

22. In a somewhat similar connection the New South Wales Royal Commission remarks :—

The whole question of the constitution of Departmental Boards is complicated by the conflict of two principles :—

- (a.) That of an administration, direction, and control of the Public Service by administrators chosen for their experience, capacity, judgment, and skill in organization, who, to attain efficiency and economy in the Service, must appoint, promote, transfer, remunerate, and reward the staff on the ground of merit and efficiency in every case as the first consideration ; who, if their services are not to be impaired, must be the final arbiters as to the relative merit and efficiency of members of the staff ; and
- (b.) The popular idea that the employee should have direct representation and some voice in the decision of all matters which concern and affect his status, conditions, and terms of work and remuneration.

One objection to direct representation of officers upon a Departmental Board to assess salaries is the practical certainty that such elected representative must develop into an advocate, rather than remain a member of a judicial body.

SENIORITY AND MERIT.

23. The question of merit being the sole desirable qualification for promotion assumed some proportion last year as being one of the reasons why the Public Service Act was not considered to be suitable for the Post and Telegraph service. It is not generally known that in the early stages of the Public Service Bill it was proposed to strike out all reference to seniority as a ground for promotion, and that it was on the urgent representation of the Post and Telegraph Association that any reference to seniority was allowed to remain. So far as the rest of the Public Service is concerned the Commissioners understand that they were in accord with the proposal to eliminate reference to seniority ; and, now that the principle of merit as against seniority has been established by the passing of the Post and Telegraph Department Act, it is recommended for the consideration of Government that the Public Service Act should be suitably amended in the same direction. It is not, however, to be supposed that even now seniority receives undue consideration when making promotions.

REGRADING.

24. The regrading of the Service, provided for by the Appropriation Act, 1918, was commenced at the beginning of this year and completed on the 5th July. This has been a task of magnitude. As far as possible the work of every officer in the Public Service was examined, and officers were at liberty to make statements to one or other of the three Commissioners. The officers' association was given every facility to make representations on general questions in connection with the proposed schedule and the regrading, and the Commissioners are indebted to them for so fully and reasonably expressing the views of the Public Service.

25. In carrying out a regrading at the present time the abnormal conditions existing had to be taken into account. For the three years ended 31st March, 1919, a war bonus was paid by Government at the rate of £15 per annum for married men and £7 10s. for single people from the 1st April, 1916, to the 30th September, 1918, and at double that rate from the 1st October, 1918, to the 31st March, 1919. For at least half the period of three years this was by no means commensurate with the increased cost of living.

26. When commencing the regrading the Commissioners were at pains to ascertain what could be regarded as a fair estimate of the increase in the cost of living of adult male officers between 1914 and 1919, and arrived at the conclusion that 27½ per cent. on a basic salary of £165 would be a reasonable one : that is to say, if £45 were added to the salary drawn in 1914, whether more or less than £165, the case would be met. This, however, could only be regarded as a basis, and particularly applied to salaries existent in 1914. For example, in the case of General Division officers in a grade £150 to £200 in 1914, the principle adopted was to automatically increase the minimum and maximum by £45, making the new grade £195 to £245. In the case of officers who had been regraded within the last year or two the principle had to be slightly modified, while in some cases the new scale for the Clerical Division allowed only an approximate application of the principle adopted.

27. One object which was kept in view during the regrading was that the new grading should be in such a form that section 24 of the Public Service Act could be applied in the event of any appreciable increase or reduction in the cost of commodities. Section 24 provides that, “. . . before transmission of the message accompanying the estimates in any financial year, the Governor-General may, by