

17. In the last report of the Public Service Commissioner several Departments were named as being responsible for new positions. Some of these have again to be referred to : Agriculture Department, £5,086 ; Education Department, £3,151 ; Public Health Department, £1,165 ; Public Trust Department, £6,000 ; Public Works Department, £2,449. As for all Departments the new positions, approximated £30,000, it is obvious that if no new positions had been created the year 1918-19 would have been commenced, after providing for all statutory increments, with a salary bill of about £10,000 less than the previous year.

18. In the Post and Telegraph Department the salary bill at the commencement of the year 1917-18 was £970,641, and at the end of the year £949,444, or £21,197 less. The statutory classification increments added on the 1st April last were £58,742, resulting in an increase of £37,545 on the 1st April last as compared with the 1st April, 1917. The corresponding increase in 1916-17 was £84,714.

REGRADING.

19. Under the Public Service Act a general regrading of the Service has to be made at not longer intervals than five years. Such regrading would in the ordinary course have been due in August of this year, but in view of existing conditions Parliament passed legislation last year postponing the first general regrading until 1920. As the experience of the past five years has shown that alterations are required in the schedule of annual salaries and increments, it is hoped that the desirability of suitably amending the schedule to meet existing conditions will be taken into consideration before the first regrading. The main difficulty about the schedule of salaries is that it is too rigid, even in time of peace, to meet special or abnormal conditions, while the upheaval caused by the war has intensified this.

20. Where the present scale presses most unduly is in a large Department such as the Post and Telegraph. Under the Public Service Act there is no schedule for the General Division, the Commissioner having power to alter salaries in the General Division as circumstances may appear to warrant. In the Post and Telegraph Department, entry into the clerical service is almost invariably by way of the General Division. For the Clerical Division rigid classification is prescribed; and, owing to the fact that practically all the officers in the lower grades of the Clerical Division have received promotion to it by way of the General Division, it is impossible to improve the position of General Division officers without making a corresponding improvement in the Clerical Division. Moreover, the average salaries in the Post and Telegraph Department are lower than the average salaries in other Departments, while opportunities of advancement are not nearly so frequent.

21. It has been stated that a regrading would be difficult while so many officers are absent with the Expeditionary Forces. While there is some warrant for this opinion as regards some Departments, the difficulty would not apply to Post and Telegraph officers, as the regrading of that Department is, in effect, the regrading of large groups, and not primarily of individuals, as in the rest of the Public Service.

22. The Commissioners are of opinion that, in view of the peculiar conditions attaching to the Post and Telegraph Department, a general regrading of that Department in particular should take place without delay, and that provision should be made for regrading the other Departments as soon thereafter as possible.

23. As mentioned elsewhere, the wastage in the Post and Telegraph Department for the last year was much higher than normal, the result mainly of the resignation of junior officers. In order to check this as far as possible, such cadets as had served for one year at £95 per annum, and had passed the necessary examination for promotion to clerkships, were promoted one year earlier than usual. At the same time the commencing salary of cadets, junior letter-carriers, &c., has for the time being been fixed at £65 instead of £50 per annum.

24. As, however, no satisfactory regrading can be made without an alteration in the schedule, and as any rigid schedule is not likely to be satisfactory for the next five or six years, it is suggested that provision might be made for fixing a schedule by Order in Council, which could be amended from time to time.