time temporary cleaners, liftmen, watchmen, messengers, caretakers and attendants, &c., and 92 sessional employees who receive full-time employment partly on parliamentary duties and partly on relieving duty throughout Departments.
† Now includes temporary employees who were previously designated "Bureau workers."
‡ Includes London staff.

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