

1929.



THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA.

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# REPORT

ON

# TEMPORARY EMPLOYMENT

IN THE

# COMMONWEALTH PUBLIC SERVICE.

*(Presented pursuant to Statute; ordered to be printed)*

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JOINT COMMITTEE OF PUBLIC ACCOUNTS.

REPORT

ON

TEMPORARY EMPLOYMENT IN THE COMMONWEALTH  
PUBLIC SERVICE.

INTRODUCTORY.

In pursuance of the powers conferred upon it by the *Committee of Public Accounts Act 1913-1920* the Parliamentary Joint Committee of Public Accounts decided, on the 20th February, 1929, to conduct an inquiry into temporary employment in the Commonwealth Public Service. By this is meant temporary employment governed by the provisions of the Commonwealth Public Service Act and controlled by the Commonwealth Public Service Board of Commissioners. In arriving at this decision the Committee was influenced to a large extent by the serious and persistent nature of the criticism by the Board in its annual reports to Parliament, by complaints of temporary employees who have qualified for permanent appointment, by the suspicion in the minds of the public that there is an overloading of employees in the various services of the Commonwealth, and by the important bearing which temporary employment has on the economic and efficient working of the Commonwealth Public Service.

COMMITTEE'S PROCEEDINGS.

To acquaint itself with the subject-matter of the inquiry the Committee summoned a large number of witnesses, including permanent heads and senior officers of Commonwealth departments, responsible officers of State Governments, representatives of various Public Service unions and organizations, and representatives of returned sailors and soldiers. In addition, the Committee made a number of important inspections having a direct bearing on its investigations.

The names of the witnesses who appeared before the Committee are shown in Appendix A, page 14.

TEMPORARY AND EXEMPT EMPLOYMENT.

Temporary employment is governed by the provisions of the Commonwealth Public Service Act and Regulations. The selection of persons for temporary service is vested in the Public Service Board which carries out its functions in the several States by delegation to Public Service Inspectors. The rates of payment are determined from time to time by the Board excepting where such rates are prescribed by arbitration awards.

Exempt employment is exempt from the provisions of the Public Service Act relating to permanent and temporary employment. Sixty-six per cent. of exempt employment consists of services rendered at semi-official, allowance and receiving post offices. About twenty-four per cent. is represented by various classes of labour employed in country districts, notably in the Postmaster-General's Department, while about ten per cent. consists of services which could not be conveniently controlled by the provisions of the law governing permanent and temporary employment.

(Sixth Committee.)

(Senators appointed 7th February, 1929.)

(Members of the House of Representatives appointed 14th February, 1929.)

\* Senator WALTER KINGSMILL, Chairman.

Senate.

Senator JOHN BLYTH HAYES, C.M.G.  
Senator ALBERT ALFRED HOARE.

House of Representatives.

FRANK ANSTAY, Esquire, M.P.  
FRANCIS MICHAEL FORDE, Esquire, M.P.  
GROSVENOR ARUNDELL FRANCIS, Esquire, M.P.  
SYDNEY LANE GARDNER, Esquire, M.P.  
ALBERT ERNEST GREEN, Esquire, M.P.  
ROLAND FREDERICK HERBERT GREEN, Esquire,  
M.P.  
† JOHN HENRY FROWSE, Esquire, M.P.

\* Appointed Chairman 15th February, 1929; resigned from Committee on 14th August, 1929.

† Appointed Vice-Chairman 21st February, 1929.

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STATISTICS.

The following figures show the total numerical strength and the total annual cost of salaries and wages, and illustrate the growth of the Commonwealth Public Service since 1924, the year after the Public Service Board commenced to function:—

Year ended 30th June.	Permanent.		Temporary.	Exempt.	Wages.	Total Employees.	Total Salaries and Wages.
	Number.	Salaries.	Number.	Number.	Temporary and Exempt.		
		£			£		£
1924 .. ..	25,407	6,400,622	4,898	17,023	2,772,037	47,328	9,172,659
1925 .. ..	26,132	6,794,069	4,645	16,900	2,816,076	46,677	9,610,145
1926 .. ..	27,039	7,066,080	5,007	16,334	3,177,057	47,380	10,243,147
1927 .. ..	28,205	7,550,675	5,120	14,159	2,756,335	47,484	10,307,010
1928 .. ..	28,536	7,989,521	4,469	13,725	2,666,667	46,730	10,656,188
31st March, 1929	*	*	3,882	12,916	*	*	..

\* Figures not available.

Note.—Figures relate only to employees governed by the provisions of the Public Service Act.

Figures showing permanent, temporary and exempt employees engaged in the various departments will be found in Appendix "B" page 15.

A comparison of the figures at 30th June, 1924, with those at 30th June, 1928, reveals an interesting position:—

Population of Australia—June, 1924 .. .. .	5,803,590
Population of Australia—June, 1928 .. .. .	6,284,407
Increase in permanent staff, 1924 to 1928 .. .. .	12.3 per cent.
Decrease in temporary staff, 1924 to 1928 .. .. .	8.8 per cent.
Decrease in exempt staff, 1924 to 1928 .. .. .	19.4 per cent.
Decrease in total staffs, 1924 to 1928 .. .. .	1.3 per cent.
Increase in population, 1924 to 1928 .. .. .	8.3 per cent.
Increase in wages and salaries bill from 1924 to 1928, due primarily to Arbitration Court awards, and, to some extent, to reclassification .. .. .	16 per cent.

It will be observed that while the population served by the departments of the Commonwealth has increased by 8.3 per cent. during the period 1924–1928, there has been a decrease of 598, or 1.3 per cent. in the total personnel of the Service, notwithstanding the fact that since June, 1924, there has been a considerable expansion in governmental activities due to new legislation and extension of departmental functions in the following directions:—

- Establishment of Statistical Branch in Tasmania.
- Bureau of Forestry.
- Australian School of Forestry.
- Australian War Memorial.
- Solar Observatory, Mount Stromlo.
- Bankruptcy Branch.
- Works and Railways—Permanent appointment of professional staff employed for many years on a temporary basis.
- Health Department—Establishment of new divisions of epidemiology, tuberculosis, &c.
- Defence Department—Positions formerly under Defence Act taken over into Public Service.
- Permanent staffing of lighthouse steamers—Employees formerly under exemption.
- Postmaster-General's Department—New Engineering positions and establishment of Wireless Branch.

On the other hand, reductions in staffs have been effected owing to the Note Issue and Stamp Printing Branches being transferred from the Treasury to the Commonwealth Bank, and to the absorption of excess Taxation officers following upon transfer of collection of Commonwealth taxation to the States Taxation Departments.

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POSTMASTER-GENERAL'S DEPARTMENT.

PERMANENT, TEMPORARY AND EXEMPT EMPLOYEES.

As at 30th June.	Permanent.	Temporary.	Exempt, Semi-Official and Allowance Postmasters.	Other Exempt Employees.	Total Exempt Employees.	Grand Total.
1924 .. ..	20,705	3,666	8,428	0,165	14,593	38,964
1925 .. ..	21,531	3,509	8,825	5,667	14,492	39,522
1926 .. ..	22,262	4,277	8,996	5,527	14,523	41,062
1927 .. ..	23,365	4,357	9,031	4,544	13,625	41,367
1928 .. ..	23,564	3,700	9,107	3,645	12,751	40,016
At 1st March, 1929 .. ..	23,700	3,592	9,122	3,348	12,470	39,762

A comparison of the figures of the Postmaster-General's Department at 30th June, 1924, with those at 1st March, 1929, reveals the following position:—

Increase in permanent staff .. .. .	14.5 per cent.
Decrease in temporary staff .. .. .	2.0 per cent.
Decrease in exempt staff .. .. .	14.5 per cent.
Increase in total staff .. .. .	2.0 per cent.

It is interesting to note that of the total number of 46,730 employees in the Commonwealth Public Service at 30th June, 1928, no fewer than 40,016 (86 per cent.) were engaged in the Postmaster-General's Department.

While there has been an increase of only two per cent. in the personnel of the Postmaster-General's Department since 1924, there has been a great expansion of business in various branches of the Department. For example, at the 30th June, 1928, there were 1,532 more post offices in operation, 158,421 more telephone instruments in use, 864,259 more miles of line to maintain, 129,591,805 more telephone calls, and 198,598,000 more postal articles handled. Details of expansion are as follow:—

	1924.	1928.
Post Offices in operation .. .. .	8,767	10,299
Parcels handled .. .. .	10,268,691	14,703,000
Registered articles .. .. .	7,027,535	8,073,506
Total number of postal articles dealt with (approximately) .. .. .	923,104,000	1,121,702,000
Financial transactions at Post Offices—		
Receipts .. .. .	£54,889,800	£65,471,245
Disbursements .. .. .	£54,554,050	£65,687,339
Earnings .. .. .	£9,724,801	£12,325,082
Number of Telephone Exchanges .. .. .	3,428	5,698
Number of telephone subscribers' lines .. .. .	242,001	363,076
Trunk Line Calls .. .. .	18,135,444	32,002,070
Number of effective paid local telephone calls .. .. .	257,232,340	372,957,519
Total single wire mileage of telegraph and telephone wire .. .. .	1,381,505	2,245,764
Number of telephone stations (instruments) .. .. .	318,279	476,700

The capacity to cope with such a large increase in work with such a small increase in staff is attributable to a number of causes some of which are:—

- (a) The adoption of the automatic telephone system;
- (b) Developments of the science and art of telephony and telegraphy, which enable existing circuits to be so much more fully utilized that physical circuits, which would otherwise have been constructed, are not yet required;
- (c) Internal re-organization, which has brought about staff reductions and improved methods.

## REPORTS AND COMMENTS OF THE COMMONWEALTH PUBLIC SERVICE BOARD OF COMMISSIONERS ON THE PRESENT POSITION.

That the Public Service Board takes a serious view of certain phases of temporary employment in the Commonwealth Public Service will be gathered from the following passages which appear in the Annual Reports of the Board:—

"It is axiomatic that temporary service is inefficient service because of limited experience and the absence of proved physical and mental standards." (Vide page 6 of Fifth Report.)

"The failure to make proper provision on the Annual Estimates to meet the cost of adequate permanent staff rests in some degree with the permanent heads of departments, and, where this is not so, is due to the desire of the Treasury to avoid as far as possible any substantial increase in the annual appropriations for the permanent service. The matter is not one of public economy. The amount expended each year on temporary assistance, if diverted to payment of salaries of augmented permanent staff, would produce considerable dividends in the shape of more efficient and satisfactory public service. The present policy is unsound from a business stand-point and the reverse of economical." (Vide page 23 of Fourth Report.)

"It is realized by the Board that where services are fluctuating in volume, such as in the carrying out of a public works programme or scheme of line construction, permanent appointments would be injudicious. In this connexion a safe margin of temporary employees should always be maintained to obviate dismissals of permanent officers during slack periods. Moreover, the intentions of the Public Service Act as to restriction of temporary employment are being frustrated by the failure to make provision for justifiable permanent staff. The experience of some of the States in the matter of excessive temporary employment created much difficulty and finally led to remedial legislation involving the inclusion of temporary employees in the permanent service." (Vide page 6 of Fifth Report.)

"The problem of excessive temporary employment is further affected by the conditions surrounding the engagement of returned soldiers, who are subject to no limitation of tenure as temporary employees, and whose services may be continued indefinitely for such time as temporary assistance is still required. There is a marked tendency to leave permanent positions unfilled, or to neglect to make provision for necessary permanent positions in order that the temporary employment of returned soldiers may not be prejudiced, notwithstanding that preference is accorded returned soldiers in the making of permanent appointments to the service. . . . The matter of temporary employment is of too serious a nature to be allowed to continue indefinitely, and departmental interests require that more efficient service shall be rendered for the heavy expenditure now involved in maintaining temporary staffs." (Vide page 24 of Third Report.)

### CAUSES AND DISADVANTAGES OF TEMPORARY EMPLOYMENT.

According to evidence tendered the chief causes of temporary employment in the Commonwealth Public Service apart from the engagement of temporary hands on works of a fluctuating character are:—

- (1) Disinclination on the part of the Treasurer to provide sufficient funds on the Annual Estimates for justifiable permanent staff;
- (2) Failure on the part of some departments to initiate action to fill positions of a permanent character;
- (3) Absence of permanent officers on sick leave or furlough;
- (4) Death, dismissal, promotion or transfer of permanent officers;
- (5) Delays affecting the relief of permanent officers who take up new positions;
- (6) Changes in organization involving additional staff, or staff of different designations;
- (7) The withholding of permanent appointments pending reclassification of the Service. (Now that reclassification has been completed this cause will disappear.);
- (8) Delays in determination of appeals against provisional promotions;
- (9) Delays inseparable from the formulation of proposals involving additions to the permanent establishment.

With regard to Nos. 1 and 2 it was stated in evidence that the failure to provide for justifiable permanent staff is detrimental to the best interests of the Service for the following reasons:—

It frustrates the intentions of the Public Service Act as to restriction of temporary employment and as to the establishment of permanent staffs on an economic and efficient basis;

It involves the retention of temporary employees for lengthy periods;

It reduces the efficiency of the Service because—

- (a) Temporary employees mostly enter the Service as adults, and thus lack the valuable training of youths in Public Service methods and ideals;
- (b) The standard of health and education of temporary employees is not, as a rule, as high as that of permanent officers;
- (c) Generally speaking, the temporary employee, who has only a precarious hold on the Service, cannot be expected to develop the same interest as the permanent man. The restriction of opportunity for advancement is not an incentive to a man to do his best. (It was the unanimous testimony of witnesses that permanent service gives the greatest efficiency and is, therefore, the most economical.);

It is uneconomical because under arbitration awards temporary hands receive wages and incremental advancement on practically the same basis as permanent officers;

It does not produce any reduction in expenditure or personnel. When necessary permanent hands are not appointed temporary employees must be retained to carry out the services of the departments;

It is holding up the appointment of a number of temporary employees who have qualified by examination or by length of service for permanent appointment;

It is preventing appointments to certain important branches of the Service which experience has demonstrated should be occupied almost wholly by permanent officers;

It is affecting the promotion of a number of permanent officers in the different States.

### PROVISION OF FUNDS FOR STAFFS.

Evidence shows that the procedure followed by departments in regard to the provision of funds for staffs is as follows:—Draft estimates setting out the number of officers required, together with the salaries proposed to be paid, are prepared by departments and submitted to the Treasurer. The latter, in the exercise of his prerogative to reduce the amounts asked for by departments, does not, it is stated, reduce the numbers of positions sought; but it is represented that salary votes are sometimes reduced, either by the Treasurer or by departments at the direction of the Treasurer, to an extent that renders it impossible for departments to fill legitimate permanent positions unless additional funds are provided. If additional funds are not forthcoming for necessary permanent staff, departments are compelled to meet the position by the prolongation of temporary employment. It was also disclosed in evidence that there is a serious weakness in the system of submitting draft estimates, in that the Treasurer accepts the figures of departments as to additional personnel before they are investigated by the authority appointed by Parliament to limit staffs to actual requirements, viz., the Commonwealth Public Service Board of Commissioners. As a consequence the Treasurer is not in a position to determine whether the new positions asked for are necessary or excessive. An examination of the proposed new appointments by the Public Service Board prior to the submission of draft estimates to the Treasurer might reveal that the services of the Commonwealth could be efficiently maintained with smaller staffs than those shown in the draft estimates of departments; but the Public Service Board does not, under existing conditions, exercise any check on the numbers of proposed new appointments until after the Estimates are passed by Parliament. Thus Parliament, as well as the Treasurer, is asked to provide money for positions which may, on investigation by the Public Service Board, be found to be unnecessary.

To place the matter on a sounder basis, and on a basis consistent with the intentions of the Public Service Act, it has been suggested that departments should advise the Public Service Board as to proposed staff additions about the end of December each year, so as to enable the Board to investigate the need for new appointments before draft estimates are submitted to the Treasurer. If the Board were satisfied that the appointments were necessary it could furnish a certificate to that effect to the Treasurer who should, it was urged, then make the necessary financial provision. It was further represented that, if co-operation on the lines indicated could be ensured, many of the difficulties that arise from long-continued temporary employment would soon disappear.

### PERMANENT POSITIONS FILLED BY TEMPORARY EMPLOYEES.

From evidence tendered it is clear that there are large numbers of positions of a permanent character being filled by temporary employees. Figures supplied show that at the 21st February, 1929, no fewer than 43 temporary employees had been engaged for periods exceeding 10 years; 520 for periods exceeding 5 years; and 970 for periods exceeding 2 years. While it was recognized that there was justification for the retention of large numbers of temporary manual telephonists owing to the fact that their services would have to be dispensed with on the introduction of automatic telephone exchanges, it was claimed that the retention of a large proportion of temporary employees in other ranks could not be reasonably justified either from the point of view of efficiency or economy.

### RETURNED SOLDIERS.

In the matter of temporary employment in the Commonwealth Public Service the Public Service Act provides that returned soldiers who are competent for the work to be performed must be considered in priority to any person who is not a returned soldier. No limitation is fixed as to the period of temporary employment of returned soldiers. Upon report from the Chief Officer that a returned soldier temporarily employed has satisfactorily performed his duties, the Public Service Board may extend his employment for such time as temporary assistance is still required. As to sick leave, concessions are prescribed by regulations granting returned soldier temporary employees more favourable conditions than those provided for non-soldiers. In all departments the policy of preference to returned soldiers is being strictly observed.

Owing to the preferential provisions of the Commonwealth Public Service Act returned soldiers comprise a very large proportion of the temporary employees in the service. The following figures relating to returned soldiers are of interest:—

(a) Number of returned soldiers appointed to the permanent service since the war (to 30th June, 1928) .. .. .	4,676
(b) Number of returned soldiers temporarily employed who have passed the prescribed examination, but who are still awaiting permanent appointment .. .. .	591
(c) Number of returned soldiers temporarily employed who have not passed the prescribed examination, but are eligible for permanent appointment without examination under the provisions of Section 84 (9) (e) of the Public Service Act .. .. .	171
(d) Number of returned soldiers temporarily employed who have not passed the prescribed examination .. .. .	2,140
(e) Number of permanent officers who enlisted for the war .. .. .	4,372
(f) Number who died on service .. .. .	596
(g) Number who resumed their positions after completing war service .. .. .	3,576

*Note.*—Positions such as those of semi-official or allowance postmasters are not included in the above figures.

Under Section 84 (9) (e) of the Commonwealth Public Service Act provision is made by which soldiers who have been temporarily employed continuously for not less than two years in positions of a non-clerical nature may be appointed to the permanent staff without passing the prescribed examination, provided that the Chief Officer certifies that their duties have been performed in a satisfactory manner. Since the war a large number of appointments has been made by virtue of Section 84 (9) (e), and it is proposed by the Public Service Board to widen the application of this statutory provision in connection with future appointments.

Evidence shows that whilst there is a sympathetic recognition and application of the policy of preference to returned soldiers on the part of the Public Service Board and all departments, it is frankly stated that the standard of efficiency in the Service to-day is lower than it was prior to the war. Such a position, which is common to the public services of most, if not all, of the countries which participated in the war, is inevitable and is properly recognized as one of the inescapable consequences of the war. It was represented to the Committee that there are numbers of returned soldiers engaged in the Service who, as a result of their war experience, are not wholly efficient. There are others who, prior to the war, followed manual occupations, but who now, because of war disabilities and other circumstances, follow a clerical occupation. Departments are giving full recognition to the obligations of the country to these soldiers and are making due and proper allowance for any lack of efficiency which may arise from active service or from a necessary change of occupation following upon return from the war.

Other matters to which the attention of the Committee was drawn were:—

- (a) The engagement of adults on work which could be performed by juniors, involving an added liability of about £90,000 per annum; and
- (b) The dearth of youth in the Service as a result of the operation of the following provisions of the Public Service Act giving preference to returned soldiers:—

"Section 83.—Notwithstanding anything contained in this Act, a returned soldier whose name is enrolled in the prescribed register for temporary employment shall, if competent for the work required, be considered for temporary employment in priority to any person who is not a returned soldier.

Upon report from the Chief Officer that a returned soldier temporarily employed has satisfactorily performed his duties, the Board may extend his employment for such time as temporary assistance is still required.

Where the employment of a returned soldier has been terminated owing to temporary assistance not being further required, he shall be eligible for further employment at any time after the termination of his previous temporary employment.

"Section 84.—In the making of appointments to the Commonwealth Service from among persons who have successfully passed the prescribed examination, the Board shall give preference to returned soldiers."

With regard to (b) it is stated that since the war entrance to the clerical service has been practically the prerogative of returned soldiers. As a consequence departments are faced with the position that they have no youths in training for the higher posts of the future. From the point of view of efficient administration, particularly that of the years to come, the situation is regarded by responsible officers with a considerable degree of perturbation. It has been stated to the Committee in evidence, however, that there is a prospect that within a few years it will be possible to introduce more youth into the clerical service without interfering with the policy of preference to returned soldiers.

### PERMANENT OFFICERS TEMPORARILY OCCUPYING HIGHER POSITIONS.

According to figures submitted in evidence 2,115 officers out of a total permanent staff of some 28,000 officers were, at 31st March, 1929, temporarily occupying higher positions. The higher duties allowances paid for 1927 and 1928 were £65,673 and £84,012 respectively. It was stated that the present system of higher duties allowances was brought about by the Public Service Arbitration Court in developing the principle of higher duties allowances. During the early years of Public Service administration no higher duties allowances were paid until an officer had acted for six months in the higher position. Later, the period was reduced to three months, the salary paid being the minimum only of the higher class. Subsequently the matter was taken into the Public Service Arbitration Court, and for several years inconsistencies arose, different unions and associations being treated in different ways. At the present time an officer receives a higher duties allowance if he is engaged for a total of 26 days in any period of twelve months in a higher position, whether the period of 26 days is continuous or not. He is also entitled to annual increments if retained in the higher position for a lengthy period. It was further submitted in evidence that the principle of higher duties allowances was equitable if reasonably applied, but it should be restricted to cases in which the officer is acting in the higher position for at least three months, and then only the minimum salary of the higher position should be paid. Evidence also disclosed that in Great Britain the principle had been adopted under which an officer must serve for six months in a higher position before becoming entitled to the higher duties allowance, which was paid by means of a 20 per cent. increase on his ordinary salary. If the English system had been applied to the Commonwealth service in 1927-28, when £84,012 was paid in allowances, it was claimed that a saving of £50,000 could have been made. In many cases higher duties allowances had to be paid to three or four men owing to the absence of one officer. It was further stated in evidence that the system of higher duties allowances was being abused, that much of the expenditure on higher duties allowances was unjustified, and that the practice had gradually extended until the financial effect was serious.

### RELIEVING STAFFS.

Evidence reveals that relieving staffs have been established in most of the main branches of the service. Opinions were expressed, however, that many of these staffs could with advantage be extended, thus limiting the number of temporary employees and the necessity for overtime. In branches with large staffs there were always such recurring emergencies as those caused by recreation and sick leave, transfers, dismissals, furlough, &c. The size of emergency staffs in

such branches could, therefore, be determined with reasonable accuracy by a calculation of the incidence of such emergencies over a period of, say, five years. Apart from being a factor in reducing temporary assistance and overtime, well-established emergency staffs would afford a very effective training school, inasmuch as the officers attached thereto would obtain a good general knowledge of most of the activities of the branch with which they were associated. The principle of one emergency staff for all departments was considered impracticable.

#### FREE UNIVERSITY COURSES.

As a contribution to the future needs of the Service, the Commonwealth Public Service Board of Commissioners has instituted a system of free university courses for specially selected officers of the Service. After a great deal of negotiation arrangements have been made with all universities in Australia, Queensland excepted, under which a certain number of places are provided each year for selected public servants. Under the arrangements half fees are borne by the Commonwealth and half by the Universities, the provision of books being the responsibility of the student. The courses approved include Economics, Science, Law, Engineering and Commerce. It was confidently anticipated that the cumulative effect of the special training received by these students would be definitely reflected in the future efficiency of the Service.

#### STAFFS OF BOARDS AND COMMISSIONS.

In the course of evidence it was strongly urged that the staffs of all Commonwealth Government Departments, including boards and commissions, should be controlled by the Public Service Board in the matter of selection for appointment, valuation of work, and determination of wages and salaries. The Public Service proper had, it was claimed, at least the virtue of uniformity. Permanent officers were subject to uniform conditions of employment and their salaries were based on uniform standards of work values, while temporary employees were appointed according to strict rules, and their wages and working conditions were controlled by one authority. In the case of boards and commissions, however, wages and working conditions were determined by different authorities with the result that uniformity was impossible, and anomalies inevitable.

On the subject of staffs of boards and commissions, Mr. D. C. McLachlan, C.M.G., I.S.O., who in 1918 was appointed by the Governor-General a Royal Commissioner on Public Service Administration, reported as follows:—

"My experience in the Public Service leads me to view with trepidation any legislation which will result in placing a branch of the Service outside the controlling power considered necessary for other branches of the Service, seeing that the exercise of influence both direct and indirect is bound to be attempted in regard to appointments, fixing of salaries, and tenure of office, which will be most prejudicial to the interests of the Commonwealth."

#### OBSERVATIONS AND RECOMMENDATIONS.

Having carefully examined the position of temporary employment in the Commonwealth Public Service the Committee is satisfied that there is justification for the criticism by the Commonwealth Public Service Board of Commissioners that there are large numbers of temporary employees occupying positions which are definitely permanent in character. To the extent at least that permanent positions are so occupied there is an excess of temporary employment in the Service. As there are many temporary employees qualified for permanent appointment, the Committee is of opinion that the anomalous position which now exists could to a large extent be adjusted without involving dismissals, particularly by the appointment of returned soldiers with eligibility under Section 84 (9) (c) of the Commonwealth Public Service Act.

At the 30th June, 1924, the number of temporary and exempt employees, excluding semi-official and allowance postmasters, was 13,493. At 30th June, 1928, the number was 9,088, so that in four years there has been a decrease of 4,405 or 33 per cent. At 30th June, 1924, the ratio of temporary and exempt employees to the total strength of the service was 46 per cent., while at 30th June, 1928, the proportion was 39 per cent, a reduction of 7 per cent. At 30th June, 1924, the proportion of temporary and exempt employees (excluding semi-official and allowance postmasters) to the total numerical strength of the service was 28 per cent., while the ratio at 30th June, 1928, was 19 per cent., a reduction of 9 per cent.

It is interesting to note that temporary employment and exempt employment are practically confined to the Postmaster-General's Department. The following figures illustrate the position at March, 1929:—

	Temporary.	Exempt.	Total.
Postmaster-General's Department	3,592	12,470	16,062
All other Departments	614	684	1,298
	4,206	13,154	17,360

The exempt employees under the Postmaster-General's Department include 9,122 semi-official and allowance postmasters, and 3,348 other exempt employees such as linemen and labourers in country districts, cleaners, &c. Of the total strength of the Postmaster-General's Department, viz., 40,016, temporary and exempt employment constitute a large proportion—49 per cent.; but the Committee fully recognizes the necessity for a safe margin of temporary and exempt employment in the Postmaster-General's Department, particularly in the line construction branch, where the work to be performed is of a fluctuating character, and where it would be unwise to establish large permanent staffs.

Taking a comprehensive view of temporary employment in the Commonwealth Public Service the Committee is of opinion that, apart from the anomaly of temporary hands occupying permanent positions for lengthy periods, there is no great cause for concern. With the consequences arising from the failure to provide for justifiable permanent staff, however, the Committee takes a serious view. Evidence discloses clearly that large numbers of temporary hands have been retained in permanent positions for long periods, and that the chief factor contributing to the anomaly is the inability of departments to obtain funds for necessary permanent staff. In the circumstances departments are compelled to resort to the costly expedient of temporary employment with the result that the Public Service Board is unable to restrict temporary employment as contemplated by Section 82 of the Commonwealth Public Service Act or to carry out the duties imposed upon it by Section 17 of that Act which provides, *inter alia*, that the Board shall devise means for effecting economies and promoting efficiency in the management and working of departments by the limitation of staffs to actual requirements, and the utilization of those staffs to the best advantage. Under existing conditions it is clear that any arbitrary action by the Public Service Board to terminate the services of temporary employees occupying permanent positions would only embarrass the departments concerned. The position is, therefore, that the Public Service Board is practically compelled to sanction the continuance of temporary employment on work which is permanent in character. Having weighed the matter very carefully the Committee is of opinion that there is no wisdom in not filling permanent positions, because it has been established beyond all doubt that, generally speaking, permanent service is more efficient and, consequently, more economical than temporary service. In arriving at this conclusion the Committee has given due consideration to the additional liabilities attaching to permanent officers in the form of superannuation and retiring allowances.

In suggesting that permanent positions occupied by temporary men should be filled by permanent officers, the Committee wishes to make it quite clear that it has no desire to see the permanent establishment of the Service unduly increased. On the contrary, it holds a very definite view that, owing to financial stress, advance of science, and changes arising from re-organization, great care must be exercised in connexion with all future appointments.

#### DRAFT ESTIMATES—STAFF REQUIREMENTS.

The Committee is of opinion that early steps should be taken to alter the procedure followed in relation to the submission of departmental draft estimates to the Treasurer, evidence having disclosed serious weaknesses in the present system. Under the Commonwealth Public Service Act a very definite duty is imposed on the Public Service Board as to limitation of staffs by the provisions of Section 17 of the Act already quoted. Existing conditions, however, render it impossible for the Public Service Board to carry out that duty as intended by Parliament for the reason that additional staffs included in the draft estimates of departments are not investigated by the Public Service Board until after the Estimates are passed by Parliament. Thus the Treasurer is not in a position to know whether the additional positions included in the

draft estimates of departments are necessary or excessive. Moreover, Parliament, which finally passes the Estimates, is in a similar position. Another aspect to which the Committee desires to invite attention is the question of the provision of adequate funds for permanent staff. If the body appointed by Parliament to establish staffs, viz., the Commonwealth Public Service Board of Commissioners, is satisfied, after careful investigation, that certain positions should be made permanent, the Committee can see no virtue in not making provision for those positions.

Failure to provide for legitimate permanent staff is, in the opinion of the Committee, unsound policy, for the following reasons:—

It does not reduce the number of hands employed, but necessitates the prolongation of temporary employment, which is, generally speaking, uneconomical and detrimental to efficiency;

The intentions of the Commonwealth Public Service Act are being frustrated; It involves the retention of adults on work which could be performed by permanent juniors;

It holds up appointments to certain important branches of the Service which should be almost wholly staffed by permanent officers;

It is affecting the promotion of a number of officers in the different States; and It is holding up the permanent appointment of a number of persons temporarily employed who have passed the prescribed examination.

The Committee does not for a moment question the right of the Treasurer to reduce the draft estimates of departments; but in the matter of staffs the view is strongly held that the Public Service Board should be consulted before any action is taken by the Treasurer which might affect the personnel of any department. The Committee considers it very desirable that a principle should be adopted under which close co-operation between the Treasury, the Public Service Board, and departments, should be ensured before the draft estimates of departments are finally submitted to the Treasurer. To establish the principle suggested on a definite basis the Committee recommends that Section 17 of the Commonwealth Public Service Act be amended by addition of the following sub-sections:—

(5.) It shall be the duty of the permanent head of each department to submit to the Board not later than the thirty-first day of December each year a draft of its estimated staff requirements and the estimated cost thereof for the next ensuing financial year, and to give to the Board such information as the Board may require in relation thereto;

(6.) It shall be the duty of the Board as soon as practicable after the receipt of any such draft estimates as last aforesaid, but not later than the end of April of each year, to deliver to the Department of the Treasury a report or certificate from the Board setting out the views and opinions of the Board as to the necessity for such staff requirements, and as to their effect upon the management and economic and efficient working of the Department;

(7.) It shall be the duty of the Commonwealth Treasurer, if his Estimates do not provide funds for the positions certified as necessary by the Board, or if he proposes to otherwise vary or depart from the certificate of the Board, to report to Parliament, when introducing the Estimates, the reasons for his inability to accept, or his proposal to vary or depart from, the certificate of the Board.

The Committee is convinced that the adoption of the above proposals would not only lead to greater economy and efficiency, but would be of great assistance to Parliament, the Treasurer, the Public Service Board and all departments. At the same time many existing weaknesses and anomalies associated with temporary employment would soon disappear.

#### RELIEVING STAFFS.

The Committee is of opinion that temporary employment could be materially obviated if adequate relieving staffs were established in all the main branches of the Service. It is fully recognized that temporary employment must be availed of to some extent to meet seasonal rushes of work; but in the large branches, which are not subject to any appreciable fluctuation in business, it should be possible to establish relieving staffs which would almost entirely obviate the necessity for temporary employment and overtime. The Committee recommends, therefore, that early consideration be given to this phase of departmental administration.

#### ACCOUNTS BRANCHES.

After careful inquiry as to the methods employed by State Governments and outside institutions in regard to the staffing of accounts branches, the Committee is of opinion that the employment of temporary hands in accounts branches in the Commonwealth Service should be discouraged, evidence having revealed that in one of the chief accounting departments of the Service considerable embarrassment was caused by temporary employees making serious errors in rendering accounts to the public.

#### FREE UNIVERSITY COURSES.

The Committee was very much impressed with the free university courses made available to specially selected officers of the Commonwealth Public Service, and with the calibre, zeal and expressed outlook of the youths who have been fortunate enough to secure selection for the special training thus afforded. The Committee feels that the wider field of knowledge and broader outlook that must naturally accrue from special training will undoubtedly provide a very valuable contribution to the future efficiency and administrative needs of the Service.

#### TEMPORARY EMPLOYEES OF BOARDS AND COMMISSIONS.

In addition to the temporary employees engaged in the Commonwealth Public Service, there are approximately 5,000 temporary and casual hands employed in Commonwealth Government activities which do not come within the operations of the Commonwealth Public Service Act. As these activities did not come within the scope of the inquiry into temporary employment in the Commonwealth Public Service, and as the desirability of vesting in one central authority the control of wage fixation and working conditions of all Commonwealth Government employees has been strongly urged (*vide* evidence, page 10), the Committee has decided to conduct a separate inquiry into the staffs of Commonwealth Government bodies outside the operations of the Commonwealth Public Service Act.

#### GROWTH OF STAFFS.

Owing to the criticism which is often levelled against the growth of staffs in the Commonwealth Public Service, the Committee feels that it would not be inappropriate to make a few observations, based on a general knowledge of the existing position, in regard thereto. While the question of permanent personnel did not come within the scope of the Committee's inquiry, it was necessary to study the inter-relations of the different categories of employment to ascertain the true position of temporary employment. The Committee cannot, of course, without a special investigation, speak with authority as to whether the numbers of permanent employees in the service are justifiable or excessive; but during its investigations it observed with much interest that a strict check is being kept on all requisitions for additional staff. In addition to a very close scrutiny by departmental heads and the Public Service Board of all requests involving additional appointments, special investigation committees have been operating within the larger departments with the object of effecting economies and introducing improved methods and organization, and evidence is not wanting that the efforts of these bodies have produced satisfactory results.

#### CONCLUSION.

In conclusion, the Committee desires to express its appreciation of the valuable evidence tendered by the many witnesses who appeared before it. Special thanks are due to the Commonwealth Public Service Board of Commissioners and its officers, heads of departments, representatives of various Public Service organizations, State Public Service Commissioners, representatives of returned sailors and soldiers, and the Colonial Sugar Refining Company, for the able, frank and disinterested manner in which they co-operated with the Committee.

WALTER KINGSMILL,

Chairman.

Office of Joint Committee of Public Accounts,  
Parliament House, Canberra, 14th August, 1929.

*Walter Kingsmill*

## APPENDIX "A"

## NAMES OF WITNESSES WHO APPEARED BEFORE THE COMMITTEE.

Anderson, Gilbert, Technical Assistant, Commonwealth Serum Laboratories, Department of Health, Melbourne.  
 Anthony, Raymond, Commonwealth Public Service Inspector, Central States, Canberra.  
 Barkley, William Henry, Collector of Customs for New South Wales, Sydney.  
 Bourne, Ernest Harold, Chief Inspector of Telegraphs, Postmaster-General's Department, Melbourne.  
 Brown, Herbert Charles, Secretary, Department of Markets and Transport, Canberra.  
 Brown, Harry Percy, M.B.E., M.I.E.E., Director-General of Posts and Telegraphs, Melbourne.  
 Buchanan, Francis Ferguson, Staff Officer, Colonial Sugar Refining Company, Sydney.  
 Butler, Victor Edward, Superintendent of Telephones, Postmaster-General's Department, New South Wales.  
 Cameron, Donald Charles, C.M.G., D.S.O., M.F., Member of the House of Representatives for Brisbane.  
 Cameron, Thomas Henry, Superintendent of Stores and Transport, Postmaster-General's Department, New South Wales.  
 Christie, Archibald John, Deputy Director of Posts and Telegraphs, Queensland.  
 Clemens, William James, I.S.O., Member of the Commonwealth Public Service Board of Commissioners, Canberra.  
 Crawford, John Murray, Chief Engineer, Postmaster-General's Department, Melbourne.  
 Crampston, Dr. John Howard Ridgett, M.D., D.P.H., Director-General of Health, Canberra.  
 Daley, Charles Studdy, O.B.E., Secretary, Federal Capital Commission, Canberra.  
 Deano, Percival Edgar, C.M.G., Secretary, Department of Home Affairs, Canberra.  
 Dibdin, Edward John, D.S.O., V.D., General Secretary, Returned Sailors and Soldiers' Imperial League of Australia, Melbourne.  
 Dumbarten, Charles Henry, Supervising Engineer, Postmaster-General's Department, New South Wales.  
 Duncan, John Shields, Commonwealth Public Service Inspector for New South Wales, Sydney.  
 Dwyer, John Vincent, General Secretary and Treasurer, Amalgamated Postal Workers' Union of Australia, Sydney.  
 Fleming, Lawrence Bede, Chief Inspector of Telephones, Postmaster-General's Department, Melbourne.  
 Fisher, Charles, Assistant Superintendent of Mails, General Post Office, Sydney.  
 Frawley, Francis Anthony Joseph, Clerk, Accounts Branch, Postmaster-General's Department, Victoria.  
 Garran, Sir Robert Randolph, K.C.M.G., M.A., J.P., Secretary, Attorney-General's Department, and Solicitor-General of the Commonwealth of Australia, Canberra.  
 Hackett, Michael Patrick, Invoice and Investigation Officer, Department of Trade and Customs, Queensland.  
 Hall, Ernest Thomas, C.B.E., Comptroller-General, Department of Trade and Customs, Canberra.  
 Healy, William Joseph, General Secretary, Fourth Division Postmasters, Postal Clerks and Telegraphists' Union of Australia, Sydney.  
 Heathershaw, James Thomas, C.B.E., Secretary to the Commonwealth Treasury, Canberra.  
 Hill, Thomas, Chief Engineer, Commonwealth Works Department, Melbourne.  
 Holliday, Joseph Henry, State Secretary of the Returned Sailors and Soldiers' Imperial League of Australia, Queensland.  
 Jackson, Lawrence Stanley, Acting Deputy Commissioner of Federal Taxation, New South Wales.  
 Jones, Alton Lewis, Telegraphist, Postmaster-General's Department, Sydney.  
 Katz, Frederick, General Secretary, Commonwealth Temporary Clerks' Association, Melbourne.  
 Kitto, James Walter, Deputy Director of Posts and Telegraphs, New South Wales.  
 Laird, Moses, Superintendent of Telegraphs, Postmaster-General's Department, New South Wales.  
 Langker, Albert Victor, General Secretary, Commonwealth Public Service Clerical Association, Melbourne.  
 Larter, Carl Leonard, Postal Clerk, Rapidwick, New South Wales.  
 Lawson, Robert, State Engineer, Postmaster-General's Department, New South Wales.  
 Liddy, John Henry, Secretary, Queensland Branch, Commonwealth Public Service Clerical Association, Brisbane.  
 Macklin, Harry, Superintendent of Mails, Postmaster-General's Department, Queensland.  
 McGlim, John Patrick, C.M.G., C.B.E., V.D., Member of the Commonwealth Public Service Board of Commissioners, Canberra.  
 McLaren, John Gilbert, C.M.G., Secretary, Prime Minister's Department, Canberra.  
 McPherson, Charles Stuart, State Public Service Commissioner for Victoria, Melbourne.  
 McTaggart, Hugh, Commonwealth Public Service Inspector for Victoria and Tasmania, Melbourne.  
 Meier, Edward Franz, General Secretary, Commonwealth Postal Electicians' Union, Melbourne.  
 Murray, James, Acting Chief Inspector of Finance, Postmaster-General's Department, Central Administration, Melbourne.  
 Murray, William James, Assessor, Federal Taxation Department, New South Wales.  
 Neagu, Charles Arthur, formerly cleaner, Postmaster-General's Department, Queensland.  
 Newland, John Rex, Cables Engineer, Postmaster-General's Department, New South Wales.  
 O'Connell, Daniel John Joseph, General Secretary, Third Division Telegraphists and Postal Clerks' Union, Melbourne.  
 Partington, Reginald Nyrøn, Superintending Engineer, Postmaster-General's Department, Melbourne.  
 Rice, John Emmanuel, Member of the Returned Limbless Sailors and Soldiers' Association, Queensland.  
 Robinson, Percival Austin, General Secretary, Commonwealth Line Inspectors' Association, Sydney.  
 Rule, William Henry, General Secretary, Commonwealth Telephone Officers' Association, Melbourne.  
 Sergeant, Albert Edward, Honorary Secretary, Telephone Branch Employees' Sub-branch of the Returned Sailors and Soldiers' Imperial League of Australia, Sydney.  
 Shephard, Malcolm Lindsay, I.S.O., Secretary, Department of Defence, Melbourne.  
 Skewes, William James, Chairman, Commonwealth Public Service Board of Commissioners, Canberra.  
 Story, John Douglas, State Public Service Commissioner for Queensland, Brisbane.  
 Sullivan, Eugene Charles, General Secretary, Fourth Division Officers' Association of the Department of Trade and Customs, Melbourne.  
 Sutton, Joseph William, Superintending Engineer, Postmaster-General's Department, Queensland.  
 Syman, Maurice Bernard, Acting Collector of Customs for Victoria, Melbourne.  
 Templeton, Henry Barkley, Second Commissioner of Federal Taxation, Melbourne.  
 Twomey, Michael, President, Queensland Branch of the Third Division Telegraphists and Postal Clerks' Union, Brisbane.  
 Walcott, Pemberton Elliott, Commonwealth Public Service Inspector for Queensland.  
 Warne, Walter Charles, Secretary, Returned Limbless Sailors and Soldiers' Association, Queensland.  
 Westhoven, Joseph Charles, Deputy Director of Posts and Telegraphs, Victoria.  
 Wickens, Charles Henry, I.S.O., F.I.A., F.S.S., Hon. M.S.S. (Paris), Commonwealth Statistician and Actuary, Canberra.  
 Wilcox, Samuel James, Superintendent of Telegraphs, Postmaster-General's Department, Queensland.  
 Williams, James Leslie, Chairman, State Public Service Board of New South Wales, Sydney.

## APPENDIX "B."

Statement showing permanent, temporary and exempt employees engaged in the various departments at 30th June, 1928 :-

Department.	Permanent.	Temporary.	Exempt.	Total.	Cost per Annum.
Postmaster-General's Department	23,564	3,700	12,762	40,016	£ 8,322,808.
Trade and Customs	1,828	116	215	2,159	764,176.
Treasury (including Taxation)	808	114	47	1,017	334,294.
Works and Railways	226	116	630	972	222,727.
Defence	687	185	..	872	295,862.
Home and Territories	431	64	42	527	107,033.
Health	253	160	01	414	132,417.
Prime Minister	331	23	7	361	145,094.
Attorney-General	200	30	36	275	09,424.
Markets	128	22	35	185	73,983.
	28,536	4,469	13,726	46,730	10,959,188.