

To avoid looking things in the face, to be ignorant of the fact that work performed in one part of the Dominion is costing proportionately more for clerical assistance and more for labour than in another part, is wrong in principle, whether applied to a commercial house or a Government Department; and I cannot believe that any true business methods can be applied to the Public Service until Permanent Heads of Departments make themselves aware of such details, by keeping proper accounts to show the points at which economy and efficiency are being maintained or otherwise. Unless this is done there can never be any guarantee that an excessive staff is not being maintained.

In connection with the efficiency and condition of Departments, a case may be quoted which it is hoped is an isolated one. Recently one of the Commissioners made an inspection of a district office, which was found to be in an unsatisfactory condition. On being asked who was responsible for the state of affairs, the officer in charge wrote as follows:—

“The state of affairs in the — office is due primarily to three causes,—

“First, the practice that obtained in the past of making — the dumping-ground for unsatisfactory officers, who should have been dealt with summarily in the places from which they were transferred. Particulars of these would take too long to enumerate, but will be supplied if necessary.

“Secondly, to the practice of allowing officers to grow up in this office, and remain here all their lives, without acquiring a competent knowledge of their duties.

“Thirdly, to the very lax system of discipline which obtained in this office for the generation preceding my advent here.”

He then goes on to give examples of the lax system of discipline, and states that the record systems were inadequate, but claims that no one is responsible for this, as there had never been any uniform system adopted in the various offices of the Department.

CO-OPERATION AND CO-ORDINATION OF DEPARTMENTS.

In my First Report I referred at some length to the lack of co-operation and co-ordination of Departments. I particularly mentioned the failure of co-operation between the Departments and the Treasury. A beginning has been made by the Treasury to remedy this failure, involving the almost entire recasting of the method of account-keeping. Preparation for this necessarily occupied a great deal of time, and the Treasury was only able to bring the new system into working-order at the beginning of the present financial year. To enable proper inspection to be undertaken by the Treasury, the Assistant Accountant was appointed Inspector of Departmental Accounts, and he has since been provided with an assistant. Details of the new system appear elsewhere.

Although it is imperative that in order to ensure real efficiency a number of small Departments should cease their present independent existence, it has not been possible to carry out more than one amalgamation—namely, that of the Marine and Machinery Departments.

In 1909 an attempt was made to group Departments. This resolved itself into little more than a nominal grouping—with the exception of the Pensions Department, which was absorbed by the Post Office. This was later removed from Post Office control and re-created as a special Department. There has been no valid reason, so far as can be seen, for the creation of so many small Departments. As showing the peculiar conditions which exist at present, it is found that, although the Government Insurance Department has all the machinery for the purpose, an entirely separate staff with a separate Actuary is attached to the Friendly Societies Department for the purpose of carrying out the life-insurance business of the National Provident Fund. The whole of the work could readily be undertaken by the Government Insurance Department, with no addition to its actuarial staff and very little addition, if any, to the number of clerks employed. The Friendly Societies Department could also with advantage be attached to the Government Insurance Department. The only objection offered is that the latter Department is, in effect,