PROMOTION IN THE COMMONWEALTH PUBLIC SERVICE

ITS DEVELOPMENT AND CURRENT PRACTICE
COMPEARED WITH THOSE OF THE
NEW SOUTH WALES AND VICTORIAN PUBLIC SERVICES

by

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A thesis submitted for the degree of Doctor of Philosophy
at the Australian National University

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This thesis is based entirely on my original work.

(Signed. V. SUBRAMANIAM)

20.3.59
## CONTENTS

**INTRODUCTION** ....... 1

**SUMMARY** ....... xv

**ABBREVIATIONS** ....... xviii

### PART I

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>Colonial Traditions</td>
<td>1</td>
</tr>
<tr>
<td>II</td>
<td>The Commonwealth Public Service Bill in Parliament</td>
<td>33</td>
</tr>
<tr>
<td>III</td>
<td>Single Commissioner Control</td>
<td>53</td>
</tr>
<tr>
<td>IV</td>
<td>The Pressures against staff control by the Commissioner</td>
<td>109</td>
</tr>
<tr>
<td>V</td>
<td>The McLachlan Report and the Second Public Service Act</td>
<td>139</td>
</tr>
<tr>
<td>VI</td>
<td>The Victorian and New South Wales Services from 1901 to 1920 - a comparison</td>
<td>156</td>
</tr>
</tbody>
</table>

### PART II

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>VII</td>
<td>The Promotion Process from 1924-39</td>
<td>187</td>
</tr>
<tr>
<td>VIII</td>
<td>Stagnation, depression and discontent</td>
<td>240</td>
</tr>
<tr>
<td>IX</td>
<td>The State services during the Inter-war years</td>
<td>264</td>
</tr>
<tr>
<td>X</td>
<td>The second world war and the Bailey Report</td>
<td>290</td>
</tr>
</tbody>
</table>
### PART III

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>XI</td>
<td>Promotion in the Post-war Commonwealth Public Service</td>
<td>329</td>
</tr>
<tr>
<td>XII</td>
<td>Current Promotion Policy in Victoria and New South Wales</td>
<td>411</td>
</tr>
<tr>
<td>XIII</td>
<td>Influences that shaped Australian promotion practices</td>
<td>470</td>
</tr>
<tr>
<td>XIV</td>
<td>Australian Experience and Administrative Science</td>
<td>493a</td>
</tr>
<tr>
<td></td>
<td>Appendices</td>
<td>544</td>
</tr>
<tr>
<td></td>
<td>Bibliography</td>
<td>572</td>
</tr>
</tbody>
</table>

### TABLES

<table>
<thead>
<tr>
<th>Number</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>Classes and salaries of the Commonwealth Public Service Clerical and Professional Divisions</td>
<td>55</td>
</tr>
<tr>
<td>II</td>
<td>Recruitment and Promotion to the Commonwealth Public Service Clerical Division 1905-1917</td>
<td>88</td>
</tr>
<tr>
<td>III</td>
<td>Commonwealth Public Service Annual Promotions 1907-22</td>
<td>90</td>
</tr>
<tr>
<td>IV</td>
<td>Comparative Promotion Coefficients for the Commonwealth Public Service Clerical and Professional Divisions under Commissioner Control</td>
<td>104</td>
</tr>
<tr>
<td>Number</td>
<td>TABLES</td>
<td>Page</td>
</tr>
<tr>
<td>--------</td>
<td>----------------------------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>V</td>
<td>Proportion of Officers in the higher and lower classes of the</td>
<td>106</td>
</tr>
<tr>
<td></td>
<td>Commonwealth Public Service Clerical and Professional Divisions</td>
<td></td>
</tr>
<tr>
<td>VI</td>
<td>Comparison of Promotion Coefficients in the Victorian and Commonwealth services from 1901 to 1920</td>
<td>159</td>
</tr>
<tr>
<td>VII</td>
<td>New South Wales grade structure, 1917</td>
<td>166</td>
</tr>
<tr>
<td>VIII</td>
<td>Number of Promotions and Appeals during the inter-war years in the</td>
<td>236</td>
</tr>
<tr>
<td></td>
<td>Commonwealth Public Service</td>
<td></td>
</tr>
<tr>
<td>IX</td>
<td>Percentages of Promotions and Appeals during the inter-war years in</td>
<td>236</td>
</tr>
<tr>
<td></td>
<td>the Commonwealth Public Service</td>
<td></td>
</tr>
<tr>
<td>X</td>
<td>Officers, promotions and annual expenditure in the Commonwealth</td>
<td>244</td>
</tr>
<tr>
<td></td>
<td>Public Service during the inter-war years</td>
<td></td>
</tr>
<tr>
<td>XI</td>
<td>Returned soldiers and youths recruited as clerks to the Commonwealth Public Service from 1919 to 1939</td>
<td>249</td>
</tr>
<tr>
<td>XII</td>
<td>Class structure in the Victorian service, 1928</td>
<td>267</td>
</tr>
<tr>
<td>XIII</td>
<td>Growth and promotion coefficient in the Victorian service, 1920-39</td>
<td>272</td>
</tr>
<tr>
<td>Number</td>
<td>Description</td>
<td>Page</td>
</tr>
<tr>
<td>--------</td>
<td>-----------------------------------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>XIV</td>
<td>Promotions and Appeals in the Commonwealth Public Service, 1939-44</td>
<td>298</td>
</tr>
<tr>
<td>XV</td>
<td>Proposed scheme of salary scale simplification in the Commonwealth Public Service in 1954</td>
<td>336</td>
</tr>
<tr>
<td>XVI</td>
<td>Common salary scales in the Commonwealth Public Service Third Division, 1954</td>
<td>340</td>
</tr>
<tr>
<td>XVII</td>
<td>Numbers and percentages of Third Division officers (Commonwealth Public Service) in 1951, 1953 and 1957</td>
<td>341</td>
</tr>
<tr>
<td>XVIII</td>
<td>Numbers and percentages of clerical and administrative officers in various salary groups in 1951 and 1957</td>
<td>342</td>
</tr>
<tr>
<td>XIX</td>
<td>Numbers and percentages of professional officers in various salary groups in 1951 and 1957</td>
<td>343</td>
</tr>
<tr>
<td>XX</td>
<td>Present preferences regarding promotion determinants in the Commonwealth Public Service</td>
<td>368</td>
</tr>
<tr>
<td>XXI</td>
<td>Temporary transfers and appeals in the Commonwealth Public Service 1955-57</td>
<td>373</td>
</tr>
<tr>
<td>XXII</td>
<td>Qualified officers in salary groups</td>
<td>375</td>
</tr>
<tr>
<td>XXIII</td>
<td>Qualified officers in salary groups</td>
<td>376</td>
</tr>
<tr>
<td>Number</td>
<td>Description</td>
<td>Page</td>
</tr>
<tr>
<td>--------</td>
<td>------------------------------------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>XXIV</td>
<td>Distribution of graduate Third Division officers among Commonwealth Departments</td>
<td>380</td>
</tr>
<tr>
<td>XXV</td>
<td>Promotions and appeals in the Commonwealth Public Service from 1946 to 1958</td>
<td>399</td>
</tr>
<tr>
<td>XXVI</td>
<td>Percentages of promotions and appeals in the Commonwealth Public Service from 1946 to 1958</td>
<td>399</td>
</tr>
<tr>
<td>XXVII</td>
<td>Analysis of promotions in the Commonwealth Public Service in 1956</td>
<td>401</td>
</tr>
<tr>
<td>XXVIII</td>
<td>Analysis of promotions in the Commonwealth Public Service in 1957-58</td>
<td>401</td>
</tr>
<tr>
<td>XXIX</td>
<td>Class structure in the Victorian service, 1947 and 1958</td>
<td>413</td>
</tr>
<tr>
<td>XXX</td>
<td>Promotions and appeals in the Victorian service, 1948-58</td>
<td>418</td>
</tr>
<tr>
<td>XXXI</td>
<td>Analysis of 1956 promotions in the Victorian service</td>
<td>428-9</td>
</tr>
<tr>
<td>XXXII</td>
<td>Proportion of officers in the higher classes in the Professional and Administrative Divisions of the Victorian service in 1948, 1953 and 1958</td>
<td>434</td>
</tr>
<tr>
<td>XXXIII</td>
<td>New South Wales/grade structure in 1945 and 1957</td>
<td>437</td>
</tr>
<tr>
<td>XXXIV</td>
<td>Appeals in the New South Wales service from 1952 to 1958</td>
<td>445</td>
</tr>
<tr>
<td>Number</td>
<td>Table Title</td>
<td>Page</td>
</tr>
<tr>
<td>--------</td>
<td>-----------------------------------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>XXXV</td>
<td>Analysis of 1956 departmental promotions in the New South Wales service</td>
<td>446</td>
</tr>
<tr>
<td>XXXVI</td>
<td>Promotions recommended by the Selection Committee in the New South Wales service in 1956</td>
<td>448</td>
</tr>
<tr>
<td>XXXVII</td>
<td>Preferences of promotion determinants in the New South Wales service</td>
<td>453</td>
</tr>
</tbody>
</table>
INTRODUCTION

The central importance of promotion in any system of public service management has been stressed by various authorities on public administration. As Willoughby puts it, "Certainly it is difficult to exaggerate the extent to which the working out and operation of a proper system for handling this branch of personnel administration (i.e. promotion) determines the efficiency of the personnel system as a whole." Other authors such as L.D. White, Herbert A. Simon, and William E. Mosher are no less emphatic on the central place of promotion in personnel administration.

Of the evil effects of a bad promotion system Professor White says that it "harms the service not merely by pushing ahead unqualified persons but also by undermining the morale of the whole group." An earlier author is even more emphatic:

If promotion methods fail, the fact is known to all the personnel affected, and, more surely and universally than any other defect in personnel methods, breeds discontent, diminution of incentive, and general impairment of morale.

The importance of promotion from the employee's point of view has been pointed out by practically every writer on personnel administration. Let us quote one of the earliest and most eloquent passages on the subject:

The actual promotions given to employees tend to create a contented, stable, and efficient personnel. The opportunities for promotion held out to employees have a similar effect. They operate as fundamental and far-reaching incentives. They affect the success with which suitable workers are originally recruited; they determine in large part the success with which employees are retained; they affect the efforts of employees in the direction of training and self-improvement; they affect the maintenance of proper discipline; they determine in large part the good will and enthusiasm that prevail, and they determine in large part the standards of efficiency that are maintained.

Professor White puts the same thing in a nutshell in his remark that "the hope of timely promotion is so normal and so widespread that the influence of a good promotion system is all-pervasive".

Most writers on bureaucracy and public administration expatiate also on the importance of promotion to a career service. The doyen among them, Max Weber, holds it to be one of the five characteristics of 'official position' that "The official is set for a career within the hierarchical order of the public service; he moves from the lower, less important and lower paid to

the higher positions". Professor W. J. M. McKenzie describes a career service as a contract between an employer and employee wherein the former offers the latter security of tenure and promotional opportunity in return for full-time lifelong service. American authors are equally emphatic in pointing out the close relation between a career service and promotion, at the same time lamenting the gaps in career opportunities in their Federal and State services. Indeed, promotion presupposes not only a career system but also the arrangement of positions from less responsible to more responsible ones in a hierarchy with increasing salaries - in a word, classification.

Apart from the accepted importance of promotion in public personnel administration, the system by which any member of a group (bureaucratic, feudal or tribal) advances from its lower to its higher rungs is of interest to the sociologist and historian as a characteristic of that group and its surrounding milieu. Among the extinct bureaucracies, promotion in the Chinese civil service could be recommended by any official above the third rank who was at the same time fully responsible to

the Emperor for the devotion or dereliction, success or failure of his choice. Advancement in the Ottoman administration was based on a ruthless competition in showing merit. In the decadent Moghul Imperial services or the overgrown civil service of Louis XIV's France it went by corrupt methods. On the other hand, Napoleon fired the imagination and got the best out of his army by his idea of a "career open to talents". Each of these "methods" was intimately related to the limitations of the contemporary society and the new needs of new times.

We have shown from the words of eminent exponents of public administration the great importance of promotion in administering any public service. We have also referred to its interest from a sociological point of view. In spite of this importance and interest, detailed empirical studies of operating promotion systems are few and far between and these few mostly form parts of personnel studies of American State or business bureaucracies or instrumentalities like the T.V.A. There is a definite dearth of such studies on government

bureaucracies particularly in countries of the British Commonwealth.

The reasons are not far to seek. The easier and more obvious subject of recruitment to the public services or the more precise and popular theme of administrative law tempt away the first few workers in the field. Recruitment is more easily and fully studied from printed sources such as Acts, Regulations and Reports; its relation to the broader social system is more evident for recruitment is the diversion of a part of the wide social stream into the bureaucratic channel; and its connections with the educational system and the general employment situation are even more obvious. Similarly, administrative law is studied almost completely from printed reports of cases and decisions and ever since Lord Hewart approached a publisher, its popularity has been assured. As against these, the relation of the public service promotion system to the ethos of contemporary society takes some effort to discover and the system cannot be adequately studied from printed reports, Acts and regulations without access to official files including the current and the confidential. Both these deterrents
could fortunately be overcome by the present writer: as a rank outsider to Australia with an entirely different background he was in a position to see the special features of both her promotion and social systems with some detachment; and the unlimited generosity of the Public Service Boards and departments of the Commonwealth, New South Wales and Victoria in throwing open all their files past and present, current and confidential, made an adequate study possible.

A few words must be said about the merits of the subject investigated, its limits and limitations and my methods of attack. The subject suggested itself to the writer before he set foot in Australia from a few intriguing remarks on promotion appeals in Professor Finer's *Theory and Practice of Modern Government*. It was after some investigation in Australia that the writer discovered its compelling merits. Chief of them is the great variety of experiments in the field of promotion and classification in the Australian public services. There is the Commonwealth service with her classification system enmeshed in the coils of public service arbitration, with her transformation from an independent Commissioner's control of promotions to promotions by departmental heads with appeals to the Public Service Board; then comes

Victoria with her small service and simple system of classification, with her independent Public Service Board with an employee representative on it but with no public service arbitration; and the New South Wales service has no less to offer in her powerful Board, controlling promotions, her system of salary agreements, her promotion committees and her spectacular open court for promotion appeals. The student of public administration can compare and contrast the efficacy of different methods in solving a problem and the sociologist and historian can derive interesting conclusions from a study of the social and political antecedents of differing systems.

The main subject first chosen for study was promotion in the Commonwealth Public Service (as the federal services are known in Australia) including its evolution from 1901 and the current practices - thanks to the founding fathers of the Australian National University who sited it at the hub of federal bureaucratic activity. This was enlarged as the study progressed to include detailed comparisons with the New South Wales and Victorian public services. As we have already pointed out, they are considerably varied and different. On the other hand they are also so closely related - indeed the Commonwealth derived all her public
service traditions from these two States - as to make comparison and contrast fruitful.

The study is confined to public servants governed by the respective Public Service Acts and excludes statutory corporations and their employees altogether. In the Commonwealth Government over three-fourths of its servants are under the Public Service Act and only a minority under her corporations, whereas in New South Wales and Victoria the relative proportions are reversed. Corporations were excluded because, their structure and personnel systems are in many ways quite different from those of the public services proper. The officers under Public Service Acts on the other hand form a comparable group in Australia and can also be contrasted with their compeers in other countries.

Secondly, our study excludes temporary employees. These were employed only for short periods in comparatively small numbers before the second world war and their employment was renewed (in some cases) from time to time. There are many more of them now, many are employed for much longer periods and some are even advanced from lower to higher positions. Still, under the various Public Service Acts, they are outside the promotion system; they have no seniority as such and when
they are given more responsible work they are legally transferred or re-recruited, not promoted. Thus in spite of their significant numbers in the base-grades, they are rather peripheral to an enquiry on promotion systems.

A third exclusion is that of the large number of teachers in the State public services. Though they come under the respective State Public Service Acts, their qualifications, duties, problems and standards as a group are different from the rest of the public service and they are outside the main stream of bureaucracy.

Promotion to the position of permanent head in one way forms the top of the promotion pyramid. Indeed in New South Wales, it is no different in law from other promotions, being recommended by the Public Service Board, and the files concerning the promotion of all the present permanent heads were studied by this writer. On the other hand, such promotion is more of a political decision in the Commonwealth and Victorian services where it is statutorily the province of the Governor-General-in-Council and the Governor-in-Council respectively. It would appear that the Ministers make a more personal choice in Victoria but that in the Commonwealth they rely more on expert advice. Lastly,
the present group of permanent heads in the Commonwealth service have risen up from various levels and are not "typical" products of the promotion process. On the whole, the available information on the subject is uneven; it is nearly complete and reliable as regards New South Wales but is less so regarding the other two services and would require considerable cross-checking by many special interviews. In the final analysis, it was concluded that the appointment of permanent heads presented special features justifying its exclusion from the main enquiry, though they make their appearance in it in a hundred other connections as promoting authorities and otherwise.

Barring these exclusions, the Commonwealth service is studied fully through all actual promotion and policy files and reports both as regards the evolution of the promotion system from 1901 and as regards current practices. But the historical study of promotion in the State services up to 1945 is based more on reports, Acts and regulations, the original files being consulted only on some important aspects. The latter limitation was necessary to make as balanced and complete a study as possible within two to three years. But the current promotion practices (after 1945) in both
State services were studied as thoroughly as in the case of the Commonwealth service through current files, registers, interviews and surveys. Another limitation regarding the States (outside this writer's control) was the lack of detailed interpretative studies of their politics in this century, as compared to the Commonwealth. While the enquiry has not suffered in broadly interpreting the relation of administrative changes to political trends in the States, a deeper interpretation may be possible in one or two respects when future research may better reveal the pattern of party politics in this century in the two States.

To obtain more as well as reliable information, various sources were consulted and different modes of attack were adopted. In addition to files past and present, public service journals, newspapers, Parliamentary debates, Royal Commission reports, and various annual reports were consulted and many officers in service and in retirement were interviewed. The official case in files and reports was balanced against the association case in their journals; information in the Board's files was checked with information in departmental files; and information in all the files was in many instances supplemented and checked by interviews.
A number of sample or complete surveys was necessary with regard to the current period. The Commonwealth service had so grown in size that the Board got permission from Parliament to discontinue various returns from July 1948 but very soon they felt the need of surveys and statistics for themselves to keep track of their service. The first survey was undertaken by their Research section in 1956 when this writer began his investigations and since then it has completed and published some of the results of four useful surveys. In addition, this writer had access to the unpublished tables compiled from these surveys and much unpublished material in Mr. S. Ence's survey of senior administrators. But he had also to carry out some surveys of his own such as a survey of the opinions and preferences of promoting authorities through a planned questionnaire, a sample survey of Third Division promotions in the Commonwealth service in 1956 and surveys of State services to match the Commonwealth service surveys. A further reason for all these surveys was to correct the effect of "living with the service". Working most of the time closely with a group of officials of the Commonwealth Public Service Board and departments

12. See Bibliography.
13. See Appendices.
in Canberra and meeting mostly officials even socially, there was the risk of being subconsciously influenced to give greater importance to certain viewpoints. Complete population surveys or truly random surveys can expose such subconscious bias and correct merely impressionistic conclusions. This writer had, fortunately, few occasions for such correction.

Gathering information by all the foregoing methods and within the limits set out earlier, we attempt, in the following pages, first of all to describe empirically and objectively the promotion process in the past and present. The description includes chiefly the Public Service Acts and regulations, their administration and procedures as revealed in files and reports, and the criteria followed at various periods in making promotions; it takes note of the changes in the above from period to period and the factors making for the changes; and it takes into account contemporary economic and political conditions that influenced promotion administration. It is not however confined to the purist pedantry of making the description a mass of facts and reserving consideration of even their mutual relation for a long final chapter packed with back-references. Instead a via media is followed: evident cause and effect relations are not suppressed in the description but argument is kept clear
from fact; the study is divided into three parts based on the natural division of administrative developments into three periods (namely the first two decades, the inter-war years and the current post-war period) and the developments are briefly interpreted and compared at the end of each part; the last two chapters are reserved for a broader general analysis on a higher level. Both description and analysis are made from two viewpoints (a) first to discover the relation of the promotion process to the contemporary social, economic and political needs and ethos and (b) to evaluate promotion practices and principles of public administration each against the other. This writer humbly believes that from both viewpoints this enquiry has borne fruitful results.

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SUMMARY

Career services with recruitment at the bottom, security of tenure and safeguards against outside recruitment had been more or less established in Victoria and New South Wales before the end of the last century and the Commonwealth service took over these traditions. Under the strong control of a single Commissioner the efficiency of officers was judged by examinations and the reports of inspectors but procedural difficulties and central control irritated permanent heads. At the same time public service associations, grown strong after gaining access to the Arbitration Court were demanding promotion appeal rights. On the recommendation of McLachlan in his Royal Commission Report, promotion power was transferred to permanent heads in the new Public Service Act of 1924 while the new Board (which replaced the Commissioner) determined promotion appeals of officers through the enquiries of Inspectors. The new Board also devised a classification of narrow salary ranges.

Under the new system departments like the P.M.G.'s formulated their promotion procedures. But the
depression greatly reduced promotion opportunity and returned soldiers were flooding the Commonwealth service under statutory preferences. The associations agitated for an appeal committee system instead of inspectorial enquiry in promotion appeals.

During all these years Victoria had a single Commissioner but Ministerial control of service economy reduced his powers in practice and promotion opportunity was very low. New South Wales started with a strong Board and the Allard Royal Commission recommendations in 1918 made it stronger. Both State services suffered as much as the Commonwealth service during the depression.

The second world war showed up the need for a new type of official leadership and strengthened the service associations who won some of their demands. In the Commonwealth service, the Bailey Committee recommended enquiry into promotion appeals by appeal committees. In New South Wales, a new open Court was created to hear appeals, while in Victoria the association succeeded in getting an independent powerful Board with a service representative.
In the current period of expansion all the three services have quite high rates of promotion and the professional officers are particularly favoured in many ways. In the Commonwealth service each department has its own variations in promotion procedure; the authorities feel the need for a new concept of efficiency but there is no unified movement or direction. In all the services, employer-employee relations are smooth.

The history of Australian promotion practices during all these years shows how greatly they were affected by Australian non-traditional egalitarian environs in the beginning and how much they were later influenced by changing social and political conditions such as the second world war, depression and the increasing strength of trade unions. An analysis of this history and current practices also illustrates the limitations of "general" principles of public administration when they are divorced from their social context and stage of evolution.
# ABBREVIATIONS

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</tr>
</thead>
<tbody>
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</tr>
<tr>
<td>V.P.S.</td>
<td>Victorian Public Service.</td>
</tr>
</tbody>
</table>

For the full official names of various Royal Commissions, see Bibliography. The shorter names used in the text are self-explanatory.
PART I

PROMOTION PRACTICES FROM 1901-1920.
CHAPTER I
THE COLONIAL TRADITIONS

The principles of promotion in the Commonwealth Public Service were laid down in general outline in the first Public Service Act of 1902 and many of them were taken over from it into the revised Commonwealth Public Service Acts of 1922 and 1924. A study of the Public Service Act of 1902 is thus the starting point for a study of promotion in the Commonwealth Public Service. But this Act was deeply influenced by the earlier public service Acts in the Colonies of New South Wales and Victoria. It was drafted in Bill form by the Victorian parliamentary Draftsman, who borrowed heavily from the current public service Acts of New South Wales and Victoria, and it was piloted by prominent statesmen from these States.1 Secondly, the major departments of the Commonwealth Government which formed the great bulk of the service, namely, the Customs and the Postmaster-General's Departments, were constituted from the transferred Customs and

1. Infra, pp.35-35.
Postal departments of the various States. This meant that the provisions of the Commonwealth public Service Act (of 1902) were mostly applied to, and by, officers steeped in the earlier Colonial civil service traditions. For both these reasons, it is necessary to look briefly into the history of public service legislation in the Australian Colonies before federation. It will be sufficient for our purpose to confine the study to Victoria and New South Wales since they influenced most the first Public Service Act of the Commonwealth as they did the earlier public service Acts of other Colonies.

2. The Commonwealth service in early 1901 consisted of 9,930 officers in the transferred State postal departments, 1,142 officers in the transferred State Customs departments and a little over a hundred officers in Defence and the other newly constituted departments. See C.P.S.C. 1st Report, p.5 and p.11.

3. Of the other States (Colonies) Western Australia and Tasmania did not have Public Service Acts till the turn of the century and the Queensland Act of 1896 was based on Victorian and New South Wales Acts. The South Australian Civil Service Act of 1874 was different from the general run in not establishing a permanent personnel agency (but only an ad hoc classification board) and giving greater power to permanent heads and Ministers. It did not influence the Commonwealth Public Service Act though the South Australian Senator, Sir Josiah Symon, tried hard to get the Commonwealth to adopt it as a model. See chapter II, Infra, p. 39 and p.41.
The development of civil service staff control.

Three phases can be seen in the evolution of public service legislation and management in Victoria and two in New South Wales. The first phase in Victoria witnessed an attempt to provide a legislative framework for public service management and to guarantee some rights and immunities to public servants, so as to avoid their frequent approaches to members of Parliament with their complaints.⁴

In the days preceding the grant of responsible government there was a reasonably well-ordered hierarchical structure of offices with regulated salary grades, and the various departments were held together by the Colonial Secretary.⁵ This structure would appear to have grown both weak and disjointed under the early regime of popular Ministries. The strictures passed by the Royal Commission on the Civil Services of Victoria in 1859 on the "total absence of any general rules" with regard to appointment, promotion, dismissal, or salaries and ranks, referred to this first period of

⁴ V.P.D. Vol. 8, pp. 881-3.
⁵ This view is based upon the researches of R.S. Parker and T.D. Harris, Political Science Department, Australian National University, Canberra.
Ministerial control. The Commission recommended a system of recruitment by examination (of candidates nominated by Ministers), regular salary scales with annual increments, promotion by merit on a service-wide basis and control of promotion by either a special authority or a special meeting of the Executive Council.

The Victorian Public Service Act of 1862 embodied most of the recommendations and set the important precedent of regulating and controlling the public service by detailed legislation. The service was divided into two Divisions, namely, the Professional Division containing those whose work required some special professional skill and the Ordinary Division containing all the others, including clerks. Each Division had a hierarchy of classes and each class had a fixed salary range with annual increments. Officers in each Division of the service were to be fitted into an appropriate class, or classified. Recruitment was to be by a qualifying examination. Every officer's conduct and efficiency were to be reported on annually by his

departmental head. Promotions were to be made by the Governor-in-Council. Lastly, there were provisions giving a right of appeal to dissatisfied officers in regard to their classification, prescribing an investigation into all alleged offences, and providing an appeal against arbitrary dismissal. No central body was created to administer the Act and presumably this was left to the Governor-in-Council. Except for this omission, this early Act, surprisingly, contained most elements which are considered to be important in present day Australian public service management.

The second phase in Victoria witnessed the creation of a specific central personnel agency called the Public Service Board to administer the Public Service Act. This was a direct result of the popular revulsion against the abuses and patronage which continued under the old Act. Their abolition was the chief issue on which a new Government was swept into power in 1883. Ministers and members of Parliament were most keen to be freed from the vexatious details of day to day public service management. The Victorian Public Service Act of 1883 therefore

followed the model worked out earlier in the same year for the management of the Victorian State Railways, and created a Board of three Commissioners with extensive powers over recruitment, promotion, transfer, discipline and the making of regulations for all these purposes. Legally it was a power to recommend to the Governor-in-Council but in practice the recommendations were mostly accepted. The Board's power to investigate any department for efficiency and economy and to examine any departmental head was unrestricted. Their powers in general covered the whole field of staff control unlike that of the British Civil Service Commission who were responsible only for examination and recruitment. The Public Service Acts of 1889 and 1890 mostly restated and consolidated the principles of the Act of 1883.

The very next year, New South Wales passed her Civil Service Act of 1884 on lines similar to the Victorian Act of 1883, vesting staff control in a Civil Service Board of five Commissioners. However, this Act had some loopholes permitting Ministerial interference;\(^8\) the departmental heads who were (8. Eg. section 18 allowing the Minister to select recruits from the pass list of the Civil Service examination, section 27 allowing the Minister to recommend a promotee to the Governor and Section 28 allowing him to appoint outsiders.)
appointed Commissioners had other duties to attend to;\(^9\) and the administration of the Act was, by all later accounts, unsatisfactory.\(^{10}\) This phase in New South Wales did not really correspond to the second phase in Victoria where a strong full-time Board was created on a wave of popular and Parliamentary enthusiasm to abolish patronage and secure "efficient business management". Except for the appointment of a Board, it resembled more the first Victorian phase of half-hearted legislation to control patronage.

The depression and the bank-crash of the eighteen-nineties\(^{11}\) ushered in the third phase in Victoria and the second phase in New South Wales. The Colonial Governments were caught unawares and

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10. For a full summary of the administration of the Act, See K.W.Knight, The Development of the New South Wales Public Service from Responsible Government (1856) to the establishment of the Public Service Board. (Unpublished thesis, University of Sydney), sections III and IV.
plunged into a frenzy for economy in public expenditure and retrenchment in the public service. It was unfortunate for Victorian public service management that the depression came at a time when irritations quite natural to the early period of any new experiment, were progressively developing between the strong Public Service Board on the one hand, and the departmental heads and the Ministry on the other, and the latter were having second thoughts on the Board's powers.\textsuperscript{12} The Victorian Government was unwisely driven not only to make drastic retrenchments in public service expenditure but to retire the Board itself. The Public Service Act of 1893 reduced officers' salaries (which had already been twice reduced), provided for "promotion" of officers to higher positions \underline{without increase in salary} and abolished the Public Service Board, transferring their duties to the Commissioners of Audit. Increments which were nearly automatic in the earlier Acts, to be withheld only in some cases,\textsuperscript{13} were abolished and each annual

\textsuperscript{12} \textit{Infra}, pp.20-21.
\textsuperscript{13} See section 19, (Victorian) Public Service Act of 1883.
increment in salary within a class was called a subdivisional promotion, to be granted purely at the discretion of the Audit Commissioners. It was also made obligatory for each officer to spend one year in each subdivision of a class before he could be promoted to the next higher class. These provisions were repeated in the Act of 1896. There were practically no class to class promotions from 1896 to the turn of the century. 14

The depression in New South Wales coincided with the increasing popular outcry against wasteful public expenditure and a demand for service reform. The Royal Commission which was appointed in 1894 as a result, confirmed many popular assumptions about the public service as being "overmanned and overpaid", as containing "incompetent or inefficient officers", and as "providing employment for relatives and friends of political adherents". 15 They condemned the old part-time Board as completely inadequate. Their prescription for all these ills was "an

14. V.P.S. 1900 Report, pp.3-4.
independent Board of Commissioners, three in number, to be chosen for their reliability, probity, and administrative capacity", with full powers over appointment, promotion, classification, and discipline. The general enthusiasm for their report ensured the adoption of their remedy in the Public Service Act of 1895, in spite of opposition of some members of Parliament. The Ministers and many members of Parliament were glad to be rid of the continuous pesterings of office-seekers. Quite naturally, the Government did not care to incur the odium of the imminent retrenchment in the public service nor like to be accused of political bias in connection with it. They were happy to hand over the dirty work to the new Board.

Thus the New South Wales Public Service Act of 1895 did not contain the elaborate economy provisions of the Victorian Act of 1893. Instead it left to the Board itself the prescription of

grades for the various Divisions of the Service, conditions of increment and the fitting of officers in each Division into various grades along with extensive powers over appointment, promotion, discipline and the prescription of examinations.

The "fearlessness and thoroughness" of the first New South Wales Board became legendary. In the words of a later Royal Commission:¹⁸

Their methods were vigorous almost to the point of ruthlessness, but they were effectual in coping with the problems the Board was called upon to face in such matters as the abolition of political patronage, the elimination of the unfit, the reduction of the Service to the limits required for efficiency, the destruction of the fetish of seniority, and the selection of competent juniors for training and advancement to important positions in the Service.

The Board were no respectors of persons as the next Premier of New South Wales, Sir William Lyne, found out. ¹⁹

The difference between the effects of the depression on Victorian and on New South Wales public service traditions is very important. Briefly, it put an end to a Public Service Board in Victoria,

¹⁸. Mason Allard Report, p.XV.
¹⁹. C.P.D. Vol. 1, pp.1082-4. In justice to Sir William Lyne, it must be added that he opposed the idea of a powerful Board even in 1895. See N.S.W.P.D. Vol. 80, I series, p.1263.
while in New South Wales it brought forth an independent Board made doubly strong through the Royal Commission Report of 1895 and the general public support for it. In Victoria, the Ministry took over the main responsibility for economies but in New South Wales, they were entrusted to the new Board. As a result, Victoria took four decades to shake off the tradition of Ministerial control of service economy and to get a strong Board, while the New South Wales Board has maintained its strong traditions to this day after a rejuvenation in 1919.20

The Evolution of promotion techniques.

This enquiry is more closely concerned with the development of promotion techniques in these phases. The Victorian Royal Commission on the Civil Service of 1859 found a "total absence of any general rules" with regard to promotion as to many other things.21 Promotions

20. Infra, pp.175-77.
were actually made at the meetings of the Executive Council, in a hurry because of its crowded agenda. The Royal Commissioners wanted more care and deliberation over them and recommended that they be made either by an independent body or at a special meeting of the Executive Council. They also recommended that length of service and seniority should have no weight in promotion as they were amply rewarded by annual increments. They were very critical of the system of limiting promotion in each department to officers of that department, as injurious to the officers and the public. They felt that the departmentalised system was the easy path particularly when the Executive Council could devote so little time to public service matters, and were inclined to give power over promotion to a non-departmental body to combat departmental parochialism. The Victorian Public Service Act of 1862, however, did not adopt all these suggestions but confined itself to two provisions on promotion, namely, that the Governor-in-Council could promote an officer from a lower to a higher class in the Ordinary Division
and in the Professional Division, he could either promote an officer from a lower class or appoint a qualified outsider, if no one inside the service was suitable for promotion.

The Victorian Public Service Act of 1883 was more elaborate. It divided the service into four Divisions, namely, the Clerical, the Non-Clerical, the Professional and the First Divisions. Instead of leaving it to Parliament to determine from time to time (presumably by Annual Appropriations) the salary limits of each class in a Division (as the 1862 Act did), it prescribed a hierarchy of five classes for the Clerical Division in a schedule to the Act itself, along with the maximum and minimum salary limits for each class and annual increments between these limits. Section 35 laid down that the Governor-in-Council might "promote thereto (i.e. to any vacancy in the I, II, III or IV class in the Clerical Division) an officer next entitled by seniority and merit combined, such seniority and merit to be determined by the Board". Seniority was retained and combined with merit evidently to avoid any suspicion of favouritism.22

22. V.P.D. Vol.60, p.398. Minister Gillies wanted both. Most probably he did not want to derogate seniority for fear of letting in favouritism or at least being accused of it.
It was defined by the Board in their regulations as directly dependent on salary and by implication it was service-wide.\textsuperscript{23} The definition of merit was more cumbersome and had a tinge of the comical.\textsuperscript{24} It included in the same breath "ability to fulfil the duties of the superior office and when those duties require supervision and direction of work, possession of the necessary tact and judgment", and "legibility of handwriting including signature"! If meritorious qualifications were of equal order, preference was to be given to the senior officer. In practice (for the III and IV classes) the senior officer in the class below was selected if he was qualified to discharge the duties of the vacant office and if not the next senior who was so qualified.\textsuperscript{25} The same principles of promotion were probably applied to the Professional Division.

The procedure followed on the occurrence of a vacancy consisted of three steps.\textsuperscript{26} The Public Service Board inquired into the qualifications of

\begin{itemize}
\item \textsuperscript{23} V.P.S. 1888 Report, p.3. Service-wide seniority means a single seniority list for a whole Division without separate departmental lists.
\item \textsuperscript{24} Victorian Government Gazette, 12 January, 1885.
\item \textsuperscript{25} V.P.S. 1888 Report, p.3.
\item \textsuperscript{26} V.P.S. 1889 Report, p.5 and 1891 Report, p.10.
\end{itemize}
officers (in all departments) in the class below and referred a list of eligible names to their respective departmental heads for a report. The latter recommended one or more officers as suitable on the basis of their work and efficiency in the department. Any officer not recommended by his departmental head could appeal to the Board. The Board considered those recommended and the appellants and made the final recommendation to the Governor-in-Council for action.

The Victorian Public Service Act of 1889 took a step further by prescribing the same principle of promotion for the First and Professional Divisions and the upper classes of the Clerical Division (i.e. classes III, II and I). Section 6 of the Act laid down that regard was to be had to "seniority and fitness respectively", fitness being defined as "special qualifications and aptitude for the discharge of the duties of the office to be filled". The consolidating Public Service Act of the next year repeated this provision and in addition prescribed the criterion of promotion to the lower classes of
the Clerical Division (i.e. the IV class). Section 48 stated that the Governor-in-Council might "promote thereto (a vacancy) an officer next entitled by seniority and merit combined", such seniority and merit to be determined and certified by the Board. (Italics mine). Thus, both these Acts together laid down different criteria for responsible and routine positions and defined "fitness" in the Act itself.

The Public Service Act of 1893 to the retrenching provisions of which we have already referred, brought some legal confusion into the picture. Section 13 of this Act repealed section 48 of the Consolidating Act of 1890, referring to promotion to the lower classes of the Clerical Division, and replaced it with a comprehensive provision dealing with all promotions and increments, as follows:-

In the promotion of any officer from one subdivision to another subdivision or from class to class, regard shall be had to the merit, good and diligent conduct, length of service, and relative seniority of such officer and the nature of the work performed by him.

The Ministry claimed in support of this alteration that the Board had in the past given such
great weight to seniority that "unless a man could be proved unfit for the vacant office, seniority would carry him into it", because the term seniority preceded merit in the earlier Act. The Ministry also claimed that the new section, by putting merit and good and diligent conduct first, removed "the idea that on a vacancy occurring the next man could claim it as a right". The retiring Board made light of this fusillade of claims, emphatically denied that they had given too much weight to seniority in the past, and instanced the recent promotions to some top posts of Junior officers over the heads of many seniors.

To our cynical eyes now, the debate is merely amusing. As proof of their regard for fitness, the Board were careful to cite only promotions to high administrative posts, where fitness was imperative apart from statutory considerations, and forgot their own earlier statements about seeking a qualified senior for promotion to the IV class of the Clerical

27. Ministry's explanatory memorandum to the Public Service Bill of 1893.
28. Ibid.
29. V.P.S. 1893 Report, pp.3-4. (This was the last report submitted by the retired Board a few months after the passing of the 1893 Act.)
30. Ibid.
Division. The Ministry, on the other hand, seemed to suggest with extraordinary naivete that the mere placing of merit first and seniority last in the proper section of the Act assured the triumph of merit in future promotions.

The long-term result of the amendment was to juxtapose two sections in the Public Service Act dealing slightly differently with criteria of promotion, one of them regarding "seniority and fitness, respectively" and the other considering "merit, good and diligent conduct, length of service, and relative seniority". The Victorian Service authorities however seem to have been blissfully unaware of the resultant legal confusion for over forty years.52

31. V.P.S. 1888 Report, p.3.
32. The later section (48) was altered to cover only the Clerical Division. Both Sections continued in the Act till 1940. The Regulations of 1909, follow the later section for all Divisions. But the Secretary to the Victorian P.S.Commissioner in the twenties, Mr.FitzGibbon assures me that the former section 47 was followed, and so does the present Secretary Mr.Scully. The Victorian Group of the Royal Institute of Public Administration gave evidence before the Bailey Committee that the latter section with merit, good and diligent conduct, length of service, and relative seniority was followed. See Bailey Report, paragraphs 48-50. Professor Bailey tells me that in law a later section automatically overrides the earlier. When told of a "legal confusion" Mr.FitzGibbon told me that anyway the Commissioner could not have been legally challenged since the grounds of each promotion were not stated. I do not know what Professor Parkinson would have made out of all this.
At any rate, the central purposes of the 1893 Act were economy through restricting promotions, increments and salaries and the gaining for Ministers and permanent heads of part of the staff control they had lost to the Board. The political and Parliamentary situation seems to have been propitious for both moves. Thus, section 12 of the Act made the recommendation of the permanent head of the department obligatory for all promotions in the Clerical division. Explaining this, the Ministry said that the earlier practice took much from the control and influence of the permanent head over his subordinates and claimed that the Act restored "both the Minister and the permanent head to their proper place in the administration of the service. (italics mine) by providing that no officer shall be promoted unless recommended by the permanent head, the Minister and the Board, a change which would expressly indicate to officers that they must seek to deserve the recommendation of the permanent head and the Minister.

33. Some members opposed the retiring of the Board and giving more power to permanent heads. See V.P.D. Vol. 72, p.1389 and Vol. 73, pp.1762-3. But the opposition was not strong and they did not press it to a division. Further researches on Victorian politics of these years may throw more light on the question.
instead of their promotion depending only upon the recommendation of a Board which must necessarily have a comparatively slender knowledge of the amount and value of the officer's work". 34 The retiring Board in their last report, however, maintained that while they had always consulted each permanent head regarding the work and efficiency of officers under him, the legal obligation to obtain the recommendation of the head of the department which had a vacancy, might "lead to political patronage, for the permanent head (was) necessarily much influenced by his Minister." 35 They were also afraid that promotions would be confined to the departments in which the vacancy occurred, "for every permanent head (desired) the promotion of his own men whom he knew". 36

The retired Board, a firm believer in

34. Ministry's explanatory memorandum to the Public Service Bill of 1893.
35. V.P.S. 1893 Report, p.3.
36. Ibid.
the oneness of the service,\textsuperscript{37} was naturally allergic to purely departmental promotions, but there are no figures to show the increase of departmental parochialism after 1893, if only because there were very few promotions for years thereafter. The Board's fears about the return of patronage were not directly realized but a new tradition grew up of Ministerial control of service economy and Ministerial interference in general staff control.

\textsuperscript{37} The Board from 1885 to 1893 took a consistently favourable attitude to inter-departmental promotion. In their very first public service regulations (gazetted on 12th January 1885) they made provision for transferring an officer on promotion to another department for a trial period not exceeding three months. Those who were unsatisfactory would be transferred back to their original department. In their report of 1888, they noted the strong feeling of permanent heads and Ministers in favour of departmental promotion but declared that the Act was against it. In their next report of 1889 the Board said that their practice of trial promotion was an insurance against misfits. They added that a department was by no means so homogeneous and marked off from another as to forbid transfers. In their words, "In most departments there were branches in which the duties were so dissimilar that the transfer of officers from some of these branches to others would not be any more consistent than the transfer of officers from one department to another." In their report of 1890 they gave statistics of inter-departmental promotions over a number of years and showed that they were less than 10\% of the total. It would appear from the statistics that they were proportionately more common in the First and Professional Divisions than in the Clerical and Non-clerical Divisions.
In New South Wales, the procedure of promotion under the old Public Service Act of 1884 was both cumbersome and smacking of Ministerial control.\(^{38}\) On the occurrence of a vacancy, the superior officer transmitted to the Civil Service Board the name of a competent officer through the head of the department who might add his own recommendation. The Board after considering these could send on either these names or the names of other officers whom it thought competent. The Governor finally might promote the officer reported qualified, on the recommendation of the Minister. (Italics mine).

The Board in its recommendation, had to specify "the respective lengths of service, degree of competency and attainments of such officers".\(^{39}\) This would mean \textit{prima facie} that all these three factors were considered together. It was in a way like the combination of merit and seniority in the Victorian Act of 1883. The Act was however clear.

38. Section 27. (See also footnote 10.)
39. Ibid.
on the point that preference was to be given to an officer of the same department.

The Civil Service Act of 1884 was in practice a failure and was replaced by the Public Service Act of 1895.

The promotion provisions of this Act (i.e. section 42) repeated verbatim the corresponding provision of the Victorian Act of 1889, stating the promotion criterion as "seniority and fitness respectively" along with the same definition of fitness and the same words regarding officers of the same department or of other departments (making it difficult to decide who had the preference).

The procedure followed was for the departmental head who had a vacancy to fill, to report it and for the Board to make further enquiry before the final recommendation to the Governor-in-Council, who made the promotion. There was no right of appeal regarding promotion⁴⁰ but there was a general right of appeal to the Board by any officer dissatisfied with

any action of the Board affecting his salary, grade or classification assigned. In practice the appeals were allowed only against the grading of officers (which was begun soon after the new Board assumed office) and the quinquennial regrading.

Born strong, the Board maintained a tradition of fearlessness and an attempt to exclude permanent heads from its control was frustrated in 1901. As we pointed out earlier, the Public Service Act left it to the Board to construct a system of grades, to grade the officers, and to make further regulations regarding promotions and increments.

The Board constructed a system of five higher and four lower grades for the Clerical and Professional Divisions. Their first grading of the service or the fitting of various officers into proper salary grades stated clearly for the first time the principle of work value which was to attain great importance in the Commonwealth Service. They set

41. (N.S.W.) Public Service Act, 1895, section 15.
43. N.S.W.P.S.B. 1st Report, p.5.
their face strongly against all automatic increments above an annual salary of £A150. Lastly, they set themselves to improve the efficiency of the service by instituting a system of promotion examinations, which we shall deal with in Chapter VI.

The traditions established before Federation.

Let us now try to summarize the more important public service traditions of New South Wales and Victoria before federation, against the background of their colonial society. This society had developed egalitarian and anti-authoritarian attitudes. As a corollary, the rights of lower grade public servants assumed nearly as much importance as those of the higher grade. This was helped very much by the absence of the European monarchial civil service tradition of command and obedience and the colonial matter-of-fact attitude to the state. The urgency of developing the country promoted a pragmatic approach, setting a higher value on an immediately useful skill than on a general administrative potential based on University education. The participation of

44. N.S.W.P.S.B. 5th Report, p.6.
45. Infra, pp.170-175.
46. The background is dealt with in greater detail in Chapter XIII.
Government in development and the increasing importance of the commercial classes from the sixties onwards favoured the introduction of business methods and economy in the public service.

The very first tradition to be established was legalism. The Governments of the Australian Colonies evidently could not rely on conventions and Orders-in-Council like the mother country, and had to pass detailed public service Acts. This was helped by the itch of new Parliaments to legislate. In both respects Australian Colonies were no different from other dominions. The general tendency for precise rules and regulations is, according to Weber, characteristic of bureaucracy in general. But legalism in Australia was and is aided very much by the unceasing demand of organized public servants to enshrine their rights and immunities in Acts and regulations. The tradition, carried on into the Commonwealth, kept on flourishing.

Next comes the tradition of vesting all staff

control in independent public service boards. Young Parliaments with a missionary zeal to abolish patronage, Ministerial or otherwise, were not likely to stop at half-measures such as the British solution of an independent Civil Service Commission for recruitment alone, combined with Treasury control of staff matters. A special independent authority to deal with all staff problems was an obvious solution to them. The solution was not adopted in South Australia but that colony was considered un-Australian in many ways. It was damaged in Victoria in the nineties, but the faithful would rather wait for over forty years for the second coming than forget it. This tradition again was strongly helped by organized public servants as we shall see in later chapters.

The third and probably most important tradition arose out of the various immunities granted public servants, such as immunity against arbitrary dismissal, against punishment without enquiry, and against competition from outside talent at a higher level. The immunities themselves became traditional
and gave rise to the tradition of a career service. Even in the worst days of patronage, Australia did not develop the system of "ins" and "outs" and later, legal immunity against dismissal without enquiry ensured security of tenure. The legal safeguards against easy recruitment of outsiders at a higher level were in part due to the organized pressure of those inside the service, helped by the popular association of an outside appointment with patronage. Secondly, a pragmatist colonial society could not see any need to introduce men with University education at a higher level or even men with a business background. Its egalitarianism and pragmatism alike suggested that the best preparation for higher posts in the service was working up from the bottom, though professionals had to be grudgingly exempted from this rule. The Colonies, from the start, developed a "career service" in the sense that an entrant could safely expect a continuous tenure in it without fear of arbitrary dismissal and reasonably hope to rise high in it without competition from rank outsiders. The term "career service" did not have much of its old world overtones such as dedication, devotion or
etatisme among matter-of-fact practical-minded Colonials, but promotion from the bottom played a more important role in the selection of top administrators in such a service than in a service drawing them from an administrative class recruited at a higher level.

Seniority was always coupled with fitness in all public service Acts during this period, partly because it was the obvious guarantee against favouritism and partly because it gave all an even chance and was truly egalitarian. When the claims of fitness could no longer be resisted in later periods, organized public servants generally insisted on guarantees against favouritism through appeal to an independent authority. The relation of fitness to the duties of a specific position was also characteristic of a practical minded colonial society.

The admission of some of the rights of employees and their inclusion in Acts and regulations would probably be considered by some as the most typical Australian colonial tradition. To the right to enquiry before punishment, or dismissal was later
added a right of appeal against one's grading or classification. All these "rights" passed on into Commonwealth legislation, as also such practices as dividing the service into Divisions and constructing a hierarchy of classes in each Division.

Last but not the least was the tradition of "economy and efficiency". It was inherent in the context of Australian development and was brought to the forefront by the deep impact of the depression of the nineties. The lesson of economy in public expenditure was burnt in and economy and efficiency were thenceforward coupled together. Discretionary increments (euphemistically called subdivisional promotions), and the compulsion to serve a year in each subdivision of a class before promotion to the next, were the results of the economy campaign and were carried over into the Commonwealth legislation, so also was the concept of work value fashioned by the New South Wales Board in 1896. We shall analyse the full implications of this concept and its relation to the Australian idea of career service in a later chapter. 48

In the next chapter, we shall analyse the Parliamentary discussions that fashioned the first Commonwealth Public Service Act in which many of these traditions were embodied.

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In this Chapter we propose to deal in some detail with the debates on the first Commonwealth Public Service Bill in Parliament. These are important for two reasons. The first Commonwealth Public Service Act provided the basic framework for the later Commonwealth Public Service Acts and so the basic questions of administration were debated more thoroughly in passing it than on later occasions.\(^1\) Secondly, the debate in the first Commonwealth Parliament on this Bill reached a high level of excellence with regard to the content and clarity of the arguments, owing to the high calibre of its members in both Houses, their faith, zeal and sense of responsibility in building a new Commonwealth and their comparative freedom from party bias.

The bill itself was drafted in large part by the Victorian Parliamentary Draftsman\(^2\) and was based very much on the contemporary Victorian and

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1. Interest in the details of the Public Service Act progressively declined in later years. In 1922 and 1924, attention was focussed exclusively on a few issues while in 1945 there was almost complete apathy in both Houses.
New South Wales Public Service Acts. The vesting of control in an independent Public Service Commissioner, the division of the service into four Divisions, (Administrative, Professional, Clerical and General) the provisions for classification of the officers, for appeal and for enquiry into offences—all these were wellworn principles drawn from those earlier Acts, except the novelty of a single Commissioner instead of a Board. The main improvement was in the provision for Public Service Inspectors, to carry out the investigation functions. Another important improvement in the promotion provisions was making "relative efficiency" the basis of promotion instead of the confusing mixture of seniority and fitness. The Bill, however, borrowed from the State Acts their confusing provisions as to whether a departmental or extra-departmental officer was to be preferred in promotions. The definition of efficiency was the same as the definition of "fitness" in the Victorian and New South Wales Acts except for the addition of a few words. The appeal provision introduced in Committee as clause 50 of the
Bill was taken primarily from the New South Wales Act. The schedule prescribing the classes of the Clerical Division reproduced the current Victorian schedule almost verbatim.

The Bill was essentially a committee Bill. It was debated on non-party lines and at various stages the Government accepted suitable amendments, both major and minor. It was piloted through the House of Representatives by Sir William Lyne (Home Minister) and Alfred Deakin (Attorney-General) at different stages, and by Senator Drake (Postmaster-General) through the upper House. Prominent members of both Houses took an active part in the discussion. We shall concentrate our attention on the three most important issues discussed, namely, the merits of Commissioner control of staff, the basis and procedure of promotion and the appeal clause in the Bill.

The powers of staff control vested in the Public Service Commissioner formed the central issue of the debate and much argument centred round
his power over promotion and classification. In the original draft Bill each action under the Act (relating to appointment, promotion, discipline or classification) had to start with a report from the permanent head, followed by the recommendation of the Commissioner, and was finalized by the approval or action of the Governor-General. It also seemed as if in cases of difference between the permanent head and the Commissioner, the Minister concerned might have to intervene. Issue was joined between those who wanted more and definite powers for the Commissioner and those who wanted some more powers for the permanent head and the Minister. The arguments for the former were built around the need for an independent, non-political, patronage-free authority to control the public service. The arguments for the latter centred round the need for emphasizing the Minister's responsibility to Parliament for his department and the permanent head's more intimate knowledge of his officers. The subject was both important and topical since Victoria had recently drifted away from strong Board control while
a strong Board in New South Wales was becoming famous for its fearlessness. The debate was therefore lively in both Houses and particularly acrimonious in the Senate.

The Home Minister, Sir William Lyne, who introduced the Bill in the House of Representatives, was against too strong a Commissioner, embittered as he was after his recent experiences as Premier of New South Wales with that Colony's strong Board. He was for a greater share of power for the permanent head. Sir William McMillan, who was also critical of the autocracy of the New South Wales Board, would not for that reason reduce very much the Commissioner's power. There were a few other members, such as Sir Edward Braddon, who took a middle position owing to their general desire for broad Ministerial responsibility for the service. On the other hand there were members who spoke against "the permanent head having anything to do with promotions and appointments," such as Mr. Mclean, Sir John Quirk, Mr. Crouch, Mr. McEay, Bruce Smith and Hume Cook.

3. Supra, p.11.
McCay in particular made a strong case at the committee stage against staff control by departmental heads as the garden path to Ministerial interference, and wanted "to make him (the Commissioner) master in all the ordinary dealings with the members of the service."8 Deakin commended the Bill as a good compromise and pointed out that in practice the Commissioner and permanent head could not do without each other.9 Isaacs and Higgins agreed with him 10 and many other members took a similar middle position. Finally, McMillan's solution of vesting initiative in all actions relating to appointment, promotion or discipline in the Commissioner was accepted.11 It was also understood that the power of the Governor-General was a reserve power and that generally he would accept and act on the Commissioner's recommendations.

The debate in the Senate Committee was marked by bitter tirades, dogfights and divisions. Most of those who spoke opposed Commissioner control

as autocratic, wasteful and subversive of Ministerial responsibility. Senators Symon and Neild called it a Bill to abolish Ministerial responsibility, and the latter in addition called it a Bill "to set up an absolute despot", citing the example of the autocratic New South Wales Board. Senator Dobson declared that to pass the Bill was to humiliate both Parliament and the Government. Others, such as Senators Barrett, Pearce, Ewing, Sargood, Playford, Clemons, DeLargie, Charleston and McGregor felt that a powerful Commissioner would undermine Ministerial responsibility, that the proposed machinery of a Commissioner and six Inspectors was too expensive, that staff control could be exercised by the permanent head and that Inspectors would be just spying round departments, interfering with departmental discipline and duplicating departmental sources of information.

The following satirical passage from Senator Dobson was typical of the debate:

They (the Inspectors) will go to a State and have a talk with the head of the department and then go to the chief accountant about men in his

department, next to the chief corresponding clerk about the corresponding clerks and afterwards to the head of the ordinary clerks. Nine-tenths of their reports will be hearsay. And when it comes before one Commissioner not nine-tenths but the whole of it will be based on hearsay - hearsay evidence on which as a lawyer talking before a Bench would say "you would not hang a cat".

Against such carping criticism the speeches of Senators O'Keefe, Glassey and Drake in support of Commissioner control were rather tame.

Senator Dobson's amendment to substitute a board of permanent heads in the place of the Commissioner was lost by 11 to 12. Undaunted, he and his supporters forced a division on five successive occasions on similar amendments and lost them. At the end of the committee stage he forced a division again on recommitting the clause on the Commissioner's powers, repeated all the old arguments and lost his motion by 12 to 14. And Senator Symon would not let the Bill be passed in the third reading without his valedictory curse on it.

Never before or after was this issue

debated more thoroughly or bitterly in Australia. The division of opinion was not on party lines. For example, on the side of more departmental control were Labour members such as Batchelor and Pearce rubbing shoulders with Sir William Lyne. It was based more on personal or State experiences; Lyne was still licking his wounds after his tussle with the New South Wales Board while Deakin who walked out of Victorian politics some years earlier was more moderate; and Senators from South Australia upheld their system of departmental staff control.\(^{21}\) The discussion was based almost purely on Australian experience without any mention of Treasury control in Britain. The first Commissioner could well claim that the Commonwealth Parliament deliberately rejected departmental control in favour of Commissioner control,\(^{22}\) while the advocates of the former could find many arguments for it in the debates.

There was scarcely any discussion at the Committee stage on the most important clause 42,

\(^{21}\) Eg. Sir Josiah Symon and Senator Charleston. 
\(^{22}\) Postal Commission Evidence, p.2330.
providing for promotion on the basis of relative efficiency, on the recommendation of the Commissioner after a report from the permanent head, but the virtues of efficiency were sung by many members during the first reading itself. Batchelor described promotion by seniority as destroying incentive and dependent on funerals; Ewing advocated competition and survival of the fittest in the public service just as in the business world; and many other members supported promotion by efficiency on similar grounds. Deakin claimed that the Bill tried to do away with the deadweight of seniority, and Higgins was glad that it avoided a mixture of seniority and fitness as in the Victorian Act. Many speakers were in favour of the appointment of a brilliant outsider to a high position if men inside the service would not measure up. Sir William McMillan, supporting this as a freetrader said: "If you keep men at a certain mechanical work, they become in midlife practically fossils.

Therefore there must be some means of not merely going to the other branches for efficient officers but of going outside the service". Higgins broke out against the evils of routine thus:

With regard to the lower grades of the public service it may be well to have more or less promotion by seniority but in the case of higher work the man who has spent his life in the service and has never had the responsibility of initiation put upon him is not the man to take charge of a large department. You want a man of energy - a man with commercial ideas and experience; a man who is in contact with the workaday world and who has to deal with men. You will find in the public service men who will diligently go to work at the office at ten in the morning and stay till four in the afternoon - men who are most exemplary in their family life, who go to Church regularly, who never read the newspaper in office hours and never get off their office stool when there is work to do. They are good men but they are not the men to whom to entrust the initiation of new departments. We are starting a new Government machinery in Australia and we must make it the best we can have.

In spite of eloquent support for efficiency, caution won the day. Hume Cook warned against the possible equation of efficiency with personal favouritism and with the support of a few other members succeeded in adding a safeguard. In every

27. Op. cit. p.1092. He also wanted the Minister to exhaust the service first.
29. C.P.D. Vol. 2, pp.1742-3. The amendment was introduced specifically at the request of the Federation of the Public Servants of Victoria, New South Wales and South Australia.
case where a junior was promoted the Commissioner had to certify that there was no senior as capable. Recruitment of outsiders was also hedged in with similar safeguards and in practice during all these years the latter provision has been mainly used to recruit professional officers.\footnote{30}

Egalitarian and pragmatic considerations were evident in the discussion on promotion examinations. Members unanimously supported the provision enabling officers of the General Division to enter the Clerical Division by means of an examination.\footnote{31} Regarding (promotion) examinations in general members spoke strongly against "the archaic and antiquated literary examination", and were in favour of relating the examination to the duties of the position.\footnote{32}

Some members preferred the promotion of the departmental officer while others wanted to treat the

\footnote{30. The spirit of the debate was now in favour of taking in outside talent (not necessarily professional) at a higher level, though the actual clause discussed contained the safeguard of laying each such appointment before Parliament. It was only during the second World War and for some years thereafter that the section was used in the spirit of the debate.}
\footnote{32. C.P.D. Vol. I, p.1292 and p.1307.}
service as a single unit. After a desultory discussion, the original clumsy clause was amended so as to give the first preference to an officer from the same department.

During the first reading, quite a few members noticed the omission to provide for appeals by aggrieved officers. The Government induced Hume Cook to withdraw an amendment providing for appeals against the promotion of another officer, but accepted a clause sponsored by Piesse allowing an officer dissatisfied with any action or report of the Commissioner regarding his pay, promotion or transfer to appeal to the Commissioner "in such manner and in such time as may be prescribed". The Senate Committee was more definitely favourable to an appeal board; many Senators felt the need of this safeguard against favouritism in promotions, and were impressed by the working of appeal boards in the New South Wales Railways and in New Zealand. The Committee passed a long amendment by Senator Staniford-Smith providing an appeal board of three

to cover all sorts of actions taken under the Act but the Lower House rejected it as whittling down the Commissioner's power; the Senate insisted on it and the House of Representatives finally agreed to it as a good but clumsy device.

The Act as finally passed provided access to an Appeal Board consisting of a Public Service Inspector, a departmental representative and a representative of the officers, when an officer was dissatisfied with any act or report of the Commissioner affecting him. The Appeal Board was only advisory and the final decision rested with the Commissioner.

The Public Service Act of 1902.

Section 5 of the Public Service Act of 1902 provided for the appointment of a Public Service Commissioner and Public Service Inspectors not exceeding six, each for a term of seven years with eligibility for reappointment.

38. C.P.D. Vol.8, p.10999.
Inspectors were the eyes and ears of the Commissioner. They were to inspect each department, examine the officers, ascertain their duties and the value of their services and report to the Commissioner. The Commissioner had the power to recommend to the Governor-General (after obtaining a report from the permanent head and/or the Inspector), the creation or abolition of an office, rearrangement and alteration of staff in a department, raising or lowering of the classification of an office, transfer or promotion of officers, appointment of new entrants after examination in some cases and without examination in others, the award of punishments and the making of regulations. The Commissioner was thus the chief administrator of the Act, and the pivot of the whole system. He might be described as a one-man Board with more real powers than the Board in New South Wales or Victoria since he had an inspectorial staff to help him.

The whole service was divided into four Divisions, the Administrative Division consisting of

41. C.P.S. Act, 1902, section 8.
42. Op. cit. sections 8, 9, 10, 11, 41, 42, 44 etc.
permanent heads and Chief Officers, the Clerical Division consisting of all those doing clerical work of any kind, the Professional Division including officers whose jobs required some professional skill or qualification and the General Division containing all others i.e. mostly menial workers such as cleaners, and tradesmen such as mechanics, linemen etc.

This division of the service was partly vertical and partly horizontal. While the Administrative Division included those with top salaries, the Clerical and Professional Divisions had more or less parallel scales, and the salaries in the General Division were much lower than in these two. The Clerical Division was divided into classes and each

43. Op. cit. Section 13 defined Chief Officers as those whose offices entitled their holders to be called ex-officio Chief Officers. This is a circular definition. In practice, the head of the State section of the departments of the Postmaster-General, and the Customs were recognized during this period as Chief Officers. The permanent head of the Postmaster-General's Department was known as the Secretary to the P.M.G's Department and the Chief Officers were known as Deputy Postmaster-Generals. This clumsy nomenclature was changed in the twenties to Director-General of Posts and Telegraphs and Directors of Posts and Telegraphs, respectively. In the Customs the permanent head has always been known as Comptroller-General of Customs and the Chief Officers as Collectors of Customs. Other departments with State branches began to have Chief Officers after the twenties and some officers in the Central offices were also given this designation for purposes of delegation.

class into subdivisions in a schedule of the Act itself and the same thing was done for the Professional Division by regulations. Progression was automatic in the Clerical Division up to an annual salary of £180 in the 5th class, but thereafter, in the classes above, advancement from one subdivision to the next was discretionary though it was really an increment. Passing from one class to the next higher class constituted promotion.

The sections of the Act relating to promotion must now be examined more closely. The central section on promotion (i.e. section 42) read as follows:

42. Whenever a vacancy occurs in any office and it is expedient to fill such a vacancy by the promotion of an officer the Governor-General may, on the recommendation of the Commissioner, subject to the provisions of the Act -

- appoint to fill such vacancy an officer of the Department in which such vacancy occurs, regard being had to the relative efficiency or in the event of an equality of efficiency of two or more officers, to the relative seniority of the officers of such Department; or
- appoint to fill such vacancy any qualified

46. C.P.S. Act, 1902, section 22.
officer from any other Department whom on the ground of efficiency or in the event of an equality of efficiency of two or more officers, whom on the grounds of seniority, it appears desirable so to appoint, if it appears that such appointment would result in the work of such office being more efficiently performed than by selecting an officer of the department in which such vacancy occurs; "efficiency" in this section means special qualifications and aptitude for the discharge of the duties of the office to be filled together with merit and good and diligent conduct.

It has already been pointed out that this section was based largely on the corresponding sections of the Victorian and New South Wales Acts, with two improvements, first replacing the combination of seniority and fitness by efficiency and secondly rewording the section clearly to give a definite preference to the departmental officer. It is interesting to note that this section has in essence been retained in all later Acts including the current Act.

Section 43 provided for the prescription of promotion examinations and for exemptions in the case
of those who had passed equivalent professional or university examinations. It also prescribed that they should not be competitive but should relate to the work performed.

Section 44 described the procedure of promotion. The Commissioner was to recommend the name of an officer to the Governor-General after report from the permanent head. The Governor-General could either promote him or ask for a second recommendation. If he did not agree with any recommendation the matter was to be reported to Parliament within seven days with his reasons for disagreement. In the event of a junior officer being recommended for promotion, the Commissioner had to certify that there was "no senior officer available as capable of satisfactorily performing the duties". (Italics mine). This condition, introduced at the instance of Hume Cook as a safeguard against favouritism, was later deemed by some top administrators as restricting their choice to senior
officers, except when they were incompetent or unqualified.\textsuperscript{47}

There were other sections and subsections of less importance referring to promotion. According to section 45, an officer could decline a promotion with the permission of the Commissioner but must comply with the final orders of the Governor-General. It was also prescribed in section 23 of the Act that an officer had to pass through every subdivision of a class in the Clerical Division before being promoted to the next higher class though the Commissioner could exempt specially qualified or efficient officers from this provision. This section as well as section 22 calling subdivisional advancements, promotions, were relics of the recent depression\textsuperscript{48} and continued in the Act right up to 1922.

\textsuperscript{47} Infra, p.101.
\textsuperscript{48} Supra, pp. 8-9.
CHAPTER III
SINGLE COMMISSIONER CONTROL

The Commonwealth Public Service Act of 1902 was in force till October 1922. During those two decades the service was by law under the general control of a single Commissioner. The de jure control was made de facto under the strong administration of the first Commissioner, D.C. McLachlan, from 1902 to 1916. The tradition was largely kept up by his successor, W.B. Edwards, who was Acting Commissioner from 1916 to 1922.

The procedures and mores which made a reality of Commissioner control were developed mostly in the first few years and fully applied in the first decade. From 1911 onwards they were considerably affected by many factors such as public service arbitration and returned soldier preference. (which we treat in the next chapter), but the outlines of the original system remained. The description of Commissioner control in this chapter is a description of the system which the first Commissioner developed
free from extraneous influences and it includes the second decade in as much as the main outlines of the system continued during that period.

Before the relevant procedures could be applied in making promotions, the conglomerate of transferred State departments had to be organized into a single hierarchy of classes and grades through which advancement could take place. This process, called classification, is important not only as the necessary preliminary to organized promotion but also for its upholding of the principle of work value. We therefore start our study of promotion with a discussion of the Classification before we inquire

1. The term classification is used in the Commonwealth service in at least five different but related senses. Sometimes it means the system of classes prescribed in the Acts and regulations, another time it means the fitting of officers into these predetermined classes (as in this chapter) and a third time it could mean the valuation of an officer's services without reference to a predetermined class system (as in Chapter Seven). At all times it can either mean classifying or valuing a position or classifying an officer into a position or class. This writer had to decide between coining five different words or phrases to connote the different senses of the word or using the same word as done in the service but making the meaning clear through the context. He chose the latter as the better alternative. The term grading in New South Wales is exactly equal to classification in the Commonwealth but subject to less confusion. Here again the meaning is sought to be made clear through the context.
into the procedures of promotion developed in a continent-wide service, and how the criteria of efficiency and seniority were applied in practice.

The classification.

The Commonwealth Public Service Act divided the service into four Divisions, namely the Administrative Division, the Clerical Division, the Professional Division and the General Division. The Clerical Division was subdivided by the third schedule of the Act into a hierarchy of classes and the Professional Division was similarly subdivided by regulation into classes, as shown below.

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<th>Table I</th>
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Clerical Division classes

(III) Schedule C.P.S. Act, 1902)

Annual salary for each class and subdivision in Australian pounds

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<thead>
<tr>
<th>Subdivisions</th>
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<tbody>
<tr>
<td>Class</td>
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<tr>
<td>I</td>
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<td>III</td>
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<td>IV</td>
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Professional Division classes

(C.P.S. Regulation 114)

Annual salary for Subdivisions in Australian pounds

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<tr>
<th>Class</th>
<th>1</th>
<th>2</th>
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<th>4</th>
<th>5</th>
<th>6</th>
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<tr>
<td>A</td>
<td>650</td>
<td>700</td>
<td>750</td>
<td>800</td>
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<td>1040</td>
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<tr>
<td>B</td>
<td>520</td>
<td>540</td>
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<td>C</td>
<td>420</td>
<td>440</td>
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<td>480</td>
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<td>D</td>
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<td>380</td>
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<td>-</td>
<td>-</td>
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<tr>
<td>E</td>
<td>72</td>
<td>84</td>
<td>102</td>
<td>120</td>
<td>138</td>
<td>156</td>
<td>168</td>
<td>180</td>
</tr>
</tbody>
</table>

N.B: The classes B to E in the Professional Division and I to V in the Clerical are comparable.
The General Division was not divided into grades in 1904 but salaries were fixed for different posts and a line of promotion was indicated in the Classification Report. They were however grouped into twelve grades in 1908 (See C.P.S.C. 4th Report, p.18 and C.P.S. Regulations, 1912, reg.104).
All the salaries were thoroughly altered after 1911 by arbitration awards (see next Chapter).

Thus the steps for promotion in each Division were defined by providing a framework of classes in the Act and Regulations.²

According to section 9 of the Commonwealth Public Service Act each officer in the Commonwealth Public Service was to be fitted by the Commissioner into a proper class or grade in a Division. This

². This was copying the current Victorian Public Service Act and Regulations.
process was called classification. Victoria and New South Wales had classified their officers in the days before federation, soon after each new public service Act was passed, but it was more difficult for the Commonwealth to classify its officers since the large majority of them were taken over from six different State services with their different classes and salary ranges. It involved a fresh appraisal of the work performed by various officers and the application of a general criterion - other than the salaries they received before transfer to the Commonwealth.

The principle of work value which was adopted as the criterion had been used in a general way in the earlier State classifications and was defined by the New South Wales Board. All that it meant was that the salary paid must be in terms of

3. The Commonwealth Service in early 1901 consisted of 9930 officers in the transferred State Postal departments, 1,142 officers in the transferred State Customs departments and a little over a hundred officers in Defence and the other departments. See C.P.S.C. 1st Report p.5 and p.11. The immense preponderance of the Postmaster-General's Department in the total strength of the service will often be referred to in the text. For a full account of all aspects of the integration of the transferred departments into a single service, see V. SUBRAMANIAM, "The Integration of the Commonwealth Public Service", Public Administration (Sydney), Vol XVI, No.2, pp.138-152.

the work done and not related to the occupant of a post. The Commonwealth was compelled to lean more heavily on the principle since it was the only possible criterion for classifying its new conglomerate service.

Since the idea of work value played a very important part in the history of the Commonwealth service it is worth enquiring into its origin and the reasons for its easy acceptance in Australia. In the old world, as Weber mentions almost casually, the salary of officials in a bureaucracy was not measured like a wage in terms of work done but according to status. One possible reason for this was historical. In the small civil services built up by absolute monarchs to despatch the vestiges of feudalism, the ideas of lifelong service and dedication

5. Gerth and Mills, "Bureaucracy", From Max Weber. Essays in Sociology, 1947, p.203. The interpretation which follows (for which I am responsible) is based on the history of the development of European bureaucracies in the two following works:
1. Ernest Barker, The Development of Public Services in Western Europe (1660-1950), 1945, chapter I
were encouraged along with an exalted notion of administrative work for the state. There was no occasion to measure the value of such services in terms of money and it would have seemed vulgar to evaluate dedicated service to the sovereign in such terms. Apart from monetary rewards there was the invaluable status and esteem in society. An aristocratic civil service was not yet converted to the values of an industrial and commercial society and still set a very definite value on the man apart from his work.

The idea of valuing work impersonally and treating the worker as a mere unit belongs to the apparatus of industrialism. It could find acceptance in Australian public services first because of the absence of the European tradition and secondly because of the contemporary admiration for business methods. The state in Australia was not so much the venerated sovereign as a useful piece of social machinery for the country's development, and state service was just another kind of work,
without much of an aura attached to it. 6

Characteristically, the first public service legislation in Australia related to the railways service the bulk of which is referred to in the old world as the industrial civil service.

When the various public service Acts were passed in the Australian colonies the pastoralist era was drawing to a close and the commercial classes were rising. Politics was dominated by the commercial issue of protection versus free trade and the cry of business methods in government was beginning to be heard. 7 The cry became a craze as a result of the depression of the nineties which burnt in the lesson of economy. 8 Work value, economy, and efficiency were eagerly adopted as the holy trinity of Australian service management. Work value in particular looked


scientific, seemed a suitable yardstick like profits in business, and above all would effect substantial economies.

We have referred to the greater importance of this principle to the Commonwealth service which invented and introduced further refinements in estimating work value. In the Postmaster-General's Department each type of work in a post office, such as telegrams sent and received, or letters posted and delivered, was allotted a certain number of points, and the total number of points for a post office depended on the amount of work done under each category. The various post offices were graded on the basis of this points system and the salary value of the work of an officer depended on the portion of the total work he did in a particular grade of post office. Similarly customs offices were graded on the basis of business transacted. The points system was essentially an effort to value

more or less routine work by splitting it into various simpler components. The value of supervisory positions was fixed from the amount of responsibility they carried and the number of routine workers supervised, and positions in the small departments were valued by comparison with those in the Postmaster-General's and the Customs.

The principle could not be strictly applied since the Commonwealth Public Service Act and Regulations had already prescribed a hierarchy of wide classes for the Clerical and Professional Divisions, lifted bodily from the Victorian Act. Each position or type of work had only one monetary value according to the letter of the principle and only a narrow range on both sides of this could be allowed as a margin of error and an allowance for one's development in the job. But the salary classes in the Act and Regulations were fairly wide by later standards, and it was absurd after having valued a position closely, to fit it into a class whose maximum was far in excess of the work value.
Fortunately for the principle, each class was divided into five or six subdivisions, and advancement from one to the next was not automatic as in many services, but strictly discretionary, being called a subdivisional promotion. Thus each position could be fitted into a particular subdivision of a class corresponding to its work value and any advancement in its salary justified only on the basis of increased work value. We shall see how the Commissioner tried to administer the increment provisions strictly and how his disillusionment led to the classification of 1924 with its closer adherence to work value.

A secondary implication of the principle was that each job was specific and separate and therefore required relevant (technical) qualifications and/or experience. This was already admitted in the definition of efficiency and in Section 43 of the Act. The result was a multiplication of examinations, great stress on experience as against potential, and

10. Commonwealth Public Service Act 1902, section 22. This was following the current Victorian and New South Wales practice.
compartmentalism.

All the implications of the principle were however never worked out then or later. In its extreme form it meant the very antithesis of a career service. Every job would have its particular work value and the only need would be to recruit someone whose capacity measured up to it. There would be no obligation to promote a man from within the service, there would be no obligation even to keep the appointee in his job for work value is impersonal. Some of these implications were realised in the United States, partly owing to the vestiges of the spoils system and later to the tradition of easy job mobility\textsuperscript{12} at all levels in a society dominated by business and industry. In Australia on the other hand, the twin guarantees against arbitrary dismissal and against outside recruitment at higher levels had taken firm root before the principle of work value was accepted.\textsuperscript{13} They meant not only that officers in the service could not be dismissed

\textsuperscript{12} This is not to deny the simultaneous development of career principles in the United States Federal services. The reference is rather to the popular idea which was probably comparatively true at particular times in American service history.

\textsuperscript{13} Supra, pp. 28-30.
without special cause but that all higher posts should be filled only by promoting them from within the service (except in special cases). Work value had to be interpreted within the framework of such a career service. While the concept of impersonal work value was held in check in the old world by pre-bureaucratic notions of personal value, in Australia it was modified by the legal guarantees resulting partly from egalitarianism and public service unionism. The consequent combination was neither European nor American but peculiarly Australian.

The classification was important to the promotion process in two other ways. Putting it into force gave the Commissioner and his Inspectors a deep insight into the work and qualifications of officers, which stood them in good stead in later years in making promotions. Secondly the wide exercise of appeal rights by the officers (regarding

14. Senator Dobson wanted the service classified by a separate classification board of departmental heads but fortunately the idea found no support (see C.P.D. Vol. 7, p.9341 and p.9352). If the idea had been adopted the Commissioner and his Inspectors would not have started with such a good knowledge of the service as they did. The South African Union in 1911 adopted a procedure similar to what Dobson favoured. It would be interesting for somebody to compare the results.
their classification)\(^15\) set up a precedent which the public service associations were never loath to cite in their demand for appeal rights regarding promotion.

The formalities of promotion.

Section 44 of the Commonwealth Public Service Act of 1902 laid down that on the occurrence of a vacancy the Commissioner should recommend to the Governor-General the name of the officer to be promoted to fill the vacancy, after a report from the permanent head. The procedure was further elaborated in the regulations made the same year.\(^16\) In each State the head of the State branch of the department, i.e. the Chief Officer,\(^17\) was to report the occurrence of a vacancy to the Commissioner through the permanent head of the department, unless it was a new office created on the recommendation of the Commissioner. The latter would generally publish the details of the vacancy in the Commonwealth Gazette. The Chief

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15. 2,217 appeals were lodged (out of about 11,000 officers) and 443 were allowed. See C.P.S.C. 2nd Report, p.6.
17. Supra, p.48, footnote 43.
Officer might also suggest the name of an officer fit to be promoted and should forward this to the Public Service Inspector in his State to enable him to report independently to the Commissioner. After receiving a copy of the report from the Inspector, the Chief Officer forwarded it with his remarks to his permanent head (i.e. the head of the department in Melbourne), who forwarded it to the Commissioner with his remarks. In the case of Victoria, the permanent head who was resident in Melbourne played the part of the Chief Officer also. In all cases the Commissioner, after due enquiry, finally decided the name of the officer to be promoted and made a recommendation to the Governor-General. Where a junior officer was recommended the Commissioner had to certify that there was no senior officer in the service who was as capable of carrying out the duties of the position as the officer recommended.18

Applications for an advertised vacancy were to be addressed to the Commissioner and

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forwarded to him through the Chief Officer and the permanent head with the latter's report on the applicant. The Commissioner decided on the promotee after due enquiry and made a recommendation to the Governor-General. While the original vacancy had to be notified, consequential vacancies could be filled without notification but otherwise in the same manner as for advertised vacancies.

This procedure was cumbersome and productive of delay and paperasserie in the departments of Customs and the P.M.G., which had branches in all the States and which comprised the great bulk of the service. All forms and documents had to pass up in two parallel streams - often from distant State capitals to Melbourne, before a final recommendation could be made.

The twin evils namely, lack of delegation and lack of consultation at the State level, led to great delays not only in regard to promotion but in many other respects too. The Commissioner became
keenly aware of the ridiculous extent of centralization in some departments by 1907. He failed however to persuade a highly centralized department to delegate more power to its Chief Officers, at least in regard to routine matters. But in the same year a Cabinet Subcommittee on Postal Services made strong recommendations in favour of more local responsibility. The Public Service Regulations were amended consequently in 1908 to provide for greater and more regular consultation between the Public Service Inspectors and Chief Officers and circulars were issued delegating more power to them.

Among the powers delegated by the Commissioner to the Inspectors was the power of finally approving all promotions in the General Division up to a salary of £162 p.a., and promotions of Linemen to Senior Linemen and Mechanic to Senior Mechanic. They always had the duty to report to

the Commissioner on all promotions above this salary level. The Chief Officers of the two far-flung departments of Customs and the P.M.G. were delegated similar powers by their permanent heads, under section 13(2) of the Public Service Act, to deal finally with promotions up to the same level in conference with the Inspector and to report on promotions up to a somewhat higher level directly through the Inspector to the Commissioner. Promotions above this higher level had to go through the permanent head to the Commissioner for final action.

This simplified procedure cut down delays and improved the relations between Public Service Inspectors and Chief Officers. For all advertised vacancies in the General Division the applications were addressed to the Inspector (of the State where the vacancy occurred) through the Chief Officer. In the case of vacancies not advertised all the officers eligible for promotion were considered. In both

21. C.P.S. Regulations, 1912. Reg.148. All future references to regulations in the rest of the chapter are to the above. For examples of the actual application of these regulations, see C.A.A: C.P.121. (113) 1922/8152 and " " (105) 1922/3284 " " (87) 1918/10253
cases the Inspector and the Chief Officer concerned conferred on the qualifications of applicants or eligible officers and also upon consequent promotions and transfers. If they agreed, the Inspector forwarded a report of proposed promotions and other staff changes agreed upon to the Commissioner for final action. If they disagreed, the Chief Officer and the Inspector reported separately to the permanent head and the Commissioner respectively and the Commissioner took the final decision after receiving a report from the permanent head. The same procedure was followed for vacancies in the Clerical and Professional Divisions where the Chief Officer had powers delegated by his permanent head to report in respect of appointments and promotions. In the case of vacancies in the higher classes of the Professional and Clerical Divisions (where the Chief Officer had no delegated powers) the Inspector and the Chief Officer reported separately to the Commissioner and permanent head respectively and the Commissioner made the final recommendation after receiving the permanent head's report.
The result was that all promotions in the General Division and the lower classes of the Clerical and Professional Divisions were in practice finalized in the conference itself since both parties usually agreed, and the Commissioner approved the agreed decision. Since these two categories constituted the majority of promotions, delays were cut down substantially.22

These conferences built up a common fund of information on the officers in the State since the details about them were exchanged and discussed in them. They also increased mutual understanding between the Inspector and Chief Officer. Even when the two disagreed they began to appreciate the other point of view. Chief Officers generally acknowledged this before the Postal Commission in spite of their criticism of Commissioner control.23

Most of the promotions were decided in this conference, but joint interviews were used more as the service expanded and as it became difficult for anyone

22. See infra, p.90.
to claim intimate knowledge of all officers. Investigation and interview by a Committee of senior officers were used to select men for important positions. 24

Promotions from the General Division to the Clerical were based on an examination prescribed in section 23 (4) of the Public Service Act, and are treated in greater detail in connection with promotion examinations. The successful candidates (who must have served at least two years in the General Division) were recommended in their order of merit for promotion to the Clerical Division.

No study of promotion would be complete without some reference to increments, since all increments above £180 p.a. were known as subdivisional promotions, were discretionery and were governed by the same statutory considerations as promotion. According to Regulation 111, the Commissioner must be satisfied that the officer was

§4. C.A.A: C.P.121. (56) 1915/v/14278 gives the story of the selection of an Education Officer.
entitled to an increment "by the amount and importance of his work and by his efficiency, seniority and good conduct." The Chief Officers sent in the recommendations for increments in April, in a form certifying that they were earned "by the good conduct, diligence and efficient service of the officers named." The Inspector, after considering them in the light of "the amount and importance of work", pruned them down, and forwarded them to the Commissioner, who made the final recommendation for inclusion in the next year's budget.

In fact, however, the whole matter became a pawn in the tussle between Chief Officers and the Commissioner. The former (who did not have the final say) treated it as a mere time-wasting formality and often recommended all officers. The Inspector automatically pruned down sometimes to half the number on the principle that the good officer was to get increments biennially and exceptional ones annually.

25. C.A.A: C.P.121. (106) 1922/4706 contains many such forms and a circular explaining the terms used.
26. Regarding the liberality and irresponsibility of Chief Officers in recommending increments, see Postal Commission Evidence, p.2163 and p.2331 and also McLachlan Report, p.41. Regarding Inspectors' methods and Commissioners' prunings see C.A.A: C.P.121.(131).1923/5915, and C.A.A: C.P.121.(120) 1923/4889. There are quite a few interesting examples in these files. See also F.P.S.J. February, 1919.
The Commissioner quite often made further reductions in this number.

The criteria of promotion: Seniority versus efficiency.

The central problem of promotion is the basis on which it is made. The Commonwealth Public Service Act (of 1902) unlike the earlier State Acts, was very clear on this point. According to section 42 of the Act all promotions were to be made on the basis of relative efficiency and only in case of equality of efficiency was seniority to be regarded. How were these two important terms interpreted?

The principle followed in determining seniority was very simple. Seniority was directly related to salary and the officer who drew the higher salary in a division was the senior. In case of equality of salary the officer who had drawn it for a longer period was regarded as senior. A seniority list was compiled on this basis in 1909 and the Commissioner planned to publish a new list every three

years. Each Division had its own seniority list which extended through all departments. The problem of fixing seniority when an officer moved from the Clerical to the Professional Division rarely arose in the early years. When it did it was dealt with by the Commissioner in his discretion. The seniority of General Division officers who were promoted to the Clerical or Professional Division through an examination was fixed according to Regulation 142 according to which such an officer occupied the lowest position in the class (of the Division) to which he was promoted, though he retained his earlier salary.

The Commissioner claimed that the salary basis indirectly introduced the efficiency factor in seniority itself. This seems to be an afterthought and he probably copied the Victorian regulation verbatim. Again, no other basis was possible or equitable in the Commonwealth Public Service after the classification. It rejected earlier State salaries and designations as its basis and fixed

28. Ibid. for the Commissioner's claim; See Supra p.15 for the Victorian practice.
these on the basis of work value. The new salaries formed the basis of the first seniority list.

This simple scheme was thrown into confusion after the extension of arbitration to public servants in 1911. When a registered association of officers obtained a favourable award from the Court, their salaries were usually increased. They immediately gained seniority vis a vis other groups of officers near their level, who had not obtained an award. The Commissioner at first tried to stem the confusion by means of circulars. Increasing resort to arbitration by officers compelled him to amend the seniority regulation itself. The new regulation stated that seniority would normally be determined (in the Clerical and Professional Divisions) according to the officer's class, subdivision of class and date of entry into the subdivision. In the General Division it was determined on similar principles. The Commissioner also reserved to himself the power to determine seniority in any case of transfer or promotion.

The Public Service (Amendment) Act of 1917 extended an important concession (among others) in the matter of seniority to returned soldiers. Any returned soldier who took the examination for entrance into the service within twelve months after his discharge and was appointed, had his appointment antedated (for purposes of seniority) as if he had taken the last examination held prior to his enlistment. The intention was that soldiers who by enlisting lost the opportunity to take an earlier examination should not suffer by comparison with those who took it. The effects of the concession became evident only in the twenties and are dealt with in a later chapter.  

Efficiency was defined in section 42 of the Act as "special qualifications and aptitude for the discharge of the duties of the office to be filled, together with merit and good and diligent conduct". No opportunity seems to have arisen to elaborate this definition during the currency of the first Public Service Act. It may be inferred that "merit and good

30. See infra, p.131, footnote 49 about the origin of the concession.
31. Infra, Chapter VIII, pp.245-46.
and diligent conduct" were regarded as necessary for all promotees. The crucial comparison was made as to their "special qualifications and aptitude for the discharge of the office to be filled". It was typical of Australian pragmatism to relate qualifications and aptitude to "the office to be filled". Since such ideas as executive potential and further promotability were not widely current in those days, the letter of the Act was probably more strictly observed than in later times, and the stress was on an immediately useful specific skill or experience rather than general administrative ability.

Section 42 of the Act gave no guidance about comparing efficiency. The two following sections of the Act however gave some indication in the matter. According to section 43, examinations (relating to the work performed) could be prescribed as a condition of promotion and performance therein could therefore be regarded as an indication of efficiency. Section 44 gave power to the Commissioner to recommend officers for promotion. The Commissioner depended mainly on his Inspector's
reports which compared the efficiency of officers.

Examinations

Examinations were an important feature of the promotion system of the Commonwealth service right from the beginning. The Act itself prescribed two examinations and permitted other examinations to be prescribed (S. 43). The Regulations (144-146 and 197) of 1902 gave details of only the two in-service examinations in the Act, one for advancement from the General to the Clerical Division (S. 23(4)) and another for drawing the minimum salary at the age of twenty-one (S. 21). But before the end of the decade their number had increased to nearly fifteen.

This was mainly due to the urgent need of proven technical competence for many positions in the General Division of the Postmaster-General's Department.32 The ball was set rolling by the Chief Electrical Engineer of the Department in 1907 in a minute asking for examinations to be held for the more important positions in the Telephone Section.

32. This paragraph is based on C.A.A: C.P. 121.(28).
The matter was referred by the Commissioner to the various Public Service Inspectors for their opinion. All of them were in favour of examinations in general. The case for examinations was well summarized by the Examiner, Mr. Healey. He felt that the lack of officers who were either trained or could be trained on the basis of a good general education was due to the evil of patronage in the past. He added:

Whatever may be said in disparagement of examinations I am convinced that an officer who is required to pass a good examination in his early years is better intellectually than one who is not. His intellect has undergone some degree of training and his capacity for the acquirement of knowledge is greater and he is able to assimilate knowledge by means of book study - an important factor in Electrical Science...... Whatever may be the defects of examinations, they at least secure this - that the person appointed discloses a reasonable proof that the necessary knowledge is possessed.

The Commissioner though afraid of being "charged with importing too many examination periods in the service", agreed with the Examiner. As a result, practically all higher positions in the Electrical Branch and many of them in the Engineering Branch were filled by examination, from 1908 onwards. The number of promotion examinations increased year by year owing
to the demand for them from the Branch heads of the P.M.G.'s Department. The Commissioner became an enthusiastic apostle of the system of preferment by examinations and in his reports harped on the opportunities they gave to aspiring officers. 33

There were broadly two types of promotion examinations, namely examinations of a general nature and examinations for advancement to a particular category of positions. To the first type belonged the examination for advancement from the General to the Clerical Division. According to the Act and original regulations it was to be of the same standard as the clerical entrance examination. In practice it developed significant differences. 34 The General Division officers had to pass only in Handwriting, Dictation, English and Arithmetic, whereas the outside candidates for clerical entrance had to pass

33. C.P.S.C. 7th Report, p.6 and 8th Report, p.24. From the appendices of his annual reports it appears that the number of types of promotion examinations increased from 2 in 1904 to 15 in 1912.

34. C.P.S.Regulations, 1912. Compare regs 193 and 196. A slightly stiffer test was to be passed by those who wanted to enter the 4th and higher classes of the Clerical Division. See reg.197.
in English History and Geography in addition and might also offer two more options. The former were instead required to pass in some subjects related to particular positions in the service. Thus the examination, though more general in nature than other promotion examinations, became partly oriented to specific jobs.

Two other general examinations current in the first decade were given up by 1912. There was a simple examination in such subjects as Precis writing, Handwriting, Dictation, Letter writing and Departmental Acts and Regulations for Clerical Division officers to qualify for the basic minimum adult salary of £110 per annum. This was abolished in 1912 by the Fisher Labour Government. 35 Secondly, Telegraph Messengers (recruited between 14 and 16 years of age) had to qualify for promotion to some position in the General Division, if they were not to be discharged when they reached the age of 18. This insistence on passing some promotion

35. C.P.S.C. 8th Report, p.40. See also Public Service (Amendment) Act, 1911.
examination was given up by 1911, since there were increasing opportunities to absorb these youths. They were retained and promoted if they had passed in Arithmetic either in their entrance examination or later.

The examinations of the second type (to qualify for a particular position) could be subdivided into two categories. There were examinations strictly referring to some manipulation for example, the examinations in Telegraphy to qualify for promotion over £120 p.a. and to qualify for £260-285 p.a., the sorting test for Sorters to be promoted as Senior Sorters, and similar examinations for Letter Carriers and Telephonists. Owing to complaints of many officers about nervousness (affecting their examination performance) these manipulative abilities were reported on by Advisory Boards of senior officers for each State. These examinations merely insisted on a minimum standard of

manipulative ability before advancing to the next grade. The other category of examinations included general subjects like Trigonometry or Geography in addition to subjects bearing on the specific job. Promotion examinations for positions of Mechanics and Senior Mechanics, Instrument Fitters, Senior Linemen, Managers of telephone exchanges and the entrance examination for Junior Assistant Engineers were of this type. 38 Practically all senior positions in the General Division in the Electrical and Engineering Branches were filled through this type of examination. Their aim was to test (a) basic knowledge in general subjects like Physics or Trigonometry - to make further training possible; (b) knowledge relevant to the job - like departmental regulations or simple work-methods such as the way of laying a cable or operating a particular exchange; and (c) supervisory ability. The first two were

38. Op. cit. p.11 for a list of examinations then current. See the Commonwealth Gazettes of any of those years after 1908, for announcements of examinations with detailed syllabi and lists of qualities tested in practical examinations. In those years, many details about examinations were not included in the Regulations.
tested by written papers and oral answers to questions. There were questions regarding the last in the practical examinations. It is difficult to see how it was tested by questioning. The examiners were mostly departmental senior officers for (b) and (c) while for (a) external examiners were also used. Where supervisory ability was not tested in the examination, it was evaluated in the Inspector's reports on the officer.

All but a few of these promotion examinations were for positions in the General Division. There were no promotion examinations within the Clerical Division itself though the first Commissioner toyed with the idea of a departmental examination in accountancy for promotion.39

These examinations were more important to the promotion system in those years than in later times. Many in-service examinations were necessary since the State education systems and technical

apprenticeships were not well developed in those days.  

The service recruited a large number of Telegraph Messengers to the General Division very young, and the only way they could remain and advance in the service and the only way the service could obtain competent technicians from within was through a variety of in-service examinations. It was later realized that the carrot held at the other side of the examination hurdle was not enough and that training was necessary to surmount the hurdle. In the earlier years fees were refunded to students who passed examinations, and bonuses were granted to officers who trained younger men.  

The pressing need for more technicians about 1914 resulted in more ambitious programmes, such as opening Postal Institutes providing various courses.

In-service examinations owed much to the two dominant strands in Australian character namely,  

40. R.S.Parker, Public Service Recruitment in Australia, 1942, pp.80-86.  
41a. C.A.A: C.P.121. (56).1915/v/14278. contains the full report of the official committee on Recruitment and Training of Junior Officers in the P.M.G's Department. See pages 54 onwards.
egalitarianism and pragmatism. The examination to enable General Division officers to pass into the Clerical Division was supported by the egalitarian sentiments of many members of Parliament in 1901. Most promotion examinations were open to all officers in the service and the Commissioner, more than once, reminded officers that they all had the marshal's baton in their knapsacks. This was guaranteed by the absence of differential recruitment at a higher level and the restrictions on outside recruitment at any level. It was also proved by the fact that a high percentage of the entrants into the Clerical Division were promoted General Division Officers, as shown by the following table.

<table>
<thead>
<tr>
<th>Year</th>
<th>1905</th>
<th>1906</th>
<th>1907</th>
<th>1908</th>
<th>1909</th>
<th>1910</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Appointment by examination</td>
<td>55</td>
<td>31</td>
<td>53</td>
<td>99</td>
<td>98</td>
<td>91</td>
</tr>
<tr>
<td>Promotion from the General Division</td>
<td>-</td>
<td>-</td>
<td>156</td>
<td>195</td>
<td>128</td>
<td>137</td>
</tr>
</tbody>
</table>

N.B. After 1917 the General to Clerical examination was confined to returned soldiers in the service during 1918 and not held often thereafter.

A rather narrow pragmatism dictated that each specific job should require a certain specific technical ability - hence the number of examinations multiplied along with the different categories of posts. Members of the first Commonwealth Parliament laid stress on practical examinations related to the duties of the position and this was written into section 43 (2) of the Act. This was also in tune with the idea of work value (sanctified by the classification) and the letter of section 42 linking aptitude and qualifications to the duties of a particular post.

Examinations were very important to the promotion system for the majority of promotions in each year were in the General Division and from it to the Clerical Division as shown in the table below and these were based on examinations.

---

**Table II (Contd.)**

<table>
<thead>
<tr>
<th>Year</th>
<th>1911-</th>
<th>1912-</th>
<th>1913-</th>
<th>1914-</th>
<th>1915-</th>
<th>1916-</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>12</td>
<td>13</td>
<td>14</td>
<td>15</td>
<td>16</td>
<td>17</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Direct Appointment by examination</th>
<th>179</th>
<th>178</th>
<th>180</th>
<th>156</th>
<th>164</th>
<th>196</th>
<th>1470</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promotion from the General Division</td>
<td>308</td>
<td>779</td>
<td>291</td>
<td>283</td>
<td>144</td>
<td>135</td>
<td>2556</td>
</tr>
</tbody>
</table>

---

42a. Supra, p.44.
### Table III

**Table of annual promotions 1907-1922**

(Compiled from C.P.S.C. Annual Reports)

<table>
<thead>
<tr>
<th>Annual period</th>
<th>Promotions in the</th>
<th>Promotions from</th>
<th>Total of annual promotions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Professional Division</td>
<td>Clerical Division</td>
<td>General Division</td>
</tr>
<tr>
<td>1907</td>
<td>7</td>
<td>221</td>
<td>814</td>
</tr>
<tr>
<td>1908</td>
<td>6</td>
<td>366</td>
<td>716</td>
</tr>
<tr>
<td>1909</td>
<td>7</td>
<td>170</td>
<td>358</td>
</tr>
<tr>
<td>1910</td>
<td>13</td>
<td>174</td>
<td>1068</td>
</tr>
<tr>
<td>Jan. 1911-June 1912</td>
<td>33</td>
<td>354</td>
<td>1856</td>
</tr>
<tr>
<td>June 1912-June 1913</td>
<td>26</td>
<td>237</td>
<td>1160</td>
</tr>
<tr>
<td>1913/14</td>
<td>38</td>
<td>390</td>
<td>1493</td>
</tr>
<tr>
<td>1914/15</td>
<td>26</td>
<td>282</td>
<td>1417</td>
</tr>
<tr>
<td>1915/16</td>
<td>32</td>
<td>327</td>
<td>1455</td>
</tr>
<tr>
<td>1916/17</td>
<td>25</td>
<td>215</td>
<td>1322</td>
</tr>
<tr>
<td>1917/18</td>
<td>15</td>
<td>217</td>
<td>1096</td>
</tr>
<tr>
<td>1918/19</td>
<td>11</td>
<td>254</td>
<td>913</td>
</tr>
<tr>
<td>1919/20</td>
<td>26</td>
<td>312</td>
<td>773</td>
</tr>
<tr>
<td>1920/21</td>
<td>34</td>
<td>504</td>
<td>1596</td>
</tr>
<tr>
<td>1921/22</td>
<td>30</td>
<td>560</td>
<td>1501</td>
</tr>
</tbody>
</table>
N.B.

The total of the 4th and 5th columns (i.e. General Division and General to clerical promotions) is given in brackets in Column 6 and makes more than three-fourths of the total in most years.

The General to Clerical promotions decreased after the war owing to restrictions on in-service examinations to provide for returned soldiers. They increase after 1920 but there were complications due to soldier preference.

The total number of promotions was also restricted during war years.

Figures in Column 5 are mostly promotions from General to Clerical Division and the few other promotions from the General to the Professional Division are indicated in brackets.

Examinations made it easier to reject incompetent seniors, for seniority was a stubborn fact and could be rejected only on the basis of something as factual as failure in an examination. The
Commissioner flaunted the examinations every time a member of Parliament enquired on behalf of a rejected senior.\textsuperscript{43} Apart from weeding out incompetents, examinations were also used to compare efficiency when they were competitive.\textsuperscript{43a} All in all, they did more than anything else to raise the concept of efficiency to a high place in the promotion system.

**Inspectors' reports.**

Supervisory ability and general administrative qualities were intangibles outside the province of examinations. The Commissioner evaluated them on the basis of the reports of his Inspectors.

It was the duty of each Inspector according to section 8(1) of the Act to "inspect each or every department" and "examine so far as was practicable the officers thereof". The information in the reports was based on these inspections. The

\textsuperscript{43} C.A.A: C.P.121. (12). 1908/K/1262.
\textsuperscript{43a} C.A.A: C.P.121. (19). The Commissioner also tried to convert qualifying tests into competitive ones by opening them to outsiders - against the spirit of the Act.
Inspectors testified before the Postal Commission that they tried to get information by all means available. Two types of information were obtained, the first gathered by independent personal observation and contact with the officer, and the second consisting of the opinions and estimates of branch heads and Chief Officers and of any others whom the Inspector consulted. The Inspector's final judgment was arrived at after weighing and comparing the various estimates of supervisory officers and correcting and collating them with his own observations when possible.

The reports did not follow any set pattern or form. They were generally made when a promotion or a set of promotions was recommended or when an off-the-beat office or a section of a Central Office was inspected. In the former case they contained reports on the officers considered while in the latter case they included details of organization and management in addition. The report on an officer usually started with some factual details such as his

age, service history and examination qualifications if any. This was followed by remarks on his personal qualities, such as his ability to get on with and control other officers, his general temperament and his general efficiency. There was no obvious attempt to evaluate a previously determined set of personal traits, and there was no uniformity about the reports of different Inspectors or even of the same Inspector. This probably did not affect the value of the reports since the Inspectors and the Commissioner knew one another personally and worked on a common set of assumptions.

A few sample extracts from some reports are reproduced to illustrate their nature. An Inspector's guarded report on an applicant (recommended by his permanent head) for a responsible post in the Audit Branch was a model of official caution. It said: 45

Mr. H. is a capable and intelligent officer who may be regarded as being efficient. He has a thorough knowledge of Customs work including the audit but he has had no experience of so far outside Customs work. I think however that he would soon acquire the necessary knowledge and therefore would be inclined to concur with the recommendations of the permanent head.

45. C.A.A: C.P.121.(14).
A more chatty report on some officers of a Branch (to be taken over) in the earlier years had the following passages:46

Regarding H., W. describes his punctuality as satisfactory, diligence very good, efficiency good, conduct very good. He however qualified this by the opinion that he had no initiative and could only work safely under control. . . . . . . He has a nervous excitable manner and bears evidence of the bad condition of his blood in the sores on his hands. Though Mr. W. desires his transfer and speaks fairly well of him as an officer, I do not think the Commonwealth should take him over unless it is fortified by a medical report.

Regarding D., W. grades him satisfactory as regards punctuality and very good as regards diligence, efficiency and conduct. He states that he can leave D. in charge when he is on leave as his capacity and aptitude are much superior to those possessed by Mr. H. I formed the conclusion that Mr. D. was above average in capacity and knowledge of his work. . . . . If possible I should recommend that the position of first assistant should be secured to him as against any of the officers at present working in the Branch.

In another report an Inspector gathered information that N. was "an impossible man, irritable and unable to get through work without friction with staff".47 A cryptic report by an Inspector referring to an officer as rough ruined his chances for a high supervisory position.48 Nor was a dry humour absent

46. C.A.A: C.P.121. (18).
47. C.A.A: C.P.121. (22).
from these reports as shown by the following example: 49

Mr. H. is a military looking type of man who has a grievance against the Commonwealth owing to his not having been promoted to higher positions for which he has been an applicant ....... But from my inspection of his work I am satisfied that he lacks method and system and that while he is a good manager of men and has his staff under good disciplinary control, he is very much wanting in office organization.

Regarding C, this officer has all the appearance of a Chinaman and apparently has a rooted antipathy to soap and water and smells strongly at twenty yards distance. I am not at all impressed with him and I consider he is adequately paid at his present salary.

Many criticisms were made during those years regarding the processes through which information was obtained for the reports, the assumptions behind them and their general validity. Even in the debates in the Senate on the Act, some Senators had called the proposed system of Inspectorial reporting a wasteful duplication of departmental sources producing a useless mass of second-hand opinions and hearsay. 50 Similar criticisms were made in the evidence before the Postal Commission in 1909-10. The permanent head of the P.M.G's department and his Deputies offered two

49. C.A.A: C.P.121. (34). S.286. This group of files from S.275 to S.287 is full of vigorous pen portraits by Inspector Skewes who later became a Commissioner.

50. Supra, pp.39-40.
slightly conflicting criticisms, first that the Inspector was nosing around too much and destroyed departmental discipline thereby, and second that the Deputies had a better knowledge of their officers. 51

The public service associations in general felt that the Inspector could not and did not examine all officers personally and had to lean heavily on the estimates of departmental branch heads - a position which they did not like. 52 The Inspectors themselves said that they carried personal inspection to the utmost limit, got information "from the Chief Officer to the humblest man" and took departmental opinions for only "what they were worth". 53

From the huge mass of evidence before the Postal Commission (over 2000 pages of evidence) and from the even greater mass of contemporary files, (251 running feet) the following conclusions emerge. The Inspectors in general personally examined many officers, particularly at the senior levels, but it was not humanly possible to examine every officer even at that

level. They relied to a large extent in many other cases on the opinions of branch heads and Chief Officers. The assumptions on which this system worked were (a) that during a personal examination of an office or an officer the efficient man could be picked out without any difficulty and (b) that the opinions of branch heads could be checked for favouritism and bias by comparing various opinions, by personal knowledge of branch heads and personal observation of officers in some cases.

The system worked in the first decade because the size of the service (excluding the General Division where promotion was largely based on examinations) was quite manageable. Though personal inspection of every officer was impossible, general personal contact was possible to such an extent as to provide a check on second-hand opinions. Even this became progressively impossible in the second decade when the service doubled in size, and arbitration work consumed most of the time and energies of inspectors. But more of this in the next chapter.
The main question still remains to be answered. Whatever was the manner of gauging efficiency, what weight did it carry as against seniority in promotions? What were the incentives to individual efficiency and what factors worked against it?

Section 42 of the Act made it all too clear that efficiency was to be the primary consideration in promotions. The first Commissioner claimed that it was the only consideration. He expended all his rhetoric on the subject, exhorting and explaining, ridiculing and boasting. In closing his first Annual Report, he gave a graphic description of the efficient man as against the gossip and the sluggard. In his next report a similar exhortation is wound up with the warning that "officers must be reconciled to the fact that all promotions in the service are and will be made on the basis of merit, efficiency and loyal service."54 In later reports he enlarged on the great opportunities for ambitious youth in the

service because of the stress on efficiency. He claimed that the Commonwealth made a radical departure from State traditions in making efficiency the central consideration. Some of his glowing references could even be construed to mean that efficiency was a patentable invention of the Commonwealth service. His Inspectors naturally asserted before the Postal Commission that efficiency was the chief consideration in promotions (see footnote 44).

In practice some factors were against such an ideal state of affairs. The Commissioner and his Inspectors depended heavily on departmental officers in judging efficiency and making promotions. The latter were mostly imbued with the earlier State tradition of regarding fitness and seniority together. The senior officer thus stood a better chance if reasonably competent. The first Commissioner complained about this dependence on departmental officers in his first report (p.61) and hoped for better results when his Inspectors could get to know

more of the service. The Inspectors in fact acquired a better grip of things before the end of the first decade - only to lose it in the course of the second.

Two factors in the Act itself favoured seniority and experience. The first was section 44 of the Act which took away part of the force of section 42. Every time a junior officer was promoted the Commissioner was required to certify that there was no senior officer "as capable of performing the duties of the position" as the officer promoted. This requirement in those days could have effectively deterred the selection of an efficient junior of good potential if there was no provable margin of efficiency, and evidence before the Postal Commission showed that it favoured seniority at the expense of efficiency. 56 Secondly, the definition of efficiency in the Act related it to the specific post to be filled. The branch heads generally interpreted this to mean (successful) experience in the immediately lower position - thus favouring a competent senior with the relevant experience. Added to all this was the

inexplicable natural human weakness for seniority in the absence of an opposing categorical imperative.

Fortunately for efficiency, these legal and natural inhibitions were opposed by two factors. The stronger of these was the growing number of in-service examinations which governed promotion in the large majority of cases. The other was the personal influence of the first Commissioner on the side of efficiency and against departmental exclusiveness and mere length of service.

The net result was that the absolute incompetents and the mere plodders were weeded out at the bottom by examinations and the stage was set for the emergence of the tough man with specific efficiency and often with a limited general outlook. Among these emergents themselves seniority stood a better chance in the absence of further examination qualifications.

Lastly, we should not forget to mention McLachlan's elimination of the vestiges of political influence in promotion. He severely warned officers
in his very first report (p.44) against approaching members of Parliament for advancement, and conscientious members were glad to use copies of his warning to keep off pestering constituents. The new promotion examinations also helped him to justify to their patrons the overlooking of seniors.

Some features of the promotion system under Commissioner control

A striking feature of this period, in view of later changes, was the importance of the General Division apart from its numerical dominance. We have already noted how promotions in the General Division and from it to the Clerical formed the large bulk of annual promotions. This was in sharp contrast with the later forties when the number of Fourth Division promotions barely equalled those of the Third though its strength was over twice that of the Third Division. The following table shows that up to 1922 promotion opportunities in the General Division did not suffer by comparison with the Clerical Division.

57. C.A.A: C.P.121. (54). 1915(L)5844.
58. Bailey Report, Appendices, A.
PROMOTION COEFFICIENT TABLE (Compiled from C.P.S.C. reports).

Table IV

<table>
<thead>
<tr>
<th>Annual Period</th>
<th>Professional Division</th>
<th>Clerical Division</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Promotion Coefficient</td>
<td></td>
</tr>
<tr>
<td></td>
<td>for the</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Professional Division</td>
<td></td>
</tr>
<tr>
<td></td>
<td>for the</td>
<td></td>
</tr>
<tr>
<td>1907</td>
<td>7/68 (10.3)</td>
<td>221/4496 (5)</td>
</tr>
<tr>
<td>June 1912-1913 July</td>
<td>26/192 (13.7)</td>
<td>237/5135 (4.7)</td>
</tr>
<tr>
<td>1917-18</td>
<td>15/377 (4)</td>
<td>217/6042 (3.6)</td>
</tr>
<tr>
<td>1921-22</td>
<td>30/473 (6.4)</td>
<td>560/6249 (9)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>General Division</th>
<th>Whole Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>1907</td>
<td>814/7179 (11.3)</td>
</tr>
<tr>
<td>June 1912-1913 July</td>
<td>1160/11,701 (9.9)</td>
</tr>
<tr>
<td>1917-18</td>
<td>1096/16,583 (6.6)</td>
</tr>
<tr>
<td>1921-22</td>
<td>1501/16,475 (9.1)</td>
</tr>
</tbody>
</table>

N.B. Promotion Coefficient is the ratio of the annual number of promotions in the Division to the strength of the Division at the beginning of the period. The numerator in the table is the actual number of promotions and the denominator is the actual strength of the Division. The figure in brackets expresses the ratio as a percentage. It is a very rough indication of annual promotion opportunity in the Division in the absence of differential recruitment or significant outside recruitment at a higher level. It is a crude measure and could be sometimes misleading but not unreliable for comparison over a few years.

The low opportunity in 1917-18 was due to the restriction on promotions during the war.

While the higher Coefficients for the General Division truly indicate more promotion opportunity therein, we must not forget that the grades were narrow and a promotion meant less financial gain than in the Clerical Division.
We have already shown how the total number promoted from the General Division to the Clerical far outnumbered those directly recruited to it by examination from outside.\(^59\)

The General Division in this period had more promotion opportunity in itself and provided more recruits to the Clerical ranks than it ever did in later years. The Commissioner's eternal concern to improve the quality of telegraph messengers\(^60\) which seems ridiculous to us now was then a mere necessity, and the myth of messenger boy to departmental head had a solid numerical foundation.

The tendency to provide a greater proportion of higher jobs to professionals was already burgeoning in this period as the following table shows.

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59. Supra, pp. 88-89 Table, II.
Table of officers in the higher and lower classes of the Clerical & Professional Division (compiled from C.P.S.C. reports).

<table>
<thead>
<tr>
<th>Month and Year</th>
<th>Clerical Division</th>
<th>Professional Division</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Higher Classes</td>
<td>Lower Classes</td>
</tr>
<tr>
<td></td>
<td>Number of officers in the</td>
<td>Number of officers in the</td>
</tr>
<tr>
<td>January 1907</td>
<td>405 (9)</td>
<td>4091 (91)</td>
</tr>
<tr>
<td></td>
<td>33 (48.5)</td>
<td>35 (51.5)</td>
</tr>
<tr>
<td>June 1912</td>
<td>581 (11.4)</td>
<td>4554 (88.6)</td>
</tr>
<tr>
<td></td>
<td>83 (42.6)</td>
<td>109 (57.4)</td>
</tr>
<tr>
<td>June 1917</td>
<td>figures in the annual report wrong and do not add up properly</td>
<td></td>
</tr>
<tr>
<td></td>
<td>183 (49)</td>
<td>194 (51)</td>
</tr>
<tr>
<td>June 1922</td>
<td>739 (11.2)</td>
<td>5858 (88.8)</td>
</tr>
<tr>
<td></td>
<td>345 (71.9)</td>
<td>136 (28.1)</td>
</tr>
</tbody>
</table>

N.B. The lower classes are classes 4th and 5th of the Clerical Division and E and F of the Professional Division and the higher classes are classes above these. Figures within brackets are percentages of the higher and lower classes respectively to the total of the two. The steady increase in the higher class content of the Professional Division even in this period was an augury of the coming importance of professionalism in the service.

The first Commissioner was also keen to treat the service as one and to discourage departments from becoming watertight. In practice, however, the number
of inter-departmental promotions was not very significant; for example, in 1908 they could be counted on one's fingers; and in 1917-18 they had increased to only 70 out of a total of 1480 promotions for the annual period, 60 of them being in the General Division, one in the Professional, and nine in the Clerical Division two of which were in the classes above the fourth. 61

The philosophy and practice of promotion in this period can broadly be summed up under five traits: (a) pragmatism as exemplified in the relation of efficiency to the duties of the specific position and the increasing number of in-service examinations to suit different jobs; (b) egalitarianism as shown in the larger numbers promoted from the General to the Clerical Division and in the openly accepted dictum that many future executives were to be drawn from the General Division; (c) the search for guarantees and calculability through precise detailed Acts and regulations defining the criteria of promotion and

61. These figures are taken from the annual Permanent Staff Lists maintained from 1904 to 1940 by the Commissioner and later the Board.
through examinations so as to avoid favouritism and satisfy the employees; (d) the enormous importance of procedure in a service spread over a vast continent of nearly three million square miles; and (e) the slow burgeoning of professionalism. The later chapters show how some of these traits decreased or increased in importance in later years.

But Commissioner control during this period was being challenged by various forces which we shall investigate in the next chapter.
CHAPTER IV
THE PRESSURES AGAINST STAFF CONTROL BY THE COMMISSIONER.

During the currency of the first Commonwealth Public Service Act the permanent heads on one side and public service associations on the other were dissatisfied with different aspects of its incidence on themselves. The pressure they brought to bear led to various enquiries and ultimately resulted in the passing of the second Commonwealth Public Service Act (in 1922 and 1924).

Of the two groups the permanent heads (including their Chief Officers) spent their ammunition against Commissioner control mostly before 1911, having fired many of their volleys during the enquiries of the Postal Commission in 1909 and 1910. Thereafter they worked out a modus vivendi with the Commissioner. The public service associations, which maintained a continuous pressure for promotion appeal rights, stepped it up after the Arbitration (Public Service) Act of 1911 provided a forum for agitation. We shall deal with the permanent heads first and then the impact of arbitration and the associations on Commissioner control, taking also a brief look into
the demands of returned soldiers.

The sulking permanent heads

The Commonwealth Parliament in 1902 deliberately chose staff control by a Commissioner in spite of a tough fight in the Senate for control by permanent heads. But the issue was kept alive partly because the transfer and integration of the State Customs and Postal departments involved their former permanent heads in each State in a double humiliation. All but two of them were reduced to the status of mere Chief Officers under Commonwealth permanent heads who were themselves controlled by the Commissioner in staff matters.

An even more important reason was the strong

1. Supra, pp.38-41.
2. Of the six permanent heads of the six State Postal departments transferred, only one, of course, could be chosen as the permanent head of the integrated P.M.G.'s department of the Commonwealth, the others being appointed Chief Officers of the department in each State. The same happened in the Customs department. The permanent head of the Victorian Postal department was not chosen to head the new P.M.G.'s department of the Commonwealth in Melbourne and this made it difficult for him to adjust himself to his new reduced status in the same city. For details, see Leo Blair, "An early Administrative Contretemps", Public Administration (Sydney) Vol. XV, No.3, p.245.
administration of this control by the first Commissioner, D.C. Maclachlan, with his powerful inspectorial weapons. He believed in using fully the powers conferred on him by the Act, and his vigour and drive must have been frequent sources of irritation. Nor was adjustment easy in the early transition years, during the integration and classification of the service, which called forth all his natural and legal powers. The irritations were aggravated by lack of consultation between his Inspectors and the Chief Officers before a modified procedure was inaugurated in 1909.3

As the largest department embracing over 90 per cent of the service, the Post Office led the attack on Commissioner control when it got the chance during the Postal Commission enquiries in 1909.4 Both sides

3. Supra, p.68.
4. The Labour Members of Parliament were dissatisfied with the working conditions in post offices for some time and were severely critical of them during the supply debates in 1908, insisting on some extra-departmental enquiry (See C.P.D. Vol. 46.pp.11283-6). The Government appointed a Royal Commission the same year with wider terms of reference to inquire into the management, finance, organization including discipline, and complaints (Postal Commission Report p.3). The enquiry developed into more than an investigation of working conditions and employee grievances and much of it was devoted to a discussion of the alternative virtues of Commissioner Control and departmental management. It went on during 1909 and part of 1910 and the report was presented in October 1910 to Parliament. Regarding the importance of the P.M.G.'s department to Commissioner Control see Economies Commission, First Progress Report, p.29.
well knew that if the Post Office was placed under a different type of management, what was left of the service would not justify the continuance of Commissioner Control but they rarely mentioned it in public.

We shall present the respective viewpoints of both parties in their own words from their evidence before the Postal Commission. Note must be taken however of exaggerations in this evidence owing to a recent contretemps involving the Commissioner and the permanent head, memories of Inspectors' coolness to Chief Officers, and the general encouragement of dirty linen washing by the Commission.  

In his opening evidence the Secretary to the Postmaster-General's Department, Mr. Scott, declared that responsibility and power were divorced under the Act and added:

5. See Postal Commission Evidence, p.2330 for details of the contretemps and p.1621 for an example of misunderstanding between an Inspector and a Chief Officer. Any open enquiry encourages dirty linen washing and exaggeration and the Postal Commission seem to have encouraged it particularly through their leading questions.

The administration of the Public Service Act has in my opinion been extremely autocratic; the advice, views and recommendations of responsible officers of the department have been set aside without any consultation or explanation in some cases to such an extent that Chief Officers have declined to make further recommendations to be thus set aside, believing that this treatment of their recommendations had a tendency to lower them in the eyes of their subordinates and to interfere with proper discipline. Great exception has also been taken by some of the Chief Officers to the action of Public Service Inspectors in obtaining information and reports from their subordinate officers without any reference to them - a course which necessarily belittles the Chief Officer and interferes with his control.

Later in his evidence he claimed that his Deputy Postmaster-Generals had a better knowledge of departmental officers than the Inspector and were the best persons to decide promotions and punishments and summed up by declaring:7 "I consider that the management must control the staff and that it must have power to make rewards and give punishments." The same conviction was repeated more dramatically in these words:8 "If you deprive the manager of the power to give punishment and rewards, you deprive him of the power to exercise discipline." The evidence of the Deputy Postmaster-Generals was on similar lines.

The arguments for independent Commissioner control of staff matters were summed up by the Commissioner D.C. McLachlan. He explained that the system of staff control by departmental heads, which was allied with patronage, was tested and exploded in the States, and Commissioner control was deliberately instituted by the Commonwealth Parliament. With charming frankness he explained: "All the heads of branches, no matter where they are, are practically against my administration because they cannot do as they like." About their non-cooperation and lack of responsibility in recommending promotions he said:

My experience since the inception of the Act has been that in many cases, Chief Officers have not exercised the necessary discrimination in recommending officers for promotion and seeing that the ultimate responsibility rests upon the Commissioner they have not hesitated to recommend officers who have no claim for consideration. The Chief Officer thus receives credit for good intentions towards his officers while the Commissioner is looked upon as the stumbling block to their promotion.

According to the permanent head the Chief Officers refused to recommend, fearing a snubbing

rejection. According to the Commissioner they recommended one and all since they had no ultimate responsibility. The situation was deplorable if either allegation was true. Each was partly true though both sides exaggerated things considerably.

The Postal Commission accepted much of the criticism of Commissioner control by implication and suggested the remedy of vesting the ultimate control of staff in a Board of departmental officers.11 The Commissioner marshalled again his arguments against departmental control of promotion thus:12

In its recommendation on this subject apart from the statement that divided control is undesirable and unnecessary, no reasons are furnished for such expression of opinion. It must be assumed that the Parliament in placing the control of the personnel of the Service and the disposition of officers in the hands of the Public Service Commissioner had in view the desirableness of some separate authority which would regulate the classification and advancement of officers throughout the Commonwealth instead of their being subject to the caprice or prejudice of officers in charge of the several States.

In that long sentence the Commissioner was also reflecting the view of many public service associations

11. Postal Commission Report, p.188.
to whom he appeared as a guardian against the incipient tyranny of the immediate superior officer as expressed in these words of an association representative: 13

We claim and it has been borne out by experience that it is very necessary to have these recommendations reviewed and the only way they can be reviewed is by the Commonwealth Public Service Inspector asking why the recommendations were made.

The main recommendation of the Postal Commission was shelved by the Fisher Labour Ministry which was not so much interested in the form of management of the postal service as in the wages and conditions of employees therein. 14 But relations between the Chief Officers and the Commissioner improved speedily after 1911. The improved procedure introduced in 1908 with emphasis on consultation between the Chief Officer and the Inspector, was beginning to bear fruit. Secondly, public service arbitration, introduced in 1911, drained the attention and energies of inspectors and forced them to lean more on departmental officers in regard to staff matters.

13. Postal Commission Evidence, p.1242. See also p.1319.
We must now turn our attention to this eleventh commandment of the Australian body politic.

Public Service Arbitration.

The Fisher Government granted public service associations access to the Arbitration Court in 1911 mainly to provide a permanent solution to their recurring dissatisfaction with salaries and gradings and to avoid their frequent approaches to the Parliament on that score. This was an unexpected and double victory for the associations since they won it without really fighting for it and the Court also served as a forum to make further demands.

Any association of officers registered under the Arbitration (Public Service) Act of 1911 could lodge a claim for improved salaries and working conditions before the Court. After the claim was argued for by the association and against (in part or whole) by the Commissioner and the department, the Judge gave an award which in many cases granted some of the

15. C.P.S.B. 1st Report, p.41 and McLachlan Report p.20. The salaries of Telegraphists were a live issue for some years before 1911. But in addition to all this, there is oblique evidence in the debates on the Arbitration (Public Service) Bill of Labour's intention to push it through as an article of their faith regardless of the immediate need or demand for it. See C.P.D. Vol. 62, pp.3562-3587. See in particular p.3575.
On the face of it there would appear to be little relation between an award of a general increase in salaries to a whole group, and promotion which is a highly personal reward for individual initiative and efficiency. But in practice, arbitration affected the promotion process in many ways. Some of its unintentional effects threw the process out of gear for a while. We have already noted its disturbing effect on the determination of seniority. As for anomalies, the Letter Carriers' award of 1920 contained so many that officers refused promotion to certain higher positions because it would have involved a reduction in salary. These extremes were avoided later by greater flexibility and care.

The Court also directly prescribed conditions of promotion in its first (public service) award to the Postal Electricians' Union in 1913. Promotion from the Junior Mechanic's position to the Mechanic's was made conditional on a pass in a qualifying examination,

16. The technical terms used in arbitration are lodging a claim or filing a plaint; and the Judge (or since 1920 the Arbitrator) gives an award or a determination.
17. Supra, p.77.
and promotion thence to the Senior Mechanic's position followed a pass in a similar examination and five years' experience. But in later awards, the Court refused to interfere with prescribed conditions of promotion, such as an examination or a supervisor's report.20

The most important effect of arbitration in the estimation of McLachlan, was on the classification structure.21 The original classification was, according to him, a coordinated whole, and the salary limits of each class were based upon its relative importance and work value, and also determined the incentives for promotion to it and above it. On the other hand the Arbitration Court had to concentrate on a specific claim of a group of officers. Each award of increased salaries to one group changed its relative importance, disturbed the balance of the classification and drove other groups to file claims setting in motion a continuous process of adjustment. By 1920, the Court had given 36 primary and 39 variation awards and completely altered the salaries and classification of every Division but the Administrative.22

The Court was not entirely to blame for the fissiparous outlook which mangled the classification. It looked at a Division as a whole when it got the chance, in the Professional Officers' case in 1917. But the ideas of work value and job specificity were inherent in the system and each group based its claim for increased salaries on variation in duties and work value. The Court in its turn had to lean heavily on these ideas. Indeed it adhered so rigidly to such of their corollaries as the points system for post offices that it evoked protests from their original prophet, the Commissioner. Arbitration set in motion the process of minute job valuation, the endless chain reactions of which are still with us today.

Arbitration also shifted the emphasis from personal incentive to collective case making. So long as the Commissioner had sole authority to promote, classify and upgrade, there was an urge to show efficiency in his sight, but when increases in salary could be won in groups from the Court some dilution of the urge was inevitable.

The first Commissioner referred also to the resultant indiscipline in the service, citing some

extreme cases of obstruction of honest officers, and also cases where supervisory officers belonged to the same association as their subordinates, gave evidence on the association side against the Commissioner before the Court and were so amenable to association pressure as to render worthless their reports on their subordinates.25

The Court was also used as a forum by the associations to press their demands for an appeal board and for greater recognition of seniority.26 Though the demands were dismissed, the hearings provided much publicity for the association viewpoint.

The last but not the least effect was the way the Court exasperated and exhausted the Commissioner and his Inspectors. As the number and complexity of the claims before the Court increased, the preparation of the case for the Commissioner and the interpretation of the awards given took most of the time and energies of

the Inspectors and left little indeed for the
inspection of departments. 27 The Inspectors began
merely to approve promotions decided on by departmental
officers. When McLachlan recommended transferring the
power of promotion to departmental heads in 1919, he
was advocating no sudden change.

The fight for promotion appeal rights

We have noted
earlier how the first Commonwealth Parliament discussed
a definite promotion appeal right but ended up by
including a vague general appeal section in the Public
Service Act. 28 Section 50 of the Act as passed gave
"any officer affected by any report or recommendation
or action taken under this Act" a right to appeal to an
appeal board containing a representative each of the
Commissioner, the department and the officers. We have
also noted how extensively this section was used in

Edwards, the Acting Commissioner, confessed to this
in toto. But the Postal Commission evidence showed
that full inspection was difficult even in 1909.
After that year the service doubled in numbers by
1917 and arbitration work increased from year to year
from 1911, while the number of Inspectors remained
the same. The obvious conclusion that they inspected
less and less is borne out by the first progress
report of the Economies Commission (p.85) and even
more by the virtual confession of the Acting
Commissioner when rebutting the Commission's charges
(see Economies Commission Report - Comments by the
Acting Commissioner etc. p.9 in C.P.P. Vol.58).

28. Supra, pp.45-46.
hearing and determining appeals against the Commissioner's first classification. 29

The Commissioner soon scotched all hopes of extending the appeal right to cover promotions. Concerned with the growing number of appeals relating to promotions made under the section he sought by some means to restrict its meaning. 30 The Attorney-General (Isaac Isaacs), however, solved his problem when he interpreted the section to cover only direct "affecting" of an officer by change of his own salary or status and to exclude indirect "affecting" by another officer's promotion. 31

The associations however kept the issue alive for two decades through letters to the Commissioner, articles in their journals, evidence before Commissions, cases before the Arbitration Court and the High Court and deputations to the Commissioner, to Ministers and members of Parliament. An amending Bill introduced by

31. Ibid. In practice the Commissioner restricted appeals to withholding of increments and reduction in status.
W.M. Hughes in 1908 at the instance of some associations to provide a board of appeal with a District Judge as chairman, lapsed owing to strong Government opposition. The latter were able to pulverize the clumsy Bill with the arguments provided by Commissioner McLachlan — arguments which may have deterred Hughes from reintroducing it after he became a Minister in 1909. The associations, however, made a case for promotion appeals before the Postal Commission, and also in a deputation to the Acting Commissioner in 1917.

The arguments advanced by them in these various attempts are worth a brief summary. Their case was essentially simple though they often introduced needless confusion into it. It rested firstly on the need for a fair hearing for any affected officer by a more or less independent body. Promotion or the denial of it affected an officer's career as profoundly as dismissal or suspension, and the associations never took seriously the contention that promotion was a privilege

32. C.P.D. Vol.47, pp.642-656. See also Postal Commission Evidence (Appendices) pp.2410-13 for McLachlan's brief to the Government against the Bill. 33. Postal Commission Evidence. See pages 903, 1194, 1212, 1213 and 1449 for samples of association case for appeals. Their case suffered heavily all the time from the vagueness of their demand and from their confusion of promotion appeals with many irrelevant things. 34. C.A.A: C.P.121. (63) 17/2420.
and not a right. Secondly, a right of appeal was a safeguard against the favouritism of the promoting or recommending officer. Thirdly, there was the egalitarian anxiety not to vest undivided power in any single person or body. The associations were not strongly opposed to Commissioner control if only because it was a check on departmental heads and Chief Officers.

Let us now summarize the arguments of the Commissioner. (a) His first argument was that an independent second review existed already. The Commissioner in his Olympian independence, advised by independent Inspectors, reviewed the promotion recommendations of departmental officers. The associations while admitting the plausibility of this view insisted that he was the first deciding authority and a further review was necessary. (b) His second point was that any independent appeal body with its formal methods of enquiry was unsuited to judge administrative ability or efficiency, which was incapable of legal proof and which required intimate knowledge of the service. It would not and could not use sources of
The need to prove efficiency would encourage promoting Officers to take refuge in the more easily proveable seniority. This important argument was repeated in various forms. (c) His third argument emphasised the inescapable delay that would attend each promotion appealed against to a formal body of enquiry. He even calculated the staggering delay if all the two thousand annual promotions were appealed against by the 13,000 officers in the service. He told the Deakin Ministry in 1908 that appeals would "render efficient and economical administration of Public Departments impossible of achievement". In reply to an association request he said that their proposal "had been shown to be impracticable if the affairs of Government (were) to be carried on with any regard to efficiency and economy". He pleaded before the Arbitration Court in 1916 that appeals would seriously hamper the service and delay promotions. In his own Royal Commission Report in 1919 he dwelt on their delays and dilatoriness and

37. C.A.A: C.P.121.(41) 1914/T/3157.
declared that "the future administration of the public service (was) too important and serious a matter to be prejudiced by endeavours to obtain theoretical justice". 39 
(d) He raised often the ghost of consequent indiscipline if every discontented officer could appeal against his superior's opinion of his efficiency. 40

While the issue was being joined thus the associations won a Pyrrhic legal victory in 1914 in the Killeen case in which Justices Isaacs and Powers, with Justice Griffith dissenting, decided that when several officers applied for a vacant office and a junior was recommended, the senior officer was affected within the meaning of section 50 of the Commonwealth Public Service Act and might appeal. 41 They however refused to serve mandamus on the Commissioner since the promotion in question had been already made by the Governor-General. This was poor consolation to the associations for it made clear that while the appeal right was available in theory it could not be exercised usefully except before the final promotion by the Governor-General and after the recommendation of the Commissioner, which could not be known by any legal means. This point was taken up by

40. Postal Commission Evidence (Appendices) p.2412.
41. 18 C.L.R.586. In the O'Brien case in 1919 the High Court held that a junior officer too can appeal on the basis of superior efficiency. (26 C.L.R.380)
the Clerical Association in a claim before the Arbitration Court in 1916 in which they demanded the publication of the Commissioner's recommendation a month before the final appointment. The Court refused the request, cheerfully adding that the current appeal provisions were worse than useless.

The same issue was raised in Parliament on more than one occasion in 1922, by a series of questions in answer to all of which the Home Minister had to admit that there was no obligation under the Act to inform officers of any recommendation for promotion. His evasive silence in the face of supplementaries indicated that the authorities were not averse to saving themselves embarrassment by rendering the appeal section a dead letter in practice.

But information of a promotion recommendation did leak out sometimes, and led to appeal hearings, which scared the authorities stiff. One appellant

42. C.A.R. Vol.10, pp.80-82. It is doubtful whether the Court had any jurisdiction in the matter.
practically established a right to counsel; another in 1922 excelled many a leading counsel in an exhaustive and exhausting cross-examination of witnesses to establish successfully his superior efficiency.45

In the meanwhile a scheme of promotion appeals had been recommended by McLachlan himself in his report on the service in 1920, as part of his overall plan to transfer the power of promotion to permanent heads.46 This was ultimately implemented in the Public Service Act of 1924.

Preference to returned soldiers

Returned soldiers are only peripheral to our study of the forces which affected Commissioner control of promotion, but the preferences extended to them in the public service in this period affected it in such important respects in later years that a brief study of them is justified.

The general principles of preference were

44. C.A.A: C.P.121. (81) 18/6669. This was an appeal regarding the withholding of an increment, but once established the right to counsel could be extended to promotions also.

45. C.A.A: C.P.121/ (107) 22/5085.

46. Chapter six is devoted to the study of McLachlan's Report.
cheerfully accepted by the Commonwealth Parliament with scarcely any debate; they might have been conceived by Prime Minister Hughes as likely to accelerate recruitment to the expeditionary forces, but in any case they were in accord with the general mood of the country and looked like a just recompense to those who fought for the defence of the Empire.

To summarise them, the Commonwealth Public Service Act was amended in 1915 to enable officers who had enlisted to include their war duty leave as part of their service and all entrance examinations were suspended so as to keep as many vacancies as possible for the youths who had enlisted. The suspension, however, so starved the departments of the needed staff and so affected their efficiency that examinations were resumed on the condition that the soldiers who would later take an examination within a year of their discharge would be placed

47. C.P.D. Vol. 18, pp.6599-6603.
48. This is only a plausible guess at his motive. Hughes returned after a short visit to Britain in 1916, full of enthusiasm for intensified recruitment, and started his conscription campaign which ultimately split the Labour Party. See Shaw, A.G.L., The Story of Australia, 1954, pp.224-228.
senior to all these appointees. The Act was amended again in 1917, to confine entrance examinations to returned soldiers, to extend the upper age limit for sitting for the examination, and the period of eligibility for appointment, to fifty years of age, and to include various other concessions regarding starting salary, seniority, sick leave, medical examination and life assurance. All these concessions related to new recruits, they affected the composition and quality

49. C.A.A: C.P.408.G.1932/42. The file tells an interesting story. It starts with the anxiety of an ardent father whose son had enlisted, discontinuing his studies, but who finds his neighbour's son who had not enlisted enjoying a good job in the Post Office. In a quick letter to the Minister of Defence, full of righteous indignation, he declares: "Now Sir, I do not think it right that our brave boys should be handicapped like that and the cowards get the positions". A query from the Minister provokes an inordinately long and technical memo from the Commissioner explaining the implications of various alternatives. The Minister notes on it laconically: "Suspend all exams". I suspect he did not read the memo or did not understand it. He was too busy to let the Commissioner explain personally. A circular embodying this decision is sent round to departments and fees are refunded to candidates for some forthcoming examinations. A few months later departments raise a hue and cry over lack of junior staff. A shorter plaintive memo from the Commissioner suggests the solution finally adopted. The file provides good grist to the Parkinsonian mill.

50. In addition to the Act, see C.P.S.C.13th Report, p.9. See also C.P.S.C. 15th Report, pp.8-12 for a complete summary of all preferences and concessions.
of the service during the twenties and thirties and will be considered when dealing with that period. 51

There were special concessions also to those who enlisted from the service. To preserve their promotion opportunities efforts were made to keep down the number of permanent promotions and to fill vacancies temporarily. Their claims were also considered in their absence. 52 In consideration of their lack of contact with their duties, the definition of efficiency was modified to mean the efficiency which an officer would have reasonably attained but for his absence on war service. 53 A circular from the Commissioner explained that in estimating this putative efficiency, regard was to be had for any studies pursued prior to enlistment or thereafter and the tendency of his usual duties to equip him for the vacant post. 54

No statutory preference in promotion was extended to returned soldiers in spite of some very strong

51. Infra, pp. 245-53.
52. C.A.A: C.P. 408. G32/42. (Commissioner's circular to Inspectors).
53. Ibid. See also C.P.S.C. 14th Report, p. 11.
54. Ibid.
pressure from returned soldier leagues in the immediate post-war years. In 1918, an organization called the Returned Soldiers National Party was strongly canvassing for the inclusion of war service as a direct consideration in promotions.\(^5\) There was pressure from other similar organizations and there is some evidence to indicate that the Cabinet was toying with the idea of some form of promotion preference.\(^6\) But the permanent heads' conference of June 1919 was firmly against it as penalizing the non-enlister in the service (who might have had excellent reasons) and injuring the efficiency of the service.\(^7\) A little later in the year, McLachlan, in his report on the service, strongly opposed it for the same reasons. In a clever passage he turned the tables on its sentimental advocates, telling them that returned soldiers would not seek to trade on their patriotism but would be "ready to stake their future advancement upon their qualifications and capacity in competition with their fellow officers under the regular conditions of promotion prescribed by the

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56. Ibid. There are references to a Cabinet minute on the subject and a memo explaining its implications.
57. C.A.A: C.P.121. G.20/671.
Public Service Act and not by means of undue preference accorded to them by reason of their war service.\textsuperscript{58} The Ministry seems to have finally rejected all idea of promotion preference in the same year and adhered to this decision in spite of continuing pressure throughout the twenties.\textsuperscript{59}

**The triangle of forces**

Returned soldiers employed the obvious methods and media of pressure mostly from outside the service but the triangular relationship between permanent heads, service associations and the Commissioner within the bureaucracy deserves a brief summary.

We have noted earlier the creation of public service boards in the last century with large powers over staff matters, and the later attempts of permanent heads (backed by Ministers) near the turn of

\textsuperscript{58} McLachlan Report, pp.78-79. The pages contain some clever reasoning.

\textsuperscript{59} Regarding pressure from returned soldier leagues, see C.A.A: C.P.121. files G20/641, G20/233. A24/6830 and C.A.A: C.P.408. files G28/164 and G29/102.
the century to recover some of these powers. We have also referred to the partial success of these attempts in Victoria and their failure in New South Wales owing to some opposition from the Association and some fear of public opinion. We have also seen how an attempt to restore departmental control in the Commonwealth Parliament by some advocates of Ministerial responsibility failed in 1901. The later tussle between permanent heads and the Commissioner was, as we saw, fought not simply on rational arguments as to who knew the staff better or whose control was more efficient, but was suffused with politico-sentimental arguments associating departmental control with the old system of patronage in order to damn it, and ridden with personal irritations and rivalries. But there was little evidence of Ministerial backing for departmental heads during the crucial stage of the tussle, presumably because the Labour Ministry were not interested in the niceties of this argument but instead were keen to push through instalments of their favourite legislation including public service arbitration. On the other

60. Supra, pp.9-12, pp.20-21 and p.28.
61. Supra, pp.39-41.
62. Refer to footnote 4. During the Supply debate in 1908 Hughes frankly said that he wanted an extra-departmental enquiry "with a view to setting some of the postal officials in their proper places", (C.P.D. Vol.46, p.11285).
hand, the public service associations supported non-departmental staff control (particularly in the absence of promotion appeals) because they loathed concentration of power in departmental superiors and always wanted a second review.63 There was thus a complicated triangle of forces and the final transfer of promotion power to permanent heads was governed as much by its workings as by rational administrative arguments - as we shall see later.64

The associations, whose influence in changing bureaucratic mores was not foreseen by Weber, were not long content to be just a third side against departmental control and started to fight on the basis of their own strength for promotion appeals. As their strength increased under public service arbitration, their demands became more pressing. Thus the role played by the Fisher Labour Ministry in unleashing the Colossus of public service arbitration and converting a third side into the central elemental force of the public service cannot be overestimated. We have noted the far-reaching impact of the Colossus in its infancy and we shall see in

63. Supra, p.116.
64. Chapter V on McLachlan Report.
later chapters how it obsessed McLachlan and drove him to recommend important changes in service management,\textsuperscript{65} how it overthrew Ministries and permeated the classification.\textsuperscript{66}

\textsuperscript{65} Infra, pp. 145-48.
\textsuperscript{66} Infra, Chapter VII, pp. 196-99.
CHAPTER V
THE McLACHLAN REPORT AND THE SECOND PUBLIC SERVICE ACT.

The Commonwealth Government appointed D.C. McLachlan, the retired Public Service Commissioner, in October 1918 as a one man Royal Commission to report on the Commonwealth Public Service and suggest reforms. The report, presented to Parliament in 1920, is of the greatest importance to this inquiry for its two chief recommendations, namely, to give permanent heads the power to promote officers, and to allow officers a right of appeal regarding these (provisional) promotions. What reasons prompted McLachlan to make recommendations contrary to his earlier express convictions?

Let us first look into the reasons he gave. Very early in his report McLachlan said:¹

The evidence at my command all points to the need for a definite recasting of the relative functions of the Public Service Commissioner and the departmental heads involving the shedding of the Commissioner's responsibility for detailed management in certain directions and the creation of new and broader responsibilities in other directions.

Though the nature of the evidence is not indicated in the report it can be safely assumed that departmental heads and Chief Officers were in favour of transferring staff control to themselves. It is evident from later in the report that the "detailed management" to be shed by the Commissioner included power over promotions, transfers and discipline and "the new and broader responsibilities" to be assumed were the final salary-fixing powers of the Arbitration Court.

The first reason he gave for transferring promotion and disciplinary functions to departmental heads was that the current procedure was "burdensome and productive of delay". Recommendations, originating probably with a branch head, had to pass through the Chief Officer, Inspector and the Commissioner before final action, and in case of consequential vacancies the delays were even longer. There was definitely some substance in this reason. But


McLachlan did not examine all the contributing causes. Part of the delay was unavoidable in a far-flung service be it under Commissioner control or departmental management, and McLachlan did not explore the possibilities of further delegations to the Chief Officers and Inspectors to enable more staff questions to be decided at the State level. While in 1908 he was interested in improving procedure and obviating delays within the legislative framework of Commissioner control,\(^4\) in 1918 he was quick to dismiss the procedure and its legal basis as "burdensome", and pass on.

Here is the second reason in his own words:\(^5\)

Responsible heads of departments who are charged with the duty of internal administration have now a clear conception of the principles that should govern the advancement of officers and it appears to me that keeping in view the educative influences of the past sixteen years under the Federal regime the time has arrived when, subject to certain safeguards, the departmental heads may be entrusted with the authority as to staff changes.

In another place in the report "the educative influences" are described in the fashion of a

\(^4\) Supra, pp.68-72.

\(^5\) McLachlan Report, p.46. Italics mine.
The responsible officers of departments have now the advantage of many years of experience of public service methods in dealing with staff conditions. They recognize and are generally in full sympathy with the basic principle of the Public Service Act which makes efficiency the first essential of promotion; they realize the importance of careful administration in the matter of transfers .......

This reason had a large measure of truth in it. Sixteen years of strong Commissioner control had made it difficult to set the clock back. There was no serious danger of reversion to patronage, caprice, and mere favouritism in the public service. A relapse into promotion by mere seniority was also improbable after a demonstration of the virtues of efficiency even on a limited scale. As Commissioner control had ensured these things for many long years, there was less need for such detailed central control in staff matters. The provisions of the Act, the spirit of the times and the vigilance of public service associations provided some guarantees in addition to the "education" of permanent heads. Lastly, strong Commissioner control which was needed to weld the transferred State departments into a single

Commonwealth Service had outlived that function by its very success.

That however, was not the whole story for further enquiry suggests other reasons which McLachlan either failed to include or did not care to admit even to himself.

First of all, he could not ignore the chorus of recommendations from other Commissions for departmental staff control nor forget the passive non-cooperation of some permanent heads and Chief Officers in the first decade of intense Commissioner control. In spite of his criticism of departmental irresponsibility and defence of Commissioner control before the Postal Commission, they largely condemned it in their report besides lowering its prestige through their hearings. The McAnderson Commission on Postal Services repeated the same charges against it.

About the time he was investigating, the Commonwealth Government, concerned with increasing war expenditure, appointed a Royal Commission to report on

7. Supra, pp.112-116.
"the Public Expenditure of the Commonwealth of Australia with a view to effecting economies". In their first progress report in 1919, the Commission condemned Commissioner control and inspection of departments as being very ineffective as regards personnel and economy, but were hesitant to recommend departmental staff control though they leaned more towards it in their final report.\(^9\) Although their first progress report was published after he had handed in his report, McLachlan was probably aware of the trend of their investigations and findings and the enormous prestige they carried as a Commission on economies.

In short, all other Commissions had condemned Commissioner control and inspection as distant, cumbersome, inadequate in financial matters and divisive of responsibility, and had recommended departmental staff control as being more efficient,

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\(^9\) Op. cit. pp.85-86. But in their Final Report p.20, they felt that "Officers who are in continuous management of the various Federal Government activities, if they are to pay the penalty for failures and extravagance must, under certain safeguards, be given authority in regard to the selection, promotion and dismissal of Staff under them". They also recommended a Board of economy and efficiency in the place of the Commissioner.
more immediate, and allowing of easy location of responsibility. McLachlan did not explicitly accept or oppose this reasoning. But he was probably aware that to rehabilitate staff control by the Commissioner in the face of such criticism was no easy task.

He might well have decided that it was not worthwhile in the circumstances then obtaining. As shown earlier, work connected with the Arbitration Court consumed most of the time of inspectors and left little time for inspection while the service itself had more than doubled in numbers. In consequence, departmental control of promotion and discipline was already operating to a considerable extent. McLachlan partly admitted this when he remarked that the departments could not be held in leading strings for all time. Secondly, after the retirement of McLachlan, the positions of Commissioner and inspectors were filled purely on a temporary, acting basis. This state of suspense lasted for more than six years from 1916 to 1922. Even in 1918 this had led to considerable

10. Supra, pp.121-122.
deterioration. Much important work (including many reclassifications) was postponed in anticipation of substantial changes in public service management. In view of all this a rehabilitation of Inspectorial and Commissioner control of promotion meant not only arresting this decade-old deterioration but replanning and rejuvenating the apparatus with more Inspectors, assistant Inspectors and professionally qualified Inspectors, more delegation and more flexible procedure. It is not surprising that as a practical administrator, McLachlan did not give serious thought to this academic alternative. Moreover, his interest had already shifted from promotion which he considered "detailed management" to arbitration as a "broader responsibility".

Probably the most important reason for McLachlan's recommendation was his obsession with the question of public service arbitration. In a large section of his report devoted to it, he heaped on its head all such sins as indiscipline, insubordination,

13. Op. cit. pp.11-19. See also the next section on the proposed repeal of the Act from which (p.19) the quotation in the next sentence is taken.
inefficiency, inhibition of incentive and clumsiness. He wailed that the highest standards of efficiency he had built were "neutralized by the iconoclastic operation of the Act" and warned that its continuance would bring "the most serious and disastrous consequences to the future of public service management."

We have already referred in more moderate language to the impact of arbitration and shown that there was enough reason for the Commissioner to look askance at it.

But McLachlan's fury against it cannot be explained on purely rational grounds. It had much to do with his personal background and his mental make-up. From a boyhood of hard work and minimum schooling and a start at the bottom of the ladder in the New South Wales Public Service, his climb to the top of a department and then on to the highest office as Commonwealth Public Service Commissioner ran perfectly true to the Samuel Smiles pattern. It made him an apostle of efficiency.

and of the inevitability of success as the reward of hard work and self-improvement.\textsuperscript{15} The Arbitration Court by seemingly challenging this syllogism and McLachlan's claim to apply it, did violence to the innermost recesses of his being. Then there were other rebuffs too, for example the pitiless cross-examination of his inspectors in the Professional Officers' case to establish their incompetence to judge professionals.\textsuperscript{16} The cursory way in which both he and departmental heads were hauled, lumped and cited together as respondents in all cases drove him to name public service arbitration as his arch-enemy, and to look more kindly on permanent heads who were co-respondents with him.\textsuperscript{17}

His central recommendation was therefore to give back to the Commissioner all the powers of the Arbitration Court in regard to the public service.\textsuperscript{18}


\textsuperscript{16} C.A.A: C.P.121. Transcripts, Bundle 1 p.1063 onwards. See in particular p.1098.

\textsuperscript{17} See Commonwealth Arbitration Reports from 1913 to 1920. In all public service cases, the Commissioner and the departmental head were cited together as respondents and the association as the plaintiff.

His other recommendations to transfer promotion and discipline to departments and allow promotion appeals were secondary and dependent on the central recommendation.

Nor did he recommend promotion appeals light-heartedly.¹⁹ The permanent heads and Chief Officers were to make provisional promotions and gazette them. Dissatisfied officers could appeal within a time limit to the Commissioner through the permanent heads. The Inspector was to make full enquiry and report to the Commissioner who would make the final decision. His appeals scheme did not include an independent or even advisory appeal board, which he rejected for such reasons as its interminable delays, confusion, the unsuitability of a formal enquiry to discover administrative efficiency and the tendency already evident in New Zealand to favour seniority to avoid such enquiries.²⁰ His own appeals scheme, while conceding something to the persistent demands of public service associations,

was intended to provide a check on the handling of promotions by permanent heads and a mechanism for preserving the Commissioner's ultimate supervision.

A similar anxiety to check the profuse automatic increments (within the current wide classes), with which the Chief Officers might deluge the Treasury, led him to recommend a new classification system with narrower ranges of salary than before. The former Professional and Clerical Divisions were to be replaced by a single Third Division which would have nine classes instead of the former five. Each new class was to be about half as wide as the old class with four or five small increments. The number of promotions necessary to reach the top of the Division would be about twice as many as it was earlier. Increments within the narrow range of each class were to be granted by Chief Officers. They would be nearly automatic and withheld only for bad work or indiscipline. We shall see how the new Public Service Board outdid his recommendation in its new

McLachlan's scheme of recommendations could be called a new balance of power. The promotion power of permanent heads was to be checked by appeals to the Commissioner; the appeal rights of officers were to be matched against the final decision by the Commissioner; the Chief Officer's power to grant increments was balanced by smaller increments and more classes; and lastly all arbitral powers were to be given to the Commissioner in return for his "shedding" some functions of "detailed management".

The Commonwealth Public Service Acts of 1922 and 1924. The implementation of McLachlan's recommendations was a tragicomic story. He gave his report to the Government in January 1919. The Hughes Ministry must have been very much embarrassed by his recommendation to repeal the Arbitration (Public Service) Act; nor was his insistence on a single Commissioner instead of a board less

embarrassing since it ran counter to the express recommendations of the Economies Commission to create a board of management. The Report was most probably for this reason, not laid on the table of Parliament even after persistent questions by members till late in May 1920. In the final outcome both these recommendations were rejected.

The Public Service (Arbitration) Act of 1920 threw to the winds McLachlan's central recommendation to give final salary-fixing powers to the Commissioner. Instead it vested them in a special Public Service Arbitrator under the general jurisdiction of the Arbitration Court. This partly met the complaints about the Court's unfamiliarity with service problems. The comprehensive powers of the Arbitrator, however, made a deeper impact on the service than the Court had done. To abolish public service arbitration as McLachlan recommended would have been an act of political suicide for the Government, nor would the Prime Minister (Hughes) who

still retained many of his Labour convictions, have accepted the principle. McLachlan's lack of political judgment in recommending it "all was due to his blind obsession with arbitration to the exclusion of realities.

The Government presented two separate public service Bills in 1920 but gave them up owing to strong opposition in both Houses to piecemeal legislation. The consolidated Bill presented in 1921 provided a Public Service Board according to the recommendations of the Economies Commission, and transferred the power of (provisional) promotion to departmental heads with

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25. The Labour Party split in 1916-17 over the conscription issue and its former leader and Prime Minister W.M. Hughes went over to form the Nationalist Party, which won the elections and formed a new Government under him. Relations between the remainder of the Labour Party and the expelled Hughes group were extremely bitter. Any proposal to abolish public service arbitration altogether would have led to the most bitter scenes in Parliament, and so anticipated 1929. Even the creation of a separate Arbitrator was bitterly attacked by Labour members as retrograde. See Crichton, E.E., "The Development of Public Service Arbitration -II" Public Administration (Sydney) Vol. XV, No.3, pp.214-217.

Secondly, Hughes still claimed flamboyantly that Labour deserted him and not he, the Labour Party. Thus even apart from political self-preservation, Hughes could not have accepted McLachlan's recommendation.


a right of appeal for dissatisfied officers according to McLachlan's recommendations. The provision of the Public Service Board was strongly attacked by some members but was finally carried in committee. However, the Government, faced unexpectedly stiff opposition regarding the promotion provisions of the Bill. The opposing members in the Senate feared that such powers would make departments watertight and lead to favouritism, cited McLachlan's arguments against it in 1910 and called the appeal provisions worthless.27 Senator Russell, speaking for the Government, maintained that promotions would not be purely departmental, cited McLachlan's arguments of 1920 for the transfer of promotion power and explained that the new appeal right, being from permanent head to Commissioner, was genuine.28 The Government won by seven to six in a thin Senate.29 Nearly the same arguments were used by the Opposition in the House of Representatives Committee.30 Color was lent to the discussion by the quoting of McLachlan (1910 version) against McLachlan

(1920 version), and a member's caricature of the tyranny of departmental heads and another's express aversion to "the hoary old British practice" of promotion by them. The Attorney-General bowed to the sense of the House Committee and amended the promotion provisions so as to retain promotion power with the Board itself.

The comic result of vesting the Board with both promoting and appellate authority was followed by the comic sequel of the Board itself asking to be relieved of the former function in 1923. The original promotion provisions in the 1922 Bill were incorporated in a new Public Service Bill in 1924 along with some other provisions on classification and arbitration. The former were passed without any debate because the Board had requested its own disarmament and many Labour members had no longer any faith in a Board whose recent classification was unpopular in the service.

The State services were simultaneously

undergoing a similar process of Royal Commission enquiries and consequent revision of their public service Acts. In the next chapter we shall trace their evolution during the first two decades of the century and compare it with the developments in the Commonwealth.

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CHAPTER VI
THE VICTORIAN AND NEW SOUTH WALES SERVICES FROM 1901 TO 1920 - A COMPARISON

After the transfer of their Customs and Postal departments to the Commonwealth in 1901, the services of Victoria and New South Wales were halved in size. Excluding teachers, the Victorian service was reduced from 5,166 to 2,520 and the New South Wales service from 11,372 to 5,603\(^1\) and they did not regain their pre-federation strength for over three decades.\(^2\)

The simpler promotion procedures of the State services were partly a consequence of their smaller size and partly of their comparative concentration in the State capitals. Thus the institution of Public Service Inspectors in the Commonwealth was dictated by the immediate necessities of a continent-wide service and was the only way to make Commissioner control real. The States, on the other hand took quite some time to realize the need for Inspectors.

A second difference was due to the fresh start

2. It was only in 1939 that the Victorian service reached 5,000. In New South Wales the 11,000 mark was passed by 1931.
which the Commonwealth could make in 1901. It could without disturbing vested interests, make such an important departure as setting up relative efficiency instead of a mixture of seniority and fitness as the criterion of promotion in the Act, and a new Commissioner, free to establish his own traditions, could administer the provision more vigorously.

Let us look into the techniques of promotion developed by the smaller services and their response to such common problems as returned soldier preference.

VICTORIA
The public service of the richer and younger State and its business and industry took longer to emerge from the effects of the depression of the eighteen-nineties than those of New South Wales. The Audit Commissioners who were in charge of the public service from 1893 were relieved of this responsibility and a full-time Public Service Commissioner was appointed by the Public Service Act of 1901. But the restrictions on promotions and increments were not lifted even by 1905. In 1902, increments (or subdivisional) promotions, as they were called) were granted only to officers drawing below £125 a year, and it was not till
the end of the next year that the Government halfheartedly allowed increments above that level. 3

Promotions were kept down to the minimum till 1906. In 1903 the Premier circularised departments to confine promotions to cases "where after the most careful enquiry it should be found necessary to fill vacancies and where such promotion could be made without necessitating a new appointment to the service". 4

The requirement to submit all promotions to a Cabinet Committee was waived only after 1906. Even after the removal of restrictions, the proportion of annual promotions to the size of the service was much lower than in the Commonwealth as shown by the following table on the next page.

In every year compared, the Victorian promotion coefficient was lower than the Commonwealth, in some years, very much so. The coefficient for the Professional Division was much higher than the overall coefficient in the Victorian service since about half the number of promotions were in the Professional Division which formed less than a fourth of the total numbers of the service.

3. V.P.S. Report 1904. p.25. The Government first wanted to give increments to only half the number of officers who qualified for them but were finally dissuaded from doing that.
Comparative table of Commonwealth and Victorian promotions

(Compiled C.P.S.C. and V.P.S. Annual Reports) from 1901 to 1920

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<th>Year</th>
<th>Victorian Public Service Promotion Coefficient</th>
<th>Commonwealth Public Service Promotion Coefficient</th>
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<tr>
<td>1901</td>
<td>(128/2520) 5.1</td>
<td>-</td>
</tr>
<tr>
<td>1902</td>
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</tr>
<tr>
<td>1906</td>
<td>(108/2166) 5.0</td>
<td>-</td>
</tr>
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<td>1907</td>
<td>(269/2560) 10.5</td>
<td>(1676/11,763) 14.2</td>
</tr>
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<td>1908</td>
<td>(133/2610) 5.1</td>
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</tr>
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<td>-</td>
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</tr>
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<td>(261/3019) 8.7</td>
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</tr>
<tr>
<td>1912</td>
<td>(134/3074) 4.3</td>
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<td>(319/3771) 8.5</td>
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<td>1914</td>
<td>(327/3962) 8.3</td>
<td>(2027/21,056) 9.6</td>
</tr>
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<td>1915</td>
<td>(113/3953) 2.9</td>
<td>(1981/22,194) 8.9</td>
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<td>(160/3974) 4.6</td>
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<tr>
<td>1920</td>
<td>(296/3852) 7.7</td>
<td>(2504/22,817) 11.0</td>
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Note: Promotion coefficient i.e. the figure outside the brackets is the proportion of annual promotions to the strength of the service in the same year, expressed as a percentage. In a service without differential recruitment, it is a reasonable measure of promotion opportunity.

Victoria retained for many years her five wide classes for the Clerical and Professional Divisions with strictly discretionary increments, exactly as the Commonwealth borrowed it from her in 1901, including the actual salaries. While the salaries (and classification structure) of all divisions except the Administrative,
were changed out of recognition in the Commonwealth by arbitration awards, the Victorian structure remained untouched.

The procedure of promotion also remained the same as in the previous century. In most cases a vacancy was circularized within the service and applications invited. They were forwarded to the permanent head, who made a recommendation. Any other officer not recommended could appeal to the Commissioner who finally chose the promotee. The Act also gave power to the Commissioner to appoint any officer to act in a vacancy with a view to trying him out and this helped the Commissioner to make some inter-departmental promotions on trial. In 1914, doubts were cast on the power of the Commissioner to make departmental promotions on trial. But the legal ambiguity was cleared up the next year by the Public Service (Amendment) Act of 1915, which gave power to the Commissioner to recommend an officer to act for six months in a vacancy in the same or another department.

We have already referred to the Public Service Act of 1893 which added to the criteria of "seniority and fitness (respectively)", for the Administrative, Professional and higher classes of the Clerical Division.

6. V.P.S. Regulations 1909, chapter IV. reg.2.
7. V.P.S. Act, 1889, section 46. See also supra pp. 21-22.
the further criteria of "merit, good and diligent conduct, seniority and length of service and the nature of the work performed". In the Regulations made early in this century the later criteria were accepted for all Divisions and elaborated further. In the case of the Clerical Division the Regulations repeated those five criteria and elaborated them as follows:

In judging the merit of an officer, the Commissioner will give consideration to (a) the ability and efficiency shown by the officer in carrying out his duties and those of any superior office in which he may have temporarily acted, (b) tact and judgment in his dealings with his subordinates and the public, (c) the possession of certificates or diplomas evidencing special knowledge of subjects connected with the work of the department or general literary or scientific attainments, and (d) the performance of valuable services of a special nature.

In respect of length of service and seniority, the Commissioner will have regard to the records in his office.

In regard to the nature of the work performed by an officer the Commissioner will give consideration as to whether such work is work involving a knowledge of legislation, procedure et cetera required in the superior class and whether it is work requiring intelligence, tact or other qualifications required in the superior class.

The Regulations were more helpful than those of the contemporary Commonwealth and New South Wales services because they analysed merit into its components, and allotted definite weight to successful acting.

10. V.P.S. Regulations, 1909, Chapter IV, reg.1.
experiences, relevant qualifications, and personal qualities like tact. But without Inspectors, the Commissioner had to depend very much on the departmental head's estimate, except probably in the case of higher officers.

Successive Victorian Commissioners failed to institute promotion examinations for the various classes in the Clerical Division, owing to opposition from influential senior officers. In 1902 and 1903, serious efforts were made in that direction. The Commissioner made a strong plea for examinations in these words:^11

I am myself of opinion that it is desirable especially if a somewhat low standard of acquirement is adopted for youths entering the service, that after a few years' experience in official life, officers who seek advancement should be required to undergo a further examination with a view partly to test their attention and interest in departmental work but largely to show whether they have given part of their leisure time to widening the school education they received, ascertaining their duties and obligations as citizens and the principles of Government on which they rest, informing themselves of the recent social and industrial progress of the state and the great Empire to which they belong and of the progress of other countries with which she comes into competition and from which lessons may be learned.

Alas, this rhetorical exhortation produced no results.

In the Professional Division the Regulations prescribed the same five criteria of promotion in

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addition to the professional qualifications for the vacant office.\textsuperscript{12} In the General Division also, these criteria were applied to the better type of posts and merit was elaborated as:\textsuperscript{13}

(a) ability and knowledge required to fulfil the duties of the superior office and possession of the necessary tact and judgment (b) industrious habits and careful performance of work (c) good conduct, regular attendance and prompt and cheerful service on urgent occasions (d) mental vigour and sound bodily health and (e) performance of valuable services of a special nature.

Here again, the regulations were far in advance of current Commonwealth or New South Wales provisions but their interpretation was left to each department.

The Commissioner was helpless without sufficient information and in March 1909 he suggested to the Premier that departments should send regular quarterly reports on officers to him,\textsuperscript{14} but nothing came out of his request. He was on better ground only with regard to higher officers whom he knew personally. As a result, in spite of better regulations, the tendency was, exactly as in the last century,\textsuperscript{15} to choose the senior officer, if reasonably fit, for all but the highest positions. The Royal Commissioner, who enquired into

\textsuperscript{12} V.P.S. Regulations, 1909, chapter II. reg.1.
\textsuperscript{13} Op. cit. chapter XI. reg.6.
\textsuperscript{14} V.P.S. Report 1908, Appendices.
\textsuperscript{15} Supra, p.18.
the Victorian service in 1917, found that the senior man succeeded "if he convinced the Commissioner that he was capable of performing the duties" and that "if the first senior (in a list) can do well and the tenth better, the latter had no chance". 16

The Royal Commissioner was appointed in 1916 to report "on the respective merits in relation to economy, effectiveness of methods et cetera of the Government administration as compared with the conduct of business under private enterprise". 17 The financial demands of the first World War had driven Governments to look into their expenditure and Victoria, the worst scalded kitten of the depression of the nineties, was the first to appoint a commission. The Royal Commissioner found that not every post in a class deserved the maximum of that class - a discovery the Victorian Government eagerly accepted. He told them that a single Commissioner was better than a board and the Ministry was glad to let things remain as they were. He made many other useful suggestions such as for reviving promotion examinations, but he was ungrateful and tactless enough.

to maintain that the chief defect of the system was that the Commissioner was powerless while the Ministers held the strings in service matters, and to suggest long tenure and more powers for him.\textsuperscript{18} The Ministry naturally preferred to shelve the report.

Instead, they outdid the Commonwealth and New South Wales in their concern for returned soldiers by giving them preference not only in recruitment but in promotion within the service. We shall study its incidence in a later chapter.\textsuperscript{19}

**NEW SOUTH WALES**

**Grades**

The Public Service Acts of 1895 and 1902 (sections 13-14) in New South Wales invested the State Public Service Board with the power to fix the grade structure by regulation.\textsuperscript{20} The following table includes the grades common to the Clerical Professional and Special Divisions during the first two decades.\textsuperscript{21}

\textsuperscript{19} Chapter IX.
\textsuperscript{20} The failure of the grade and incremental provisions of the 1884 Act was an important reason for the matter being left to the Board in 1895 instead of being fixed in the Act.
### N.S.W. Grade Structure

**Table VII.**

<table>
<thead>
<tr>
<th>Grade</th>
<th>Salary scale in Australian pounds per annum.</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1</td>
<td>801 - 40 - 1000 )</td>
</tr>
<tr>
<td>A2</td>
<td>701 - 30 - 800 )</td>
</tr>
<tr>
<td>A3</td>
<td>601 - 30 - 700 ) higher grades</td>
</tr>
<tr>
<td>A4</td>
<td>501 - 30 - 600 )</td>
</tr>
<tr>
<td>A5</td>
<td>401 - 25 - 500 )</td>
</tr>
<tr>
<td>A6</td>
<td>300 - 25 - 400 ) higher grades examination barrier.</td>
</tr>
</tbody>
</table>

| a     | 201 - 25 - 299 - grade test               |
| b     | 151 - 20 - 200 - grade test               |
| c     | 111 - 20 - 150 - grade test               |
| d     | 60 - 20 - 110 - grade test               |

N.B. It is doubtful whether all posts in each of the higher grades went up to the full maximum of the grade. The General Division had a parallel structure going up to nearly £800.

Grading was an instrument of economy and efficiency and the principle of work value governed the first grading in 1896 as well as all subsequent quinquennial regradings. Details about an officer's work were gathered from the department by enquiry, conference and in rare cases, personal inspection of the

officer’s work; it was evaluated by comparison and the position fixed in the suitable grade; and the bright diligent officer was rewarded by having his post and himself moved up to the next grade. Any officer dissatisfied with his grading could appeal to the Board who allowed counsel, evidence and access to documents and followed judicial procedure. Wide use was made of the appeal provisions; for example in a service of less than 6000, there were 931 appeals in 1901, of which 269 were successful. In 1906 there were 1122 appeals of which 445 were allowed.

The amending Act of 1910 vested regrading in Departmental Boards consisting of a member of the Board, the permanent head and the head of the branch regraded. The Departmental Board could investigate as frequently as it wished or on the application of an officer and could grade all positions excepting permanent heads and branch heads. An appeal lay from their decision to the Board, and if they were not unanimous, to a tribunal of two Board members and a District Judge.

Departmental Boards were condemned by the Royal Commissioner in 1918 as sporadic in work, varying in standards from one department to another, and lacking finality owing to the possibility of two further appeals. Under the Public Service Act of 1919 they were replaced with Salary Committees.

Procedure and criteria of promotion

The departmental head generally reported a vacancy and recommended the name of an officer and it was the Board's duty to investigate the recommendation. About the turn of the century it would appear that an Inspector of the Board checked them and the Board itself knew quite a number of officers through their regradings. Later, as Mason Allard found, the Board accepted without investigation the departmental recommendation, usually of the next senior officer. When he was ineligible, applications were invited by circular and a selection committee chose a candidate after interviewing promising applicants. Allard considered this procedure was unfavourable to the "most promising but modest officer".

28. Based on the account of an old timer in the service.
29. Mason Allard Report, p.LXVII.
According to section 49 of the (consolidated) Public Service Act, 1902, promotion was based on "relative seniority and fitness respectively", fitness being defined as "special qualifications and aptitude for the discharge of the duties of the office to be filled". According to section 47 seniority must be subordinated to special fitness for promotion into the Special Division, which consisted mostly of permanent heads.

Seniority was not defined in the regulations till 1928, but the same considerations would seem to have applied during these years. The officer who drew the higher salary in a grade was the senior and in cases of equality, he who had drawn it longer was the senior.

Fitness was not elaborated further in the regulations as in Victoria. It was statutorily related to the duties of the vacant position and fitness displayed in the immediately lower position was the main available indication of fitness for the former. In

31. Based on accounts of old timers in the service.
the early years of the century marks were assigned by the departmental head for good conduct, fitness and departmental knowledge, but this system would seem to have been given up after a few years. The Board did not keep any record of the performance or qualifications of officers to help them anticipate and decide promotions, though some service representatives made wild allegations of dossiers of secret reports in the Board's office. On the other hand New South Wales successfully developed a system of promotion examinations against strong opposition from many senior officers.

In the lower grades an officer had to pass a prescribed grade test to be promoted from d to c, c to b and b to a respectively. The Board rejected suggestions to make them entirely departmental and included general subjects like precis in addition to departmental procedure, Acts and regulations. In the first years of the century, the percentage of marks given by the permanent head for good conduct, fitness and departmental knowledge was added to the marks obtained in the test for a maximum of a hundred to

33. Mason Allard Report, pp.LXVI-LXVIII.  
34. Op. cit. LXIV.  
determine the order of promotion. This would seem to have been given up later, successful candidates being promoted instead on the certificate of the permanent head as to their general fitness.

The Board was glad at having thus interposed an effectual bar "to the promotion of indifferent or incompetent officers, a bar which the principle of seniority (did) not interpose." They were convinced that competition in these tests was "essential to a healthy service" and that "it (stimulated) individual effort and steadily (pushed) the able man to the front". They were proud too that "a healthy rivalry (was) fostered among officers, while conspicuous success at the different grade tests (enabled) an officer to be singled out for special advancement".

If they were proud of the grade tests, they grew really eloquent on their Higher Grades examination. According to section 50 of the Act, any officer had to

36. See footnote 32.
38. Ibid.
pass this examination to qualify for promotion into the higher grades of the Clerical and Professional Divisions. Fearing that officers recruited soon after leaving school would lose "the habit of reading and thinking" and "rest satisfied with more or less mechanical performance of duties", the Board designed a general examination to counteract the effect of routine. They hoped that it "would materially aid in producing a new class of official administrators capable of applying to the affairs of the state something of the trained and alert intelligence which was characteristic of the best types of business and professional men outside the service", and secure for higher positions "gentlemen of broad and varied attainments". They believed that a study of general subjects would "take a man out of his groove" and act as "a tonic which (restored) and (increased) his mental efficiency". They instanced the discontinuance of departmental examinations in the United States and the practice of the German Civil Service where "the claims of education and capacity were recognized as superior to mere length of service in an inferior function". They hoped to raise the standard

41. Ibid.
43. N.S.W.P.S.B. 8th Report, p.17.
of the examination ultimately to the degree level and create a higher class of officials from which to select higher executives.

These high hopes were not fulfilled because the general section of the examination including English Literature, Expansion of the British Empire, Modern History, History and Law of the Constitution, Political Economy and Economic History was held optional and was not taken by most examinees, who sat only for the departmental section. But the examination "served a useful though secondary purpose in that it had provided a barrier" and required of candidates "an intimate knowledge of the limited field of the affairs of their departments" and "intellectual equipment of a relatively high standard for technical if not for administrative work." Ultimately, many officers were won over to support the examination system. In the first few years of the century old officers thundered against "the mischievous system of making literary examinations the sole or the chief test of qualification for admission

45. N.S.W.P.S.B. 7th Report, p.23.
46. N.S.W.A.37/7472. Historical note by the Examinations Enquiry Committee.
47. Ibid.
to or promotion in the various departments". In 1917, the Clerical Advisory Committee told Mason Allard that examinations were "vitally desirable and necessary" and that they "obviated complaints as to favouritism in promotion, improved efficiency, stopped the advancement of the inefficient and afforded the efficient officer an opportunity of demonstrating his qualifications and fitness for promotion". One of its members considered it "the best protection for the officer himself against opening the gates to men with a degree from outside".

The examination system was the one thing the Royal Commissioner praised in his critical survey of the service in 1917. Unimpressed by the stock criticism of examinations as being no measure of ability, he felt that they provided "some check on the personal testimony" of different officers with differing standards and limited capacity for judgment. Summing up the pros and cons he said:

My conclusion is that the grade tests from an effective barrier to the inefficient and therefore a means of keeping such officers to the salary level commensurate with their ability; they afford opportunity for each officer to bring his qualifications before the

49. Mason Allard Report, p.LXV.
50. Ibid.
52. Ibid.
proper authorities and also serve in some measure as a basis for comparison when the relative claims of officers are being considered; and they make too for educated, cultured and broadly equipped higher officers in the service.

The Allard Royal Commission

Owing to their concern with war expenditure and out of a general desire for stock-taking, the New South Wales Government appointed Mason Allard, a wellknown chartered accountant, in August 1917 "to inquire into the administration, control, efficiency and economy of the Public Service of New South Wales".53 His first sectional report, presented in November 1918, created a great stir in both official and political circles because of his devastating criticisms of service management and particularly of the contemporary Public Service Board. His main charge against them was that "the Board has sought to evade the responsibilities imposed by section 9 by the mere relegation of such responsibility to the permanent heads, oblivious of the fact that statutory duties cannot be relinquished by transfer".54 His long list of their sins of omission included their failure to inspect departments, to investigate the character and

53. Mason Allard Report, letters (patent) of appointment.
value of the work performed by officers therein, to inquire into their efficiency and economy, to stand up to the Ministry against flagrant instances of political interference, and to check up the permanent heads' recommendation for promotions. His prescription against their recurrence was a new strong Board with tenure till the age of 65 for its members, with overruling powers for the Chairman, and a team of Inspectors to be the Board's eyes, ears and strong arms.

At this distance of time we are not so much concerned with the justice of his charges as with the long-term effects of his recommendation which was

57. Two Inspectors of the Board who were lent to Allard as assessors were accused of betraying the Board and Allard was also blamed for not giving them a chance to rebut his charges or evidence. Allard's recommendation to sack the Contemporary Board even in the light of his charges against them of neglect of duty was more harsh than what other Royal Commissioners in Victoria or Commonwealth might have recommended. The Board thus castigated, argued their case before the State Parliament with eminent counsel but were induced to retire with compensation. There were bitter attacks on the Holman Ministry in New South Wales for this and for appointing Mr. Marks, a retired Banker as Chairman of the new Board in his 59th Year.
carried out in toto in the Public Service (Amendment) Act of 1919. The powers and long tenure conferred by the Act made the Board independent and Inspectors made their control real, but the vigour and publicity of the Royal Commissioner's charges and the consequent removal of the old Board warned successor Boards away from the cardinal sin against the Holy Ghost. The current Inspectorial control of promotions in New South Wales is a living memorial to him.

His other recommendations on promotion were soon forgotten. His complicated mechanism for promotions, to be initiated by an Inspectors' committee, referred to departmental Committees and finally approved by the Board, was never adopted. He set his face strongly against an independent appeal court for promotions and appeals based on seniority, for nearly the same reasons as McLachlan. He summed it up by saying:

No useful purpose would be served by allowing appeals by any officer or group of officers who believed himself or themselves to be passed over; but on the other hand much waste of time and possibly incidents subversive of good order and discipline might occur as a result of open enquiry into the relative merits of officers involving perhaps personality, temperament, ability to deal with the public, tactfulness and possibly peculiar qualifications and experience requisite to the vacant position.

58. Mason Allard Report, p.LVII.
59. Ibid.
However, such cogent and prophetic reasons were only a flourish of Mrs. Partington's broom against the persistent tidal wave of association demands. In 1922 an appeal court with a District Judge presiding, was provided for grading appeals; in 1928 promotion committees were created to go through appeals based on seniority; and in 1944 the Crown Employees Appeal Board was formed combining all the features Allard resented and feared.

Thanks to the old Board which the Royal Commissioner castigated, New South Wales was saved from a thoughtless policy of returned soldier preference leading to suspension of youth recruitment. The Board could point to the far-reaching evil effects of such suspension for some years after 1902, and successfully dissuade the Ministry. Preference was given to returned soldiers according to the Commonwealth Reestablishment Act but no vested interests or other problems were allowed to develop through any other statutory preference.

Differences in development

Our story of the evolution of

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60. Based on the account of an old timer.
promotion policies in the Commonwealth, Victoria and New South Wales during two decades reveals important differences between the smaller States and the sprawling Commonwealth on the one hand, and on the other between Victoria, unchanging in the face of Royal Commissioners, and the significant changes in the Commonwealth and New South Wales through Commissions and otherwise. We have to take note of this divergence from the more imitative nineteenth century and consider the factors that led to the differences in development.

We have already referred to the much smaller size and greater concentration of the State services. The problems of distant control and delegation were immediate and insistent in the widespread Commonwealth, and led to the appointment of Inspectors in the first Public Service Act itself, and later to considerable delegation of the Commissioner's powers to them and of the permanent heads' powers to Chief Officers. Within each State the management and problems of the Commonwealth service were not far different from that of a small State service. Delegation, inspection and central coordination were its main distinguishing marks and the personal impress of McLachlan might be added as
a fourth. But in the broad field of criteria of promotion and classification the differences were few and they were not due to difference in size.

All historians have noted that Victoria took years longer to emerge from the depression of the nineties and suffered much more than New South Wales. This left a deep impress on her politics and favoured the emergence and dominance of the budget balancing politician in Victoria. Whereas in New South Wales the Public Service Board was born in 1895 out of the strong criticisms of the Government's wastage by a Royal Commission, and was therefore entrusted with enforcing economy and efficiency, the Victorian Ministry sacked their Board itself in 1893 in the interests of economy, and handed over its functions to the Audit Commissioners. When an independent Public Service Commissioner was appointed in 1901, Victoria was still in the grip of the depression while New South Wales was on the road to

63. Supra, pp.9-11.
64. Supra, pp.7-9.
recovery and the Commonwealth was starting with new hopes. The new Victorian Commissioner was cut off from the tradition of an independent Public Service Board by seven years of Ministerial economy, and the Ministry was still keen to practice economy on its own initiative by controlling increments and promotions. Thus developed a tradition of Ministerial economic control which reduced the Commissioner's power and independence and which was noted by the Royal Commissioner in 1917. A weakened Commissioner found it difficult to initiate a good practice such as promotion examinations in the face of an apathetic Government interested only in economy. The other tradition of keeping the Public Service Association at a distance was partly born out of motives of economy and partly out of the innate human reluctance to forego power. Thus Victoria had the unique distinctions in this period of a Premier who segregated the State public servants into a separate electoral constituency for some years to keep them out of mischief, and another who refused to see a deputation from their Association.

No strong Labour Party was built up in Victoria to challenge these traditions. Victorian Governments were doubly insured against change - first through their apathy to suggested reforms, and their hostility to any suggestion to part with power to the Commissioner, and secondly through their refusal to listen to the demands of the Association or even recognize it.

Exactly opposite conditions prevailed in New South Wales. The Board was born into a position of strength on the uncompromising recommendations of the Royal Commission of 1894 and could challenge Ministers. The New South Wales Public Service Association formed in 1901 was well organized and maintained a fat and ebullient journal from its very inception. Early recovery from the depression and the Board's responsibility for economy in the service avoided Ministerial obsession with budget-balancing. A strong Labour Party had developed as early as 1891 and it had a broad general sympathy with public servants and their Association. In office Labour tried to concede some

69. The first Labour Ministry in Victoria was the Cain Ministry in 1945. See also p. 287.
70. See Volumes of Red Tape in Mitchell Library, Sydney.
of its demands and out of office the Party watched out for curtailment of employee rights. Their presence in State politics at least kept other parties from being unsympathetic to public service demands.  

Opposite conditions led to opposite results. A strong Board could institute a system of promotion examinations at the turn of the century, partly forestalling the challenge of seniority, and even a weaker Board could argue the Ministry out of thoughtless suspension of youth recruitment. The Association could win access to arbitration in 1919 and many other concessions in the next period. Both the Board and the Association could work in alliance against Ministerial interference.

The forces in the Commonwealth were similar to those in New South Wales, but the balance was more complex, with a strong Commissioner on the side of efficiency and examinations, sulking permanent heads who wanted more departmental control, and associations greatly strengthened by a Labour Ministry's early gift

71. The only time a non-Labour Ministry cancelled an earlier concession was when access to arbitration was withdrawn in 1923. It was promptly restored in 1926.
72. Supra, pp.170-175. 73. Supra, p.178.
74. Infra, Chapter IX.
of arbitration, demanding promotion appeals. We have traced the interaction of these forces and its results in the last two Chapters. Broadly, strong Commissioner control in the Commonwealth, like strong Board control in New South Wales, erected safeguards on the side of efficiency, while arbitration and the consequent strength of associations won them more immediate benefits in salary increases in this period, and earlier concessions in the next.

We have, however, to consider the different patterns of staff control that emerged in the Commonwealth and New South Wales public services from the different recommendations of Royal Commissions, under apparently similar conditions in both cases. Briefly, Allard's remedy for a negligent Board which had relegated much of their responsibility for staff control and economy to departments, was to sack it and invest a new Board with greater independence and more welldefined authority. In the Commonwealth service, on the other hand, when more staff control was passing to departments owing to Inspectors' preoccupation with other duties, McLachlan recommended transferring the control of promotion and discipline to departments.
But the relevant conditions were only apparently similar. Allard's problem was comparatively simple. The conditions which weakened Commissioner control in the Commonwealth such as a single dominant P.M.G's department wanting more departmental control, heavy arbitration work making frequent inspections impossible, the problems of delegation in a widespread service, and criticisms of Commissioner control by various Royal Commissions, did not obtain in New South Wales, and there was little open fighting for staff control by departments. Naively or deliberately Allard simplified the problem even further, by contrasting the ruthless efficiency of the first Board of 1895 with the self-confessed negligence of the contemporary one,\(^75\) and he failed to consider whether it was physically possible for the contemporary Board to inspect departments themselves and whether they could not do better with Inspectors.\(^76\) Ignoring subtleties as an outsider, he was quick to find a scapegoat in the Contemporary Board and a solution in a new and more powerful Board.

\(^{75}\) Mason Allard Report, pp.XII-XXIII.
\(^{76}\) See footnote 57.
Apart from the complicated reasons which led McLachlan to recommend transfer of promotion and discipline to departments, it was not to him so much a matter of giving up some "control", as of shedding some "detailed management" in order to assume the more important arbitral powers. This was not very different in spirit from Allard's vision of a stronger Board, though it proved a miscalculation.

Allard spoke with a single voice in New South Wales, making implementation easier. In the Commonwealth, the Economies Commission differed from McLachlan in important recommendations and the latter's idea of a Commissioner with arbitral powers was politically impossible. Hence the final pattern of staff control took something from each report. The result was a Board with complete staff control in New South Wales, whipped into strength by the Allard Report, and a Commonwealth Board with considerable powers over economy and efficiency but less direct control of promotion and discipline and less still over salary determination. The effects of this difference, however, became fully evident only in the nineteen forties.

77. Supra, p. 150-154.
PART II

THE INTER-WAR YEARS.
CHAPTER VII

THE PROMOTION PROCESS FROM 1924-1939

The Commonwealth Public Service Act of 1922-24 governed promotion in the Commonwealth Public Service from 1924 till 1945 when the appeal provisions were amended according to the recommendations of the Bailey report. This long period from 1924 to 1945 falls naturally into two sections. The fifteen years from 1924 to the beginning of World War II in 1939 were years of stagnation. The war years from 1939 to 1945 were years of feverish activity and quick adaptation in response to the challenge of war.

We have in the last chapter dealt with the two important legislative changes in the promotion process made according to the recommendations of the McLachlan report. Another, even more important, change was the new classification structure for the service which flowed from the powers granted in the Act.

I. The Report of the Committee of Enquiry on Promotions and Transfers in the Commonwealth Public Service, of which Professor Bailey was chairman, is popularly known as Bailey Report and is discussed in detail in Chapter X.
Its importance for the study of promotion arises from more reasons than one: it stretched the principle of work value to its limits; its history from 1924 to 1929 was stormy with the challenge of public service associations and Labour members of Parliament; and its basic principles still live on in the present classification.

We shall therefore start our study of the inter-war years with an account of the classification after a brief reference to the powers of the new Public Service Board, and then investigate the new promotion procedures and appeal mechanism.

The new Act and the new Board

The Commonwealth Public Service Act of 1922-24 omitted two important provisions relating to promotion which were in the earlier Act. The first was the provision demanding a certificate of the Commissioner, every time a junior officer was promoted, that there was no senior as capable of performing the duties of the position. Its deletion removed a statutory hurdle in the path of promoting authorities wishing to exercise free discretion in their choice of efficient officers. The second

2 Some senior administrators complained before the Postal Commission about the restrictive effects of this provision - see supra, p.101. There was no need for this provision in view of the new appeal provisions.
casualty was the requirement that every officer should normally pass through every subdivision of a class before promotion to the next higher class. This reminder of the depression of the nineties was not needed in the context of the new narrow range classification (see below).

As for the general distribution of powers under the Act, a Public Service Board of three Commissioners (with varying terms) was vested with most of the powers of the former Commissioner. Section seventeen of the Act enjoined on the Board such important duties as devising means "for effecting economies and promoting efficiency in the management and working of Departments" by close supervision, improved organization, limitation of staffs, examination of the business of each department, exercise of critical oversight of its activities and the maintenance of a comprehensive and continuous check of its working.

The Board was given the necessary powers to carry out these duties, such as powers in regard to appointments, classification, temporary employment and retirement of incompetent officers. Permanent heads in 1922 were

2a. The power of the Board in most of these matters was final whereas the former Commissioner had only recommending powers. This distinction is not very important since the recommendations were usually carried out. The Governor-General had final power to create and abolish offices but he usually relied on the Board's recommendation. He had sole power to appoint First Division officers and fix their salaries.
given the power to grant increments, deal with
disciplinary cases and decide punishment. The amended
Act of 1924 gave them the power to provisionally promote
officers which was vested in the Board by the earlier
Act. The Board retained the power to inquire into
and decide the appeals regarding promotion.

The classification of 1924-29.

Section 27 of the C.P.S.

Act of 1922-24 called upon the Board to classify all
officers other than those in the First Division, the
classification as to salary to be in accordance with
"the importance and character of the work performed".
The Board was also allowed the discretion of gazetting
the classification wholly or in sections. This was
in fact the second service-wide classification, the
first being the historic McLachlan classification of
1904. The service in 1922 included over 25,000
permanent officers - more than twice the strength of
the service in 1904. The Board therefore wisely decided
to gazette portions of the classification as soon as
completed, particularly to enable dissatisfied officers
to appeal at the earliest opportunity. But the
classification as a whole (irrespective of the date of
gazettal) was to take effect from the 1st of July 1924.

3. C.P.S.B. 1st Report, p.54. For an account of the
classification from the Board's point of view see Op.cit
pp. 34-57, 2nd Report, pp. 11-12, 3rd Report, pp. 4-5
and 4th Report, pp. 4-5.
McLachlan had made two important recommendations with regard to the classification of the service in his Royal Commission Report. First of all he felt that the earlier division of the service into the Administrative, Clerical, Professional and General Divisions had become meaningless, particularly because of the casual inclusion of all sorts of posts in the Professional Division. In its place, he recommended four Divisions called simply First, Second, Third and Fourth, and favoured the inclusion of positions of equal responsibility and work value, whether professional or clerical, mostly in the Third Division. This recommendation was carried out in sections 23 and 24 of the Commonwealth Public Service Act of 1922-24. According to them the First Division was to include permanent heads and such other officers as determined by the Governor-General. The Second Division was to contain officers (working under the First Division officers) who were "required to exercise executive or professional functions in the more important offices of the service"; in practice it included Chief Officers and later Assistant Secretaries.

5. (Current) 57/1718. The Acting Commissioner was first keen to include Chief Officers in the First Division but when he learnt that it was to be excluded from Board Control, he was for the inclusion of permanent heads only.
The Third was to include officers whose offices were included in it by the direction of the Governor-General; in practice it embraced the old Clerical and Professional Divisions. The Fourth which should "include all officers not included in the First, Second or Third Division" was practically the equivalent of the former General Division. The divisional structure was more hierarchical than the previous one as shown by the following diagram.

<table>
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<tr>
<td>Professional Division 6 classes</td>
<td>£1500</td>
</tr>
<tr>
<td>£72</td>
<td>£1100</td>
</tr>
<tr>
<td>£39</td>
<td>£420</td>
</tr>
<tr>
<td>£72</td>
<td>£108</td>
</tr>
<tr>
<td>£78</td>
<td></td>
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</tbody>
</table>

N.B: The diagram is not to scale and the salary limits mentioned are only approximate. It is drawn only to illustrate the frankly hierarchical nature of the new Divisional structure. Where the salaries of Divisions seem to overlap, there are much fewer people in the lower Division in that area than in the higher.

While nominally abolishing the professional caste McLachlan's recommendation gave rise to a hierarchy of salaries. The professionals nevertheless continued to flourish as shown in Chapter XI.
McLachlan's second recommendation related to the construction of narrower classes. We have already shown in Chapter III how the strict implications of work value could not be accommodated in the predetermined five wide classes of the first Act, how McLachlan tried to accommodate it by stressing the discretionary nature of each increment, and how he failed in this through the varying standards, and irresponsible liberality of Chief Officers. He repeated the same charges in his Report and indirectly confessed the failure of the system of discretionary increments. He strongly felt that under the old scheme of five wide classes, not every post in a class was worth the maximum of that class but all were treated as if they were so in practice. To avoid both these evils, he recommended a system of nine classes for the Third Division with each class having a narrower range (so that most positions could be more accurately fitted into one class or the other on the basis of work value) and with increments to be granted more or less automatically and to be withheld for negligence and other derelictions. The Public Service Act of 1922-24 instead of embodying the recommendation as such in its sections, gave the new Public Service Board through section 27, full freedom and responsibility

6. Supra, pp. 149-50.
to classify the service "in accordance with the importance and character of the work performed".

The new Board used this discretion to go much farther than McLachlan's halfway house — right back to the primitive rigour of the work value principle. Restricted only by the statutory basic adult wage below which they could not place any adult post, they valued each post within the narrowest salary limits after considering every shade of work value. While posts with similar work value were assigned the same narrow range and even grouped together, they were never designated as a class by name, numeral, or letter of the alphabet but were identified only by the salary scales.

The new Regulations were framed to accommodate the new concept. Regulations 104 and 106 listed posts in the Second and Fourth Division respectively with their salary limits. Regulation 105 provided two tables A and B with 48 and 31 specific annual salaries any two of which could be chosen as the maximum and minimum for a post in the Third Division. The total possible number of salary scales was frightening. In practice there were over forty well-known scales. The actual number of salary scales in the Third Division was 140 in 1930.

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8. These salary scales as such were used to identify classes of posts till recently, with suffix (S) i.e. standard, long after the salaries had been doubled.
and 108 in 1940. The corresponding numbers for the Fourth Division were 175 and 202 respectively for the same years.

This was indeed a very far cry from the four simple classes of the Victorian Civil Service Commission of 1859 and the five classes and nine grades of the Commissioner regime. It was the application of work value with a vengeance. Why did the Board go to it so relentlessly?

The first and obvious reason was the climate of economy. The craze for economy and the admiration for business methods got their second wind near the end of the first world war when the Commonwealth, New South Wales and Victorian Governments appointed Commissions of businessmen to report on their public services from the viewpoint of business management. There were complaints of overstaffing and waste and the Commissions themselves recommended stronger and more economical control of the public services. The Commonwealth Public Service Board was conceived by the Economies Commission as a board of economy and efficiency which concept was duly enshrined in section 17 of the

10. See Appendices A and B.
Public Service Act of 1922-24. The Board therefore had every encouragement to apply the principle of work value as they did — especially after McLachlan had criticized the inadequacies of the method of discretionary increments.

The second less obvious reason was a general suspicion of public service associations and public service arbitration. The latter was becoming an established institution and its strength was demonstrated on a number of occasions between 1920 and 1930; the Hughes Ministry set aside McLachlan's recommendation to give arbitral powers to the Commissioner; even their creating a separate Arbitrator for the public service 11a was attacked by Labour members of Parliament; the provision in the Public Service Act of 1922 for the new classification salaries to override earlier arbitration awards was even more strongly attacked by the associations and Labour members of Parliament so that Prime Minister Bruce had to amend the Act in 1924 to provide for the retention of award salaries till their beneficiaries were transferred to another post; he

11a. Supra, p. 152.
was criticised bitterly in Parliament after doing this presumably for his earlier temerity; and when finally the Bruce-Page Ministry lost the 1929 elections on the issue of arbitration in general, the associations bitterly campaigned against them because of their attempt to abolish public service arbitration. Even as the Board was proceeding with its classification, there was more than one change in the basic minimum adult wage -- upsetting the Board's scales.

It was no wonder if the Board felt that the classification was their sole refuge, defence, and weapon against the whimsicality or generosity of the all-powerful Arbitrator and the "intransigeance" of associations. A classification of posts with narrow salary scales did not basically provide enough elbow room for the former. Secondly, since each officer must get a promotion on the basis of relative efficiency to pass from one narrow scale to the next, each was compelled to put forth his best in the job to win a promotion and a large number of such scales multiplied this effort and the overall efficiency of the service. So at least might the Board have argued.

14. The argument as set out here was never developed openly and fully in those years. It was essentially the work of a single man, Commissioner Skewes to whom Labour members of Parliament made uncomplimentary references.
The overlapping of salary scales is explained more easily. In those years the Board was obsessed with the high expenditure on higher duty allowances (for acting in higher positions). These had been the bone of contention between them and the associations in many plaints before the Arbitrator. An allowance to bring up the officer's salary to the minimum of the next higher class, in which he was acting, was payable after a lapse of a qualifying period of 26 days. By simply making the minimum of the next higher scale overlap the maximum of the lower, the Board was able to effect considerable savings on that count.

The merciless success of the Board's economy drive is related in the next chapter. But it was a shortlived and shortsighted triumph. The associations protested against the new classification but generally wasted their ammunition on detailing the grievances of small groups among themselves. But soon they learnt to play the game under the new rules and were continually filling plaints before the Arbitrator for small increases in salary for every slight change in work value. The awards not only increased in number as the years sped by but they ultimately began to set the pattern of

16. See 5 C.P.S.A.R. 52-87 for a history and discussion of the question of higher duties allowance by the Arbitrator.
classification. They fixed the relativities, that is, the ratio between the salary scales of different types of positions. In the late thirties the Board agreed with the associations to get an award for a "key position" in a group of related positions and then work out scales for the rest with their help. The Arbitrator clinched his victory when he gave a comprehensive award for a large part of the Third Division in 1937 simplifying the salary scales somewhat and read a lesson to the Board on the evil of too narrow ranges! Not only was the initiative lost to the Arbitrator, but the Board was not able to wriggle out of its own cords when it wanted to, in the post-war years.

The right of appeal against one's classification was more extensively used by officers than ever before. From 1924 to the end of 1928, 10,902 appeals were lodged of which 3,288 were allowed wholly or in part. They were heard in each State by the Public Service Inspector (as the Board representative) and a departmental representative. The appeal conference consisted of

18. F.P.S.J. Vol 15a, Nos 3, 4 & 5.
19. 17 C.P.S.A.R. 3-6, and 21-24. See also 16 C.P.S.A.R. 5 The award was a "consent award". The Board and the Clerical Association had agreed on the terms before going to the Arbitrator. In the light of later events, this writer would not attach much importance to the small simplifications effected by this award.
20. See chapter XI, section on classification.
22. C.A.A: C.P. 121 (151) F.24/5537 for details of appeal conference procedure.
these two and the appellant or his agent. The hearings were not public but were informal with no sworn evidence. Group appeals regarding a class of post were decided by dealing with one typical case. The Inspector and the departmental representative were to consult and write a joint report to the Board who finally decided the appeals. The classification appeal hearings gave the Inspector and departmental officers a deep insight into the work of various groups of officers and the related promotion problems. To a small extent they suggested some simplification in it. It also contributed to the Board's scepticism on staff rating, when it was tried in this connection.

**Provisional Promotion by the permanent head.**

According to section 50 of the Commonwealth Public Service Act of 1924 the permanent head of the Department in which the vacancy occurred might, subject to the provisions of the Act, transfer or promote an officer to fill the vacancy. If he was an officer from another department, the Board must approve it. Subsection 3 of the same Section 50 stated that consideration should be given "first to the relative efficiency and in the event of an equality of efficiency of two or more officers, then to the relative seniority

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23. Interview with former Commissioner F.G. Thorpe.
of officers available for promotion to the vacancy." Efficiency was defined exactly as in the earlier Act of 1902. Promotions so made were all provisional and were to be gazetted as such and could be appealed against.

The procedure was further elaborated in the Regulations. The permanent head was to report any vacancy to the Board through the Inspector, stating that it was necessary to fill it. Upon approval by the Inspector (under delegated authority) he could either directly make a provisional promotion of an officer in his department or advertise the vacancy and promote one of the applicants. In all cases he was to consider relative efficiency and in cases of equal efficiency, seniority. For positions for which an examination qualification was prescribed he could consider only those who were so qualified. Promotions of Junior Mechanic to Mechanic and Mechanic to Senior Mechanic under arbitration determinations were not to be considered as promotions under section 50 of the Act and were not to be gazetted. The reason was that they were not appealable and were automatic on fulfilling certain conditions.

Section 25 (5) of the Act allowed the permanent head to delegate in writing "all or any of his powers" to any officer of his department and section 26 (2) enabled Chief Officers to exercise such delegated powers. In the bigger departments of the Postmaster-General and Customs the permanent heads delegated to their Chief Officers authority to make promotions to positions carrying an annual salary of up to £450.

While the former definition of efficiency was retained verbatim there was a radical change in the definition of seniority. As explained in an earlier chapter, seniority during the currency of the first Act was based upon the salary of the officer and to avoid the confusion resulting from arbitration salaries, it was later based upon the actual class and subdivision of class or grade occupied by the officer. The Board however found that under such a definition, the seniority of many officers was prejudicially affected by stoppage of an increment, or non-granting of a discretionary increment, reduction of salary for an offence, and even prolonged sick leave with loss of pay.

27. The promotion delegation was varied from time to time and at the time of the Bailey Report had come up to this figure. See Bailey Report, pr.166-7.
28. Supra, Chapter III pp. 75-77.
Moreover, officers sought transfers and promotions involving small monetary advantage just to gain seniority. The Board therefore based its new definition of seniority substantially on length of service. Those who were already in the service in the Second, Third or Fourth Divisions on the 1st July 1924 were to retain their respective seniorities as on that date under the old definition. The relative seniority of those who entered these Divisions after that date was to depend on their date of entry into the Division. Officers transferred from the Fourth to the Third Division after that date could add to their Third Division seniority a maximum of two years from their service in the Fourth Division.

Let us now examine the techniques developed by the various departments, starting with the larger departments of the Postmaster-General and Customs which evolved more formalized techniques owing to their size and spread.

**Postmaster-General’s Department**

As the largest and most widely spread, the Postmaster-General’s Department made three distinctive contributions to promotion technique namely (a) delegation and inspection (b) advertisement

30. Ibid. See also C.P.S.Regulations, 1935, Reg.110.
of all vacancies and (c) formalized periodical reporting on groups of officers.

As early as 1906 the need was felt in the department of delegation, a good measure of which was actually secured by the insistence of McLachlan. The delegation sections of the 1924 Act were conceived chiefly with the P.M.G's. department in mind. In practice Chief Officers could make and gazette provisional promotions to posts carrying salaries up to about £450 per annum. This delegation covered a large number of posts in the Fourth Division and some in the Third Division. They were also to send recommendations to the permanent head about suitable officers under them for other higher posts. All vacancies, according to a departmental circular:

should be referred to the head of the Branch in which the vacancy existed for report as to the most suitable officer for the position. Where necessary, reports should be obtained from the District Inspectors as to the suitability of officers for the position. ......

(In case of higher vacancies to be filled by the permanent head) A suitable recommendation should be made by the Chief Officer, a full explanation being furnished, particularly where it is proposed to pass over a senior officer. Any reports furnished by heads of Branches concerning the applicants should in all cases be included with the papers forwarded. Where applications have been invited the applicants should be scheduled in order of seniority and submitted to the central office with particulars of the vacancy (including the cause thereof) and of the designation and salary of the officer recommended.

32. (P.M.G.) P.B.45/4280 - Provisional Promotions.
It is clear that delegation and consultation were highly formalized. After some years the head and deputies of the Engineering Branch in each State began to function as a promotion board.

The P.M.G's. Department had gradually built up an inspectorial staff to check the material needs and conditions of its vast establishments scattered all over the country. These District Inspectors very soon acquired a fund of reliable information about the personnel - information from which the Public Service Inspectors drew heavily in the days of Commissioner control. With the assumption of promotion power by the departmental head, personnel inspection assumed greater importance in the duties of District Inspectors. In short, the department imitated the Commissioner control it displaced - in using an inspectorial apparatus.

During the last few years of Commissioner control the public service associations, mainly of postal officers, were demanding the advertisement of all vacancies, but the Commissioner was lukewarm about it. With the departmental assumption of promotion power the policy of notifying all vacancies in the Gazette
was gradually adopted as the only fair, safe and fruitful way. It was fruitful in opening a wider field to choose from, it was fair to all officers by keeping them informed of openings and it was safe for a large far-flung department where selecting officers could not know all promising material which might later appeal successfully. The policy was probably practised for quite a while before it was thus formally circularized in 1928:

As a general principle all vacancies should be advertised in the Commonwealth Gazette unless there are good reasons to the contrary. Reference should be made to the Central Office in any case where doubt exists as to whether a vacancy should be advertised. A fortnight's time was allowed for officers to lodge their applications.

The Board looked askance at this policy of advertising all vacancies. In 1933 they referred back to their earlier general orders and said that when the Chief Officer knew the most suitable officer available for promotion or transfer "nothing would be gained by advertising the vacancy with the resultant loss of time involved in awaiting applications." They considered that "advertisement in the Gazette should only be resorted to where it was desirable to give officers an opportunity of applying for transfer",

35. (P.M.G.) P.B. 45/4280 - Provisional Promotions. 36. Ibid.
or "to ascertain what officers were desirous of consideration for promotion to any particular vacancy." The department however defended its policy in one long sentence of tortuous officialese, laden with the passive voice:

As it is necessary that the widest possible field for selection be obtained in most instances and as suitable candidates in distant States might be overlooked if the Board's suggestion is adopted in its entirety, it is thought that it might result in aggravating rather than remedying the situation, because aggrieved officers may exercise their right in greater numbers if they do not have an opportunity of applying for the position through ignorance of the vacancy existing.

The department also issued a guarded circular putting the onus on Chief Officers in that they need not advertise where they thought little would be gained by it, with a counterbalancing proviso that in most instances it was advisable to advertise. Came retribution when appeals began to upset some promotions made without advertisement. Thereupon the permanent head admonished his flock in 1936:

The Director-General is anxious that the normal practice of advertising vacancies should be departed from only in special cases and that the department should not rely on the fact that officers passed over can have their claims considered on appeal.

37. Ibid.
38. Ibid.
39. Ibid.
40. Ibid.
41. Ibid.
The department was (and is) a firm believer in the virtues of advertisement. Deputations from public service associations in the twenties and thirties urged the Board to induce all other departments to advertise their vacancies. The Board's usual reply was that it was the affair of the respective permanent heads, it was not always possible, was productive of delay and there was always the outlet of appeal.

The large number of officers doing the same or similar manipulations in the department pointed to the obvious need for common standards for reporting on them. There arose reporting forms and questionnaires relating to the various manipulations and qualities required. While they were based on experience, there was no job analysis or rating (numerical) in a modern sense. These were used regularly in New South Wales and Victoria.

The questionnaires regarding such manipulative grades as the Lineman, Line Foreman and Line Inspector contained many long-winded detailed questions (mystifying to a layman) and were obviously aimed at judging the response to typical work situations. One such question regarding Line Foremen read:

42. C.A.A. C.P.408. G.26/143. See account of Clerical Association deputation to the Board.  
43. (P.M.G.) P.B.45/4280 - Provisional Promotions.  
44. Ibid.
Has he sufficient knowledge of departmental instructions to enable him to direct the Linemen Grade 2 in all line work and to draw the attention of an Inspector to any improper methods or improper construction or irregularities on the part of Linemen?

An even longer question referring to Linemen Grade 2 was the following:

Has he furnished satisfactory evidence in the performance of his duties that he is qualified to carry out and direct other men in connection with the following:

- Erecting and crossarming poles
- Supporting poles at angles
- Erecting, jointing and regulating wires
- Leading lines into buildings and
- Approved methods of carrying out line work generally.

Some of the shorter questions related to one's knowledge of timber or ability to ride a bicycle or drive a car. These questionnaires might cause raised eyebrows among modern personnel experts. They were however a practical response of a large department to the problem of assessing its manipulative staff.

The forms relating to the clerical and supervisory positions contained a list of qualities to be reported on. For example, the list for senior positions in the Telephone Branch included such qualities as capacity to maintain discipline and control staff, manner of approach in conversation, personality, organizing ability, initiative, detailed
Knowledge of the work concerned, ability to direct and control the activities of the particular section, knowledge of correspondence procedure, and ability to understand preparation of memoranda and letters to the public. These qualities were rated as excellent, very good, fair or indifferent. The form for selection of Cadet Engineers contained the following: age, the present position and the measure of success in it, academic qualifications, physical qualities, character and personality analysed under manner of address, energy and industry, courage and self-reliance, leadership, judgment and commonsense (all to be rated as outstanding, very good, satisfactory or poor) sporting activities, evidence of technical inclination and any other relevant information. The form used for reporting on Postmasters and other postal staff by the District Inspectors contained an even longer list of items:

1. Personality  
2. Appearance and Address  
3. Conduct and Character  
4. Diligence  
5. Accuracy  
6. Efficiency  
7. Qualifications  
8. Higher position for which officer is suitable  
9. Operating ability (Telegraphic)  
10. Clerical capacity  
11. Judgement and resourcefulness  
12. Tact in dealing with public and the staff  
13. Status as a citizen. Does he uplift our prestige?  
15. Powers of Control and Leadership.  
16. Is office clean and tidy (for Postmasters only)  
17. General remarks  
18. Whether above or below his grade and in what respect.

47. Ibid.  
48. Ibid.
A note at the bottom of the form warned that it was highly confidential and was to be furnished to the Superintendent at the close of an inspection and added:

If the report is highly favourable or unfavourable in any respect, the reasons should be given fully under general remarks. Extracts are taken from these reports in cases of promotions and appeals. It is therefore necessary that the information should be clearly set out in as full a form as possible.

These reporting forms had probably many imperfections from a personnel expert's point of view. But they were a sincere attempt to face the problem of keeping track of the qualities and potentialities of a large and widely distributed staff. They were definitely an advance, as regular periodical reports on a common set of qualities, over highly personal, sporadic, non-uniform reports and oral opinions.

The reporting system however evoked a great deal of hostility from associations because of its secrecy. Neither the department nor the Board did anything to allay it. They claimed that to be truthful, the reports had to be confidential. The associations called it an evil "which damned the lives and future of conscientious employees", and a despicable system of espionage. In fact the department

was doing nothing so remarkable.

The Customs Department

The Department of Customs had comparatively less standardized promotion methods. The Chief Officers had delegations up to positions carrying about £450 per annum. They seemed to have enjoyed a large measure of autonomy in their methods. While the New South Wales Branch advertised most of its vacancies in the Gazette, those in other States did not go far in that direction. There was much consultation, most of it being oral. Written reports were sought just before filling a vacancy only from supervising officers not available for direct consultation. These reports again did not follow any pattern but were descriptive. Recommendations for higher vacancies were forwarded to the Chief Officers (or Branch heads in some cases) and were heavily relied on. The work connected with promotion and transfer was channelled through a staff clerk in each State headquarters. Chief Officers differed considerably from each other in their methods - varying from cryptic marginal informalities such as "... to be promoted" to long explanatory notes justifying

52. The Customs staff files in the C.P.114 accession reveal enough variety and this is confirmed by oldtimers of the department.
53. C.A.A: C.P.408. G26/143. (Clerical association deputation's complaint to the Board).
a selection. Among the shorter recommendations is the following typical one:

Mr. M., who is 41 years of age is an officer of outstanding ability and besides having a thorough knowledge of secretarial work has considerable experience as an invoice and investigating officer, qualifications very necessary for the position. He has a good address and is a reliable and conscientious worker.

Here is another:

I recommend that M., wharf examining officer, be promoted to the above-mentioned vacancy. Mr. M. is a careful, painstaking officer and has had Outport, Landing Branch and Invoice room experience. It is considered that he will be suitable for the position.

In a large number of promotions examined by the writer there is always an emphasis on specific experience related to the job, though in the case of the highest positions greater stress was laid on administrative ability. A typical recommendation to one of the highest posts illustrated this:

There is no one within my knowledge who has had the training and has the capacity as that possessed by M. I have found all the Ministers agree that Mr. M. is an outstanding officer. His knowledge of the Tariff revision and trade treaty work together with his capacity for expression and discussion of matters is such that there is no one his equal in this department.

The recommendation after discussing two other officers of some ability dismissed them as lacking in experience.

54. C.A.A: C.P.114.(6) T.&.C. -828/I (Italics mine)
55. C.A.A: C.P.114.(18) T.&.C. -832/589 (Italics mine)
56. C.A.A: C.P.114.(4) T.&.C. -835/138.(Italics mine)
The emphasis on specific qualifications and experience was carried to great lengths as regards all but the highest positions. One result of this was the severe restriction of promotion to departmental officers.

The stir created when a non-Customs officer was even suggested is revealed by the following comment from a high authority:

In my opinion an officer who has not had a Customs training is not qualified to fill the position of Landing Inspector. To recognize such a principle would be admitting that an officer from any department without a Customs training could come into this department and carry out responsible duties in the Landing Branch. This is a proposition which we have never before entertained for a moment and I am strongly of opinion that the position should be filled by an officer with Customs training.

The Customs department tried to take stock of its human material about 1928. A programme was chalked out of "providing for the future by developing as far as possible the latent capacity of officers" in view of the large number of impending retirements and the mediocrity of many long-service officers. "Officers of exceptional promise" were to be marked out at all levels for training, development and advancement. It would appear that

this ambitious and far-sighted programme did not amount to much in execution owing to the onset of depression and frequent changes at the top.

The other departments depended much more on informal consultations. Less need was felt for formal methods since most of them contained less than five hundred officers each, organised in small sections - where everybody knew everybody else.

Other Criteria of Efficiency - Examinations

We have noted the importance of examinations in the days of Commissioner control. They largely retained this importance during the period under investigation.

There were more than twenty types of positions (the majority of them in the Fourth Division) advancement to which was governed by an examination. These were prescribed in Regulation 112 and new examinations were added from time to time. University degrees or diplomas were prescribed or recognized in lieu of examinations for a few positions. Chief among these was the prescription of the intermediate examination of a recognized Institute of

59. Supra, Chapter III, pp. 80-92.
60. C.P.S.Regulations, 1935, contains additions made up to that year.
Accountants or a University course in Commerce or Economics (including Auditing and Accountancy) for the position of audit clerk. Higher qualifications were prescribed for the post of Audit Inspector. The legendary craze for accountancy qualifications in the Commonwealth Public Service started with this humble Regulation. Besides promotion examinations, there were compulsory qualifications (mostly acquired in the University, Technical College, a Lawyer's office etc.) prescribed for advancement beyond a salary limit (efficiency bars.) There were about twenty-five types of positions in which these professional qualifications were needed for advancement beyond a salary limit. The large body of clerical positions constituting three-fourths of the Third Division was not affected by examinations.

These examinations and professional attainments were merely qualifying. The departmental heads had to promote from among those qualified on the basis of relative efficiency according to Section 50 of the Act. This was a safeguard against promoting an officer otherwise unsuitable. Promotion to Mechanic or Senior Mechanic was however automatic on passing an examination, in the order of seniority (though some of

61. C.P.S. Regulations, 1935, Reg. 105A.
these automatic promotees proved quite a headache to the Chief officers. Regulation 155 empowered the Board to prescribe competitive examinations for any (professional) position in the Third Division. But the only fully competitive examinations were those for Cadet Engineer and Cadet Draftsman — where successful candidates were chosen in order of merit. There seems to have been a definite reluctance to use competitive examinations as the sole measure of efficiency.

Each of these examinations was prescribed in detail after discussion between the Board and the department concerned. In some cases the interested associations were also consulted. To take a typical instance, the Board was contemplating an examination for Supervisors (P.M.G's. department - Third Division) in 1926. A Committee of three consisting of a Public Service Inspector and two senior departmental officers was appointed to go into the question. The Clerical Association wanted to subject any Fourth Division officer entering the Third Division to an educational test. The syllabus for the examination as drawn up consisted of two parts, the first dealing with departmental knowledge and the second relating

63. The account which follows is based on C.A.A: C.P.408. G26/205.
to general education. The Board considered the syllabus as drawn by the department was too departmental. The Inspector frankly said, "In fact I think that so long as officers were selected for the Junior positions of Supervisor on personality and educational attainments alone, knowledge of mail branch methods and practice could be dispensed with."

After a few week's discussion the departmental part was considerably modified. Selection was to be from successful candidates but on the basis of efficiency as defined in section 50 of the Act. The safeguard was included in the following discreet postscript to the notification of the examination itself:

The passing of the examination alone will not give an officer the right to promotion within the period of his eligibility. If in the opinion of the permanent head a successful candidate does not possess the capacity to control staff and organize work requisite for the proper performance of the duties of Supervisor, he will not be nominated for promotion.

By 1935, a third oral part was added to the examination "designed to ascertain whether a candidate possessed initiative, organizing ability and ability to efficiently supervise the performance of work in a mail room, the questions to be relevant to the work of and the circumstances to be met in a large mail room." In the meanwhile the Australian Postal Workers' Union unsuccessfully urged restricting the examination to
those with mail experience. Later it pressed equally unsuccessfully for the waiving of the educational part of the examination for overseers of experience.

The account given above is a good example of the interplay of various forces on the examination system - the department's emphasis on departmental knowledge, the Board's comparatively broader outlook, the manipulative officer groups seeking advancement without general educational tests and the clerical group's insistence on educational tests before admission to the Third Division fraternity.

Examinations began to play a part in arbitration awards during this period. The existence of a stiff qualifying examination was an association argument for increased salaries. Conversely, the demand for an increase of salary was an argument for the Board to prescribe an examination qualification. Before long, the Arbitrator's awards began to include examination qualifications as a condition of advancement.

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64. Eg. 17 C.P.S.C.A.150 and 181. The Arbitrator rarely took the initiative but he accepted or rejected claims for an examination on either side. The associations mainly of the Fourth Division were happy to have some examinations prescribed along with automatic promotion based on seniority for successful candidates.
In spite of the increasing number of examinations in the regulations, their numerical effect on promotion was small. Some of them, like the transfer examination from the Fourth to the Third Division, were suspended for a long period to make room for returned soldier candidates or restricted to them while others were held infrequently—owing to the onset of depression and the lack of vacancies. Moreover, there were no promotion examinations for most clerical positions, constituting about three-fourths of the Third Division.

Acting experience in a higher position could have been developed as a useful criterion of efficiency. Some efforts were slowly made in this direction by some departments. But they generally came to nought for various reasons, chief of which was the Board's attitude. This sad tale is told later in connection with promotion appeals.

On the whole the contribution made by departments to the assessment of efficiency was not impressive. The P.M.G's. policy of advertisement and use of questionnaires was a definite advance and the abortive attempt of the Customs Department to

65. C.A.A: C.P.408. G27/57. The file contains the full story of promotion examinations vis a vis returned soldiers.
take stock of its human material and potential was well-intentioned. Departments were not in close contact with one another on promotion criteria. They relied (as the Board averred) on "official judgement based on the knowledge and impartiality of heads of branches and of departments as to relative efficiency of officers." One cause for the barrenness in the invention of techniques was the apathy caused by the infrequency of promotions during the depression. Another was a lingering reliance on the Board for guidance, which they received mainly through the Board's post-mortem verdicts in promotion appeals. A third was the small size of most departments which had therefore no incentive to go beyond personal knowledge and rule of thumb methods.

PROMOTION APPEALS

The system of promotion appeals instituted by the Public Service Act of 1922-24 has a twofold interest to our enquiry, first because if its intrinsic importance as part of the promotion process and secondly because it was an avenue through which efficiency was interpreted in concrete terms.

66. C.P.S.B. 5th Report, p.21
Section 50 of the 1922 Act vested the power of (provisional) promotion, as well as the responsibility of determining appeals against such promotions, in the Public Service Board. This anomalous position which lasted till the Act was amended in 1924, was rendered more difficult when the Board discovered that they could not delegate their appeal functions under the Act to their Inspectors. The Board themselves sat in conference with a representative of the department concerned, to hear the appeals. The appellants and the promotee (or their representatives) were heard and questioned in turn. When they had expressed satisfaction with the opportunity given to state their cases, the Board asked the departmental representative to state his opinion independently in writing. The Board then gave their final decision on the appeal.

This procedure occupied much of the Board's time. Most appellants could not appear in person and were generally represented by friends or association officers, or submitted statements through Inspectors. The number of appeals was small (73 for the period October 1922 to September 1924) mainly because of this.

69. Ibid.
The Board asked for amending legislation enabling them to delegate their appeal investigation functions to Inspectors. The amending Act of 1924 simultaneously relieved them of the responsibility of original promotion and allowed them to delegate appeal enquiries to Inspectors. The chief advantage of the cumbersome procedure during the interregnum between the two Acts was a number of appeal decisions signed by the Board giving the present writer an insight into their interpretation of efficiency.

The Commonwealth Public Service Act of 1924 empowered permanent heads to provisionally promote any officer in their department and gazette it subject to appeals. Section 50 (6) of the Act stated:

An appeal under this section shall be made in such manner and within such time as is prescribed and may be made by any officer who considers that he is more entitled to promotion to the vacant office than the officer provisionally promoted on the ground of -

(a) superior efficiency; or
(b) equal efficiency, and seniority.

The Regulations under the Act prescribed that the appeal should be made on either of these grounds within fourteen days to the Inspector of the State in which the promotion was made. According to Section 50 (8) of the Act the Board should "make full enquiry into the claims of the appellant and those of the

officer provisionally promoted." The Board did this through its Inspectors. In cases where the promotee and appellants were in the same State, the Inspector (of that State) made enquiries and sent a report as well as a recommendation to the Board. If they were in different States, the respective Inspectors reported to the Board on the promotee or the appellant (or appellants) in their States. In both cases the Board made the final decision, either allowing an appeal and promoting the appellant or confirming the original promotion.

According to the Board's instructions issued in 1924 "the Inspector should take steps to exhaust every practicable avenue of investigation necessary to enable him to arrive at a sound judgment as to the relative merits of the officers concerned, keeping in view the particular position to be filled." Where possible he was to interview the appellants and the promotee, but the matter was left to his discretion since an interview in every case was impossible. But everyone was afforded an opportunity to submit a

72. C.A.A: C.P.408. G24/96. (quoted also in Bailey Report pr.143). G24/96 is a big file but since its folios are not officially numbered, we cannot give more precise identification. The earlier memos start from the bottom.
written statement. The Inspector was to interview those who made the original recommendation i.e. the branch head or Chief Officer (or in some rare cases the permanent head himself) and also the higher authorities who accepted it. He was also to get a written statement from the Chief Officer covering the points at issue. He should forward the appeals and all related documents and a summary of his enquiries along with his own recommendation in the matter. In case of appeals from another State, the Inspector who received the appeal informed the Inspector of the State where the appellant was employed, about the details of the appeal. The latter made enquiries and directly reported to the Board.

Gazette slips announcing provisional promotions were forwarded to all officers and remote localities were advised by telegraph. The time limit of fourteen days for receipt of appeals was strictly adhered to and late appeals were ruthlessly disregarded. The same fate awaited appeals which were sent to the permanent head or Chief Officer (instead of the Inspector) and were consequently delayed.

74. C.A.A: C.P.408. G26/114. for cases of rejection.
75. C.A.A: C.P.408. G24/96. See Board's reply to Clerical Association on 11 July, 1935. The Association was right in pointing out the discrepancy between S.50(7) of the Act which required appeals to be sent to the permanent heads and Regulation 109 which required appeals to be forwarded to the Inspector.
The procedure for enquiry laid down by the Board was substantially followed by Inspectors with one or two minor variations. They generally approached the officer who made the original recommendation instead of wasting time with higher officers who merely accepted it. This resulted in a misunderstanding in one case where the departmental head took umbrage at the Inspector for upsetting a promotion without consulting him directly. But in general, the straight approach saved time and needless formality. Secondly, Inspectors found it difficult in many cases to interview the appellants. There was an increasing volume of complaints about this as a result of which, the Board circularized Inspectors to give all appellants not interviewed an opportunity of supplementing their appeals by written statements. Inspectors in general were allowed to make their enquiries and enter the results in any manner they liked. They generally used the descriptive form except the Inspector of Western Australia who rated the appellants against a list of qualities and qualifications.

There were furious complaints against the inadequacies and unfairness of appeal enquiries from the service associations which were met mostly with blunt denials by the Board. The story of this bitter tussle is reserved for the next chapter.

The appeal process and decisions built up the meaning of efficiency in concrete terms. This took place in three steps.

First, when the Board themselves heard appeals from 1922 to 1924, they interpreted efficiency in many cases. Secondly, the Board sent round a circular to the Inspectors elaborating the meaning of the various components of efficiency. Thirdly, the Inspectors applied these criteria to concrete cases and thus made many of these ideas common currency in the service.

When the Board heard the appeals themselves between 1922 and 1924 some definite tendencies were discernible in their decisions. They were prepared to lean on the side of seniority, when the senior appellant or promotee did not make a bad impression, was fairly efficient and the post was not near the top of the hierarchy. On the other hand they disallowed quite a few appeals by senior officers, particularly for higher posts, when they obviously cooked their
goose by pointless argument, poor personality and outbursts against their supervising officers. This Janus-like attitude is best illustrated by some extracts from their decisions. In one case of promotion to a position of fourth class accounts clerk they upheld the appeal of a senior saying "M. as the senior officer is not less efficient although perhaps not so experienced as either of the two appellants for the appointment in question." In another case of promotion to a typist's job they upheld the appeal of a senior appellant. In a third case concerning a Mail Superintendent's post the Board said: "F. had beyond question more knowledge and experience of the mail branch than any of the appellants. On the other hand E. is senior, he has good experience and is a competent and efficient officer. The Board is of opinion that F.'s experience of mail is not in itself sufficient justification for superseding a senior and competent officer." In still another case of promotion to a fourth class clerical position, the Board refused to upset a senior officer's promotion when the junior claimed superior efficiency based on examination qualifications. They said:

79. C.A.A: C.P. 121. (121). 23/3417. (Italics mine)
We commend the praiseworthy efforts of C. to improve and fit himself for promotion. Mr. V. is however his senior officer and according to the evidence submitted has the qualifications necessary to fill satisfactorily the position in question. In all circumstances, the Board is of opinion that good reasons do not exist for the supersession by Mr. C. of a senior officer.

On the other hand in the case of higher positions, the Board was taking the full measure of a man's personality and an unimpressive senior got short shrift in quite pungent words. A senior appellant to the post of a Deputy Commissioner (Taxation) was characterized as lacking personality and his complaints against the permanent head for promoting others over him, rebounded on his head. In another case concerning a Deputy Commissionership of Patents, a senior appellant was characterized as old and prosy. The Board dismissed his appeal saying.

His method and manner of prosecuting his case were not impressive either of grasp, judgment or mental alertness. The technical side of his work has absorbed his attention to the detriment of his general capacity.

Another technically well-qualified appellant for a Commissionership of Patents was again dismissed with such phrases as "lacks sense of proportion", "serious minded but diffuse in presenting his case" and "difficult in team work." The importance attached

by the Board to the intangibles constituting personality, is evident in the above remarks and it is equally evident that the Board used the interview to very good purpose in taking their measure of an officer.

Secondly, the Board did not seem to set much store by examination qualifications unless they were strictly relevant to the post to be filled and were supplemented by other qualities. In one case the Board felt that too much weight was attached to accountancy qualifications. In another appeal they damned a legally well-qualified appellant from another department for a vacancy in Attorney-General's as "the type of brain which could readily learn anything" but "gave no proof that he could apply such knowledge with skill and discretion".

The pronouncements of the Board (in appeals) regarding acting experience were more important and lasting than as regards any other aspect of efficiency. Regulation 116 prescribed that an officer should be chosen for acting in a vacancy on the basis of efficiency and seniority. This was confusing but could have formed the basis of trying out officers in general and developing hidden potential. It did not

86. Ibid.
come about. The Board in January 1931 circularized departments that the "senior efficient available officer" should be chosen for acting vacancies - which in fact meant the senior officer who was not incapable of performing the duties of the position. Long before adopting this policy the Board had grown very cynical about "acting experience" as shown by their pronouncements to deputations and in appeal cases.

As early as 1924 the Board explained to a deputation from the Telegraphist's Union:

A good deal of experience of appeals had been gained during the last twelve months and this question had come up in almost every case, but the Board definitely required proof of efficiency as determined by the Public Service Act, i.e. special qualifications and aptitude and it did not give undue weight unless it was necessary, to the fact that a man had occupied a higher position temporarily.

In an appeal decision the same year, the position was made even clearer thus:

Because a man had carried out higher duties and had considerable experience therein was not, speaking generally, acceptable to the Board as proof of superior efficiency. As Deputy Commissioner Clemens had said such a fact weighed in the scale of special qualifications. It did not however, always weigh

88. C.A.A: C.P.22.
89. C.A.A: C.P.121.(140)F.24/635.
equally because only in a certain number of appointments was such previous knowledge a real necessity. .... Except in cases where previous and special knowledge of the work of an officer is indispensable, the Board is not as a rule ready to allow great weight on the side of special qualifications by reason of previous experience in an office.

The Board's attitude was well settled after issuing their circular in 1931 about giving a chance to "the senior efficient officer" in acting vacancies. As they explained it frankly to a postal workers' deputation in May 1930, all that was required for acting was mere efficiency (i.e. capacity to perform the duties) while permanent vacancies were filled on relative efficiency. They then made it clear to the meanest intelligence by adding: "A man might be called to act in a position being the best man available but not the best man if it were a question of permanently filling the position."

The Board had thus entered a vicious circle. Their cynicism about acting experience led to the circular in favour of the senior efficient officer and the resultant practice was held to justify their doubts about its efficacy as a yardstick. The whole story was unfortunate since they missed a golden

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opportunity to build up executive potential (in the inter-war years) and a foolproof yardstick of efficiency by a policy of careful choice of acting officers and careful watching of their progress and development. Their actual policy frustrated some senior mediocrities who were invited to sip the drinks but were kept away from the feast of permanent promotions, and created jealousy against some junior officers chosen to act, who made the grade and entrenched themselves.

Indeed the practice of acting in higher positions gave rise to a rich crop of complications; obsession with higher duty allowances produced overlapping salary scales besides much wasteful horse-trading on the subject with the associations before the Arbitrator; and cynicism about the claims of senior mediocrities with a background of fortuitous acting experience led to the vicious circle just described.

The Board delegated appeal enquiries to their Inspectors after 1924 and explained the various aspects of efficiency on the basis of their experience and policy

91. C.A.A: C.P.22. See the account of the Australian Telegraphists Union deputation 5 November 1924.
in a circular to them in 1926. The subject was considered under four heads namely special qualifications, aptitude, merit, diligence and good conduct. Special qualifications were defined as "those qualifications gained by training or experience which have a direct bearing on the fitness of an officer for the position in question" or those qualifications, which, given the natural aptitude, would enable the officer to perform his task most efficiently. Specifically it was held to include professional and technical qualifications, proved experience in the same or similar positions and proved executive and organizing capacity. The Board however warned against giving too great a weight to previous experience and felt that cases where it would be essential would be in a minority. Aptitude was defined as the possession of natural qualities which would enable an officer to apply his natural and acquired qualifications to best advantage. It included alertness, judgment, discretion, tact, resourcefulness, analytical ability and such other qualities. Merit stood for the standard of public duty displayed by an officer during his past service. As elaborated by the Board, it gave weight to past record and long service and was definitely intended to be offset against the
outstanding brilliance of a junior. Good conduct and diligence were absolutely necessary in all cases of promotion.

This extremely commendable exegesis however, was not circulated to the permanent heads and Chief Officers who made the provisional promotions. The contents filtered to them through contact with the Inspector and his appeal decisions. It was unfortunate that it had to reach departments second-hand and through post-mortem appeal decisions and doubly unfortunate since there was no other co-ordinator for all the departments at that time, except the Board.

In spite of complaints against it, the appeals system was widely used as shown by the following table of appeal figures during inter-war years.

93. Bailey Report pr.53. It was communicated to the permanent heads in 1945 at the instance of the Bailey Committee.

94. There are few indications of any continuous contact between various departments in this period or of regular meetings like the present-day permanent heads' conference. This might have been partly due to reliance on the Board as Co-ordinator and also due to a single department, the Postmaster-General's, still dominating the scene, comprising over 80 percent of the Commonwealth service.
Tables of promotions and appeals during the inter-war years

Table VIII

<table>
<thead>
<tr>
<th>Number of Promotions Appealed Against</th>
<th>Number of Appellants</th>
<th>Total</th>
<th>Number of Successful Appeals</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>On Grounds of Equal Efficiency and Seniority</td>
<td>On Grounds of Superior Efficiency</td>
<td>Total</td>
</tr>
<tr>
<td>1264</td>
<td>-</td>
<td>114</td>
<td>-</td>
</tr>
<tr>
<td>2077</td>
<td>72</td>
<td>463</td>
<td>65</td>
</tr>
<tr>
<td>1812</td>
<td>557</td>
<td>1419</td>
<td>81</td>
</tr>
<tr>
<td>694</td>
<td>546</td>
<td>2755</td>
<td>127</td>
</tr>
<tr>
<td>751</td>
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</tr>
<tr>
<td>1813</td>
<td>1834</td>
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<td>207</td>
</tr>
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<td>2393</td>
<td>2375</td>
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<td>201</td>
</tr>
<tr>
<td>2765</td>
<td>3331</td>
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<tr>
<td>3626</td>
<td>6464</td>
<td>4044</td>
<td>133</td>
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</tbody>
</table>

Table IX

<table>
<thead>
<tr>
<th>Percentage of Promotions Appealed Against</th>
<th>Percentage of Appeals on Grounds of Equal Efficiency and Seniority</th>
<th>Percentage of Appeals on Grounds of Superior Efficiency</th>
<th>Successful Appeals as Percentage of Promotions Appealed Against</th>
<th>Percentage of Appeals upheld on Grounds of Equal Efficiency and Seniority</th>
<th>Percentage of Appeals upheld on Grounds of Superior Efficiency</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.7</td>
<td>-</td>
<td>-</td>
<td>12.5</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>12.5</td>
<td>-</td>
<td>-</td>
<td>18.5</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>30.7</td>
<td>67.2</td>
<td>32.8</td>
<td>13.8</td>
<td>84.4</td>
<td>15.6</td>
</tr>
<tr>
<td>42.4</td>
<td>68.7</td>
<td>31.3</td>
<td>16.3</td>
<td>87.5</td>
<td>12.5</td>
</tr>
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<td>50.6</td>
<td>79.1</td>
<td>20.9</td>
<td>19.5</td>
<td>90.5</td>
<td>9.5</td>
</tr>
<tr>
<td>43.2</td>
<td>82.2</td>
<td>17.8</td>
<td>15.1</td>
<td>94.2</td>
<td>5.8</td>
</tr>
<tr>
<td>39.3</td>
<td>77.8</td>
<td>22.2</td>
<td>19.2</td>
<td>92.7</td>
<td>7.3</td>
</tr>
<tr>
<td>34.7</td>
<td>78.5</td>
<td>21.5</td>
<td>21.2</td>
<td>92.1</td>
<td>7.9</td>
</tr>
<tr>
<td>41.7</td>
<td>82.4</td>
<td>17.6</td>
<td>14.4</td>
<td>95.2</td>
<td>4.8</td>
</tr>
<tr>
<td>47.2</td>
<td>84.8</td>
<td>15.2</td>
<td>13.5</td>
<td>87.4</td>
<td>12.6</td>
</tr>
<tr>
<td>38.0</td>
<td>81.9</td>
<td>18.1</td>
<td>18.0</td>
<td>94.5</td>
<td>5.5</td>
</tr>
<tr>
<td>38.8</td>
<td>84.9</td>
<td>15.1</td>
<td>17.2</td>
<td>92.3</td>
<td>7.7</td>
</tr>
<tr>
<td>42.7</td>
<td>76.7</td>
<td>23.3</td>
<td>18.5</td>
<td>80.1</td>
<td>19.9</td>
</tr>
</tbody>
</table>
Over 30 percent of the promotions were appealed against and the peak was reached in 1931-32 when the depression was at its worst and when the number of promotions was about the lowest. The period from 1930 to 1933 was a period of a high percentage of appeals, a period of dogfight for the few crumbs. There was again a spurt of appeals in 1936-37 when the normal course of promotions was resumed after some years of restrictions.

It is clear from the figures that a large number of seniors were considered unsuitable for (Provisional) promotion for many of them appealed, though only a few succeeded. For example in 1936-37, 6,464 such senior officers appealed in connection with 1,710 provisional promotions though only 201 of them succeeded. On the other hand, among the few successful appeals those based on seniority (and equal efficiency) comprised more than 80 percent and this must have produced the impression that such appeals stood a better chance of success. The high percentage of appeals based on seniority (from 65 to 86 percent) was probably as much due to this impression as to the natural tendency to

95. No further breakdown of this figure of appellants into Divisions and salary scales is available. The Permanent Staff List shows only successful appeals from which we find that out of 618 successful appeals in 1928-29 (a large number due to the classification then proceeding) 398 were in the Third Division and 220 in the Fourth. In 1938-39 it was 89 in the Third against 53 in the Fourth. A reasonable guess would be that there were more appeals in the lower rungs of the Third Division then anywhere else.
base an appeal on proveable seniority instead of elusive efficiency and the equally natural propensity of an overlooked senior to appeal in any case.

It is difficult to say on balance how much weight seniority had in provisional promotions and appeals. The Act stressed efficiency but the natural fear of a successful appeal could have made a promoting officer think twice before overlooking a reasonably competent senior in favour of a bright and potentially first-rate but still unproven junior. Many seniors, on the other hand, were considered unsuitable; most of them might have lacked the basic qualifications considered necessary or desirable; the unsuitability of some others was probably too patent to require proofs; and in the case of still others it might have been easier to convince an understanding Inspector of a senior's unsuitability without rigorous "proof". But a senior officer had a better chance to act in a higher position according to the Board's interpretation of Regulation 97 116 and a reasonably competent senior who had acted without much blame was not easy to ignore. Furthermore, 96 I understand that the Taxation Commissioner Jackson and the Public Service Commissioner F. G. Thorpe differed on many occasions on this point; the former was eager to discover potential for his expanding department and the latter was keen to apply standards of obvious equity and fairplay.

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97. Supra, p.231.
the name of applicants or prospective candidates for a position were arranged in order of seniority and it required an unusual effort to go deliberately down the list to search for the bright Pitt ignoring the first safe and competent senior higher up the list. Even apart from all these considerations it was natural to feel sympathy for the hard-working senior who had waited long in a period of economic depression and few promotions.

We shall now proceed to study the effects of the depression and other extra-statutory factors on the promotion process in the Commonwealth service.

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98. Bailey Report, prs. 86-90. See also Supra, p.204.
CHAPTER VIII.

STAGNATION, DEPRESSION AND DISCONTENT.

In the last chapter we presented a picture of the promotion process in the inter-war years (from 1924 to 1939) relating mainly to its legal framework - the Act and Regulations, their interpretation and implementation, and the lapses and loopholes. But to explain the widespread discontent in sections of the service, the persistent demand for a new appeals system, and the effect of the promotion process in face of the challenge of the second world war, it is necessary to study some non-statutory external and internal factors which affected the promotion process. In particular a survey is needed of (a) the effect of the spirit of economy, of returned soldier preference in recruitment and the complete cessation of youth recruitment in this period; (b) the effect of the world depression from 1929 onwards; and (c) the resultant stagnation, depression, discontent, and departmentalism.

The spirit of economy and the depression

We have already referred to the renascence of the spirit of economy in the closing years of the first world war, the recommendation of the Economies Commission, the mandate to the new Board on economy and efficiency, and the economic significance of the new classification. The Board had curbed the growth

of the service even before the onset of the depression. The permanent service which had grown from about 11,000 in 1901 to 13,987 in 1910 to 24,759 in 1922, increased by only 4000, to 28,764 in 1929.

In 1928-29 the Board was making efforts on its own account to curtail departmental expenditure, and it intensified these in 1930 "by reason of the difficult economic situation which had arisen". Temporary staff were substantially reduced, and the number of permanent staff was kept down by not filling vacancies and abolishing many vacant positions. The savings amounted to more than £100,000 in 1930. The campaign was stepped up in the following years, with token recruitment or no recruitment.

The average annual number of promotions up to 1930 was about two thousand. This was an inflated figure since they were from one narrow salary scale to another under the new classification. The depression put an end even to this numerical cloak by reducing them to well under a thousand in 1931 and 1932. It was not till 1935 that it shot over two thousand and barely reached 3000 in 1939. The service was indeed stagnant during the inter-war years, sinking to absolute stagnation between 1930 and 1934. To

3. Ibid.
the public servants who weathered it out during these years, promotion was a most unusual occurrence. The majority were resigned to this while the minority appealed and agitated. Many potential administrators were dehydrated of resource and initiative during the long years of waiting.

Besides the Board's economy drive, the Governments (Commonwealth and State alike) were forced to make severe cuts in their salary bills. The collapse of Wall Street had almost immediate repercussions in the Australian economy. The various Governments were still taking in the situation and applying piecemeal solutions. But by the end of 1930, the situation in this country had become too acute for slow and gentle measures. That year witnessed the battle royal between the advocates of reduction or abolition of interest payments (chief of whom was the legendary Lang) and the advocates of reduction of wages and other costs. The federal basic wage was in fact reduced by the Arbitration Court by about 20% based on the fall in cost of living figures. The Commonwealth Government imposed a special income tax on all salaries of its public servants above £725. These measures however did not go far enough.

4. The account which follows is based on C.P.S.B. Reports, 7th - 11th. The background information on the depression is based on (a) L.F.Giblin, The growth of a Central Bank, 1951, Chap.III. (b) A.G.L.Shaw. The story of Australia, 1954, Chap.XV. and (c) Gordon Greenwood (ed) Australia. a Social and Political History, 1955, Chap. VIII.
The next year, 1931, was the year of the Premiers' Conference which finally accepted the recommendation of Economists and Under-Treasurers to reduce all wages and salaries in government service by 20 per cent. The Commonwealth Government passed the Financial Emergency Act in the same year in accordance with the recommendation. The Act provided for a percentage sliding scale of reduction in the salaries of Commonwealth public servants under the Public Service Act and also those under other Acts or arrangements. The reductions decided on were roughly 18% on salaries up to £250, 20% on salaries above that and up to £1000, 22½% on salaries above that and up to £2000 and 25% on salaries over £2000 - working out roughly to a general 20% reduction in the Commonwealth salary bill. Next year the Act was amended to provide for further reductions based upon the fall in cost of living. The position improved slightly in 1933 to permit of a restoration of the reduction made in 1932 and a further 2½% of the earlier reductions - through a Financial Relief Act. A further restoration of 5% was made in 1934 and more relief was given in 1935. The Financial Relief Act No.2 of 1936 restored all salary cuts and thereafter the salaries were subject only to cost of living adjustments.

The whole story of economy in the inter-war years
is summarized in the following table.

<table>
<thead>
<tr>
<th>Year (ending June)</th>
<th>Number of permanent officers</th>
<th>Number of promotions</th>
<th>Annual expenditure on permanent staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>1924</td>
<td>25,407</td>
<td></td>
<td>£6,400,622</td>
</tr>
<tr>
<td>1925</td>
<td>26,132</td>
<td>1,264</td>
<td>6,794,069</td>
</tr>
<tr>
<td>1926</td>
<td>27,039</td>
<td>2,077</td>
<td>7,066,090</td>
</tr>
<tr>
<td>1927</td>
<td>28,205</td>
<td>2,304</td>
<td>7,550,675</td>
</tr>
<tr>
<td>1928</td>
<td>28,536</td>
<td>1,888</td>
<td>7,989,521</td>
</tr>
<tr>
<td>1929</td>
<td>28,764</td>
<td>2,405</td>
<td>8,248,534</td>
</tr>
<tr>
<td>1930</td>
<td>28,916</td>
<td>1,812</td>
<td>8,447,472</td>
</tr>
<tr>
<td>1931</td>
<td>28,333</td>
<td>694</td>
<td>7,001,560</td>
</tr>
<tr>
<td>1932</td>
<td>27,596</td>
<td>751</td>
<td>6,935,102</td>
</tr>
<tr>
<td>1933</td>
<td>27,030</td>
<td>1,316</td>
<td>6,709,995</td>
</tr>
<tr>
<td>1934</td>
<td>26,977</td>
<td>1,813</td>
<td>7,115,167</td>
</tr>
<tr>
<td>1935</td>
<td>27,262</td>
<td>2,393</td>
<td>7,350,340</td>
</tr>
<tr>
<td>1936</td>
<td>28,072</td>
<td>2,765</td>
<td>7,615,961</td>
</tr>
<tr>
<td>1937</td>
<td>29,015</td>
<td>3,626</td>
<td>7,820,411</td>
</tr>
<tr>
<td>1938</td>
<td>30,439</td>
<td>3,212</td>
<td>8,538,964</td>
</tr>
<tr>
<td>1939</td>
<td>32,429</td>
<td>2,902</td>
<td>9,177,327</td>
</tr>
</tbody>
</table>

(This table was prepared from figures supplied in the Board's Annual Reports).
It was indeed a period of stagnation. On the credit side, it must be said that the acceptance of the Keynesian hypothesis led to the employment of a few economists who showed that qualifications other than experience in the service could be useful - for example, University training. This tendency was buttressed by the recruitment of graduates to make up the executive gap left by stoppage of youth recruitment.

**Returned Soldier Preference**

This stagnation was aggravated by the administration of returned soldier preference, thereby rendering the service completely unprepared for the challenge of the second world war. We have already referred to the absolute preference extended to them in recruitment (subject to a modified entrance examination or equivalent entry qualifications) and concessions as regards seniority and definition of efficiency (for those who enlisted from within the service).

Let us now look at the concessions relating to promotion. A returned soldier who took his clerical modified entrance examination within twelve months after his discharge had his appointment antedated as if he had taken the last entrance examination before his enlistment. In a hypothetical case of a soldier who enlisted in 1914,

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5. Supra. pp. 129-34.
took the last of the modified examinations in 1922 and was appointed in 1926, his appointment would be antedated to some date in 1914, giving him an additional seniority of twelve years. But since youth recruitment was virtually suspended in 1917 for the next fourteen years, the soldiers gained seniority over only a few hundred promising youths recruited from 1914 to 1917. At a rough outside estimate the 1500 soldiers who qualified between 1918 and 1922 might have been placed senior to about 500 youths recruited between 1914 and 1917. In the inter-war years when seniority counted, this was bad for the service but it could have been worse.

As for the modified definition of efficiency, described earlier, the departments and the Board wanted precise proof of an attempt to qualify before enlistment or some clear indication of potential efficiency, held from maturing by absence on war service. There is some evidence that these tests were conscientiously applied.

Some harm was done by the restriction of promotion examinations to returned soldiers. The General-to-Clerical examination was confined to returned

6. This estimate is based on the table infra, p. 249 and figures in C.P.S.C. Reports 10th - 14th.
7. Supra, p. 132.
8. The permanent heads and the Board were allergic to any promotion preference as shown in Chapter IV. Their replies to returned soldier leagues show a general resistance to their pressure during this period.
9. This paragraph is based on C.A.A: C.P.408. G27/57.
soldiers in the General Division in 1918. In 1919 and thereafter till 1926, two sets of examinations were held, one for returned soldiers and a second for others in the General Division and vacancies were filled by taking candidates alternately from each pass list. This policy was tantamount to preference in promotion and so was against the express intentions of the Act and the permanent heads’ conference. It was however instituted to avoid placing at a disadvantage the in-service soldier vis à vis the returned soldier recruit. By 1926 the associations began to complain about this preference and in 1927 the Board abolished all in-service preference and refused to change its policy in spite of pressure from returned soldier leagues in 1929. The Board and departments showed commendable courage in refusing promotion preference albeit after losing the main battle on recruitment.

Much greater harm was done by the absolute preference in recruitment, coupled as it was with the cessation of youth recruitment for nearly 14 years. The modified entrance examination to the Clerical Division, open only to returned soldiers was held nine times between 1918 and 1922. More than 1500 qualified in these

10. An idea of the ceaseless literary bombardment and deputational downpour of returned soldier leagues can be gained from C.A.A: C.P.121. bundles 160, G10, G12, G24 and G28. See also Supra, p. 134. footnote 59.

examinations. Besides these, a good number of returned soldiers qualified for entrance by passing one of the simple equivalent examinations listed in Regulation 159. The total of these two categories was quite large and since the soldiers were all eligible for appointment till their fiftieth year, it took many years to absorb them.

In 1922 the Commissioner suspended the modified examination and resumed the normal clerical entrance examination open to soldiers and youths alike with absolute preference for the former. Youths naturally formed only a negligible portion of this small intake. It was only in 1934 that the Board induced the Government to resume the clerical entrance examination, conducted in conjunction with the School Leaving Examination and to recruit a good percentage of youths. The whole story of returned soldier and youth recruitment to clerical posts during the inter-war years is summarized in the following table.
NUMBER OF (a) RETURNED SOLDIERS AND (b) YOUTHS APPOINTED TO CLERICAL POSITIONS SINCE THE WAR OF 1914-1918.

<table>
<thead>
<tr>
<th>YEAR ENDED</th>
<th>RETURNED SOLDIERS</th>
<th>YOUTHS</th>
</tr>
</thead>
<tbody>
<tr>
<td>30.6.19</td>
<td>163</td>
<td>8</td>
</tr>
<tr>
<td>20</td>
<td>156</td>
<td>11</td>
</tr>
<tr>
<td>21</td>
<td>197</td>
<td>-</td>
</tr>
<tr>
<td>22</td>
<td>209</td>
<td>-</td>
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<tr>
<td>23</td>
<td>130</td>
<td>-</td>
</tr>
<tr>
<td>24</td>
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<td>-</td>
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<td>25</td>
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<td>90</td>
<td>-</td>
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<tr>
<td>28</td>
<td>63</td>
<td>-</td>
</tr>
<tr>
<td>29</td>
<td>42</td>
<td>-</td>
</tr>
<tr>
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<td>-</td>
<td>-</td>
</tr>
<tr>
<td>32</td>
<td>3</td>
<td>-</td>
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<td>33</td>
<td>61</td>
<td>-</td>
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<tr>
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</tr>
<tr>
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<td>36</td>
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</tr>
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<td>39</td>
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<td>38</td>
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<td>196</td>
</tr>
<tr>
<td>39</td>
<td>60</td>
<td>236</td>
</tr>
</tbody>
</table>

1,509 1,085

φ Figures not readily available in years.

# Examinees, Regulation 159, s.46, etc.

@ In addition approximately 197 returned soldiers were brought under the C.P.S. Act in the Defence Department.

The average age of the soldier recruits was 35+. It was under 30 up to 1925 and over forty after 1934.
Not many soldiers were appointed to professional posts, but the Fourth Division drew the very large number of over 7000, since entry was governed by either a simple test or soldier temporaries, filling similar positions for two years, were appointed on a certificate of competence by the Chief Officer. As a result, in the early post-war years, it was impossible to absorb Telegraph Messengers reaching adult age but in 1926 the Government decided to fill the vacancies alternately with returned soldiers and junior officers attaining manhood.

The effects of soldier influx into the service as acknowledged by the Board and an official Committee of investigation were briefly as follows. Even in the Fourth Division it "caused some loss of efficiency, particularly in occupations necessitating physically active men." As early as 1921, the Acting Commissioner felt that "the practice of wholly recruiting the ranks of the Clerical Division from an examination of a modified character confined to returned soldiers did not augur well for the future efficiency of the service." He was concerned about "the exclusion of youths fresh from school and adaptable for training, whose presence in the service was so much to be

desired for its future well-being."

In later years the Public Service Board complained about the unholy trinity of sins of the post-war recruitment policy - the large influx of older men with a flimsy educational foundation, their being past the training age, and the complete absence of trainable youths with a sound educational foundation to form a core of future executives. Their ninth and tenth Annual Reports were quite frank on the quality of soldier recruits.

There were other effects the most important of which (from the view-point of this enquiry), was the atmosphere of frustration in the service. The competition for the small number of promotions during the inter-war years from the large number of waiting aspirants was made bitter by the presence of returned soldiers favoured with additional seniority and a modified definition of efficiency. The returned soldiers were no less bitter - cheated as they felt of their "rightful preference in promotion" and faced with coldness from the departmental heads.

Another effect was the unpreparedness of the service to meet the challenge of the second world war, as described by the official historian thus:

"The effect was that in 1939, when the Commonwealth looked for an experienced and energetic body of some thousands of officers who would be between thirty and forty years of age

and have between ten and twenty years of departmental service, from whom men might be picked for responsible war time tasks, it looked in vain. It could not have found more than fifty men in that category .... The Third Division at the outbreak of the war was seriously deficient in young, vigorous and well-qualified officers."

This was because up to 1932 the Third Division recruitment consisted of about 1000 middle-aged returned soldiers, with low educational qualifications and about 700 slightly younger people, promoted from the Fourth Division, compared with about a thousand youths brought in after 1934 and yet to be trained. Thus again in the words of the official historian:

"Not only was the service almost wholly deficient in experienced men in the 30-40 years age group but it was extremely weak too in the younger men in the early twenties, who with the advantage of two or three years' experience might assume rapidly increased responsibilities."

Fortunately, the lesson was not lost. The Official Preference Enquiry Committee of 1940 insisted on not stopping youth recruitment in future. Secondly, the drying-up of the normal source of future executives led the Board to adopt a limited scheme of direct graduate recruitment through the new section 36 A in 1933, and it added cadetship schemes in 1935. During the war and the immediate post-war period this was further supplemented by outside appointments under section 47. As a result, the top executives of today are very different from their counterparts in the thirties in method of entry as well as 15. Op. cit. p.485.
educational qualifications. Up to 1918, the Clerical Division took in 1,470 youths through the direct entrance examination and 2,556 from the General Division transfer examination, both of which groups provided the top administrators up to the late thirties. The first of these sources dried up and the second nearly so in the twenties and thirties, and the soldiers who came in their place were a comparatively poor source. The top administrators of the post-war years had perforce to be drawn heavily from other sources.

**Demand for appeal committees**

The economy drive and the stagnation in the service intensified association activity during this period. The demand for promotion appeal committees with a service representative was rejected by the sponsors of the Public Service Act of 1922-24 and the appeals system based on Inspectorial enquiry was widely used (as shown by the percentage of promotions appealed against) in spite of dissatisfaction with it. But soon the associations began to fight for representative appeal committees through deputations, arbitration plaints, articles and letters, and approaches to political parties. After

17. Supra, p. 89.
18. See table Supra, p. 236.
an unsuccessful plaint before the Arbitrator in 1928, they submitted the demand to both parties before the 1929 elections. The associations were however committed already to support the Labour party on the arbitration issue and its leader Scullin promised an early review of the matter. The problems of depression kept his hands full and the Labour Government fell in 1931. The same year, a conference of all service associations finalized the demand and approached the Board in a combined deputation in June of the next year. We give below a complete account of this approach and its aftermath.

Expressing dissatisfaction with the current appeal system the deputationists felt that "the local Inspector working day in and day out in touch with administrative officers might have his view coloured by the representations of those officers." The departments always tried to belittle appellants. The Inspector might be insufficiently informed as a result. The process of appeal was shrouded in mystery. Many appellants did not have a chance to interview the Inspector and were never told why their appeals were disallowed. The deputationists felt that a committee

21. Ibid.
of three including a service representative should go into all appeals, in which case greater care would be exercised in original promotions, resulting in fewer appeals.

The Chairman of the Board replied that the Inspector was not much influenced by departments, and that he inquired carefully and independently and got all the facts. He felt that inquiries by a committee of three would be unduly delayed. In spite of this reply to the deputationists, he was sufficiently concerned about the discontent in the service to send round a circular to his Inspectors asking for their views. He felt that though the association of a service representative with the enquiry would cause delay it was worthwhile, if it could allay discontent. He added in particular:

Slight inconvenience or delay or a possible feeling of personal objection to a service representative being associated with the matter should not outweigh the advantage of removal of the feeling of doubt and unrest said to exist in the service and the matter might be considered with this in mind.

The replies of Inspectors were mostly disappointing and some were positively hostile. One Inspector felt that the complaints were a reflection on the Inspector's integrity. He added that if a committee were to inquire, departmental heads would not disclose all information to a service representative, some of it confidential. They might grow needlessly cautious in their promotions. By associating a service representative,
in the enquiry the Board would lose the department's support without gaining anything else. The service representative knew only his branch, while the Inspector had better access to all information. He summed up by saying: "No other conclusion could be reached but that it was not only fundamentally unsound but also impracticable." Another Inspector stressed the inordinate delay in filling vacancies that might result from having a committee enquiring and gathering evidence. He added that the committee would be no improvement on the Inspector since the service representative and departmental representative would only stress their own association or departmental viewpoints. The Inspector might have to steer clear of this Scylla and Charybdis. He also pointed out that to have appeal committees required an amendment of the Act. Other Inspectors declared that there would always be some dissatisfaction among unsuccessful appellants and that the Inspector's tact would minimise friction. They also felt that the mere mystery of the appeal process led to suspicion and if the Board directly informed appellants it would have a psychological effect. All of them denied the imputation of departmental influence on them. They also felt that departmental heads would give less information if a service representative was on the committee. Indeed one of them asked rhetorically: "Is all the information given by him (departmental head) and his responsible officers to
be disclosed to a man who is possibly one of his rank and file officers?" Only one Inspector saw the justice of the appellant's demand to know the precise reasons for his being passed over. Again, only one Inspector was even remotely favourable to associating a service representative with the enquiries.

Faced with this chorus of opposition, the Board had to give up any experiment it might have tried in associating a service representative with the enquiry. As they summarized the Inspectors' replies, they found a formidable array of arguments against it - the inevitable delay of Committee enquiries, the inappropriateness of any quasi-judicial enquiry into what was an administrative decision on efficiency, the pointlessness of the comparison with enquiry boards, the sources of friction in a Committee where a junior service representative faced a departmental representative, the probable reticence of the latter in disclosing information and lastly the proven superiority of Inspectorial enquiries which had full access to all information as well as being quick, impartial and independent. Convinced of the difficulties of the proposal, and of the need to amend the Act, the Board were loath to start on such a venture. They replied to the Associations that their suggestions were not practical and concluded with the consoling sentence:
While it is fully realized that the desire of the service representatives is to provide if possible, more effective safeguards for officers than under the present method, it is felt that this would not be achieved by adoption of the proposal nor would it result in a more efficient service.

We have dealt with this story at some length, because the tussle for appeal committees was fought out more fully on this occasion than during the later Bailey Committee enquiries.

The demand was however pressed again and again. In 1933 an approach was made by the Clerical Association to the Lyons Ministry - to which the Board reacted sharply by sending the association a copy of its earlier reply. The demand was submitted to all parties in the 1934 election. A determined effort was made again in 1936, by stressing the widespread dissatisfaction with the current system. The Association concentrated on two main demands, namely, for some form of committee enquiry and for access for appellants to documents and reports together with an opportunity to rebut them with evidence. They pointed out to the Board that in England an officer had a right to see adverse reports against him. The Board repeated the old arguments against appeal committees, and as regards access they evaded the main question by referring to the delay it would cause and its limited scope in benefiting only metropolitan appellants. The demand for appeal committees was finally conceded on the report of the Bailey Committee to which we devote the tenth chapter.

The demand for the recognition of seniority in the Fourth Division was more bitter. A deputation of the Australian Postal Workers' Union put it forward quite forcibly in 1930 and 1933 with regard to posts below the salary level of £350. Their spokesman Dwyer declared:

Our contention is that where the senior employee is competent to carry out the particular duties of a higher position he should be appointed to it without regard to this question of relative efficiency. Relative efficiency is largely a matter of opinion. If there were four or five selecting authorities you would get differing opinions ....... It is really indefinable. But the question of whether a person is or is not competent is a matter of fact - at any rate it can be decided with a fair amount of definiteness.

The deputation demanded that no fine distinctions of relative efficiency should be made below the £350 level, seniors should be given a chance to act, and the senior competent man chosen. The Board replied in July 1930 that no fine distinctions of efficiency were made, and added:

The senior officer is passed over only when the Board is satisfied beyond all doubt that the junior is undeniably the more efficient and that the public interest will gain by the promotion of the more efficient officer i.e. there will be a sensible difference in the manner in which the duties of the position will be discharged.

They refused to make distinctions between levels at which relative efficiency should be applied and repeated their well-known attitude regarding the value of acting experience.

27. Ibid.
In 1933 the Board came down more heavily in defence of efficiency after a similar demand for greater weight to seniority. They declared that it was disastrous to replace efficiency with seniority and added:

The main inducement to officers to improve themselves by special education and training and by all assiduous devotion to their work in the public interest would disappear and a dead level of bare competency would be reached which would destroy the present spirit of emulation and competition in the service so advantageous to its efficient working.

The reply concluded with a sting:

It is eminently preferable however, to have officers dissatisfied because they are not given advantage due only to length of service than have officers dissatisfied because their superior efficiency and usefulness to the service are disregarded in favour of seniority.

Ultimately, in 1945, the Bailey Committee accepted both association demands - for appeal committees and for recognition of seniority in the Fourth Division. That however forms the story of a later chapter.

Departmentalism

It is necessary to say a few words about another aspect of the frustrating stagnation in the service - namely departmental parochialism. It was a natural primitive defence reaction - to warn off intruders from outside from sharing the meagre spoils (promotion) of one's own tribe (the department or branch). Both departmental heads and officers showed this tendency and

the Board generally did not discourage it very much. The Public Service Act of 1922 had dropped the preference given in the Act of 1902 to the departmental officer in promotion but vested the power of provisional promotion in departmental heads. It was natural for them to prefer men in their department for the few promotions, when the demand for officers was low and the supply plentiful. The Clerical Association complained in 1924 that departmental heads preferred their own men to such an extent that the Crown Law department would not take in law graduates from other departments. We have already described the attitude of the Customs department. In 1934 the Clerical Association complained again about the permanent heads not considering even senior officers from other departments for promotion - in response to which the Board circularized them to consider extra-departmental senior applicants. The Board, in general, left departmental heads alone to decide for themselves. Heads of departments differed in their attitude, they said, adding further "Many men, many minds". They cheerfully pointed out that there was always the right of appeal.

30. Supra, p.214
The officers in their turn were no better. They could not even stand excess officers transferred from other departments into their own. The fifth class clerks in the Postmaster-General's Department petitioned the Board against transfer of fourth class excess clerks into their department in 1925. A little later the Customs clerks were sore about the transfer of officers from the Taxation Branch to their department. Even inter-branch transfers were resented.

Some transfers had to be made and there were some inter-departmental promotions. For example in 1928-29, there were 26 inter-departmental promotions in the Third Division against 881 departmental promotions and 51 inter-departmental promotions in the Fourth Division against 1441 departmental promotions. In 1938-39, there were 95 inter-departmental promotions in the Third Division against 1412 departmental ones and 54 inter-departmental promotions in the Fourth Division against 1337 departmental ones.

34. C.A.A: C.P.408. G24/77.
35. Figures were collected from the Annual Public Service List. Inter-departmental promotions seem to have been little influenced by appeals. Less than a fourth of them in these years were the result of appeal decisions except in the Third Division in 1928-29 when 19 out of 26 were due to successful appeals.
But the sullen resentment against those few promotions was more important in this period of low opportunity than the actual figures of inter-departmental promotions. The whole temper changed when the demand for good men outran supply as during the war and post-war periods - when departmental heads gaily started "pinching" men from others and officers generally preferred to change bosses often.

We shall now proceed to study the reaction of the State services to the depression and their technique and practice of promotion during the inter-war years.

--- o 0 o ---
The public services of Victoria and New South Wales had, like the Commonwealth, passed through searching Royal Commission enquiries near the end of the first world war resulting in important changes in the latter and minor adjustments in the former. Both of them faced the problems of returned soldier preference and depression. A brief comparative account of their promotion practices is attempted against this background.

**VICTORIA**

We have already referred to the failure of the Victorian Government to implement the main recommendation of the Royal Commission to give the Public Service Commissioner full power over the service with undisturbed tenure during good behaviour.¹ The Commission's observations on economy encouraged the lowering of the maximum for many posts below that of their class maximum.

The Victorian Public Service (Amendment) Act of 1919 merely consolidated the provisions of the 1915 Act on the subject of returned soldier preference in recruitment and extended a further preference to them as regards promotion as follows:²

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1. Supra, p.165.
2. Section 2 of the 1919 Act. It subsequently became section 75 of the Public Service Act of 1928.
If in the filling of any vacancy by promotion, an eligible officer who is a discharged soldier and whose record of naval or of military service is satisfactory, is an applicant, regard shall be had to such service in addition to any other conditions provided by law and the Commissioner shall give preference to such officer having due regard to the circumstances of each case and to the claims of other eligible applicants.

The provision called for a nice balancing of the war service of one officer against the merit, fitness and other qualities of another officer. The Commissioner settled for a flat two year addition to the seniority of the former—such addition to be granted only once. The legal advisers felt that this would not absolve the Commissioner from the duty of deciding each case on its merits. The Commissioner however, merrily continued his practice. Thus the Victorian promotion provision which appeared to give more preference to the returned soldier than that of the Commonwealth service, in practice gave less than the additional seniority they gained in the latter service amounting to a number of years in some cases.

In recruitment Victoria did not commit the two blunders committed by the Commonwealth namely, too many modified entrance examinations and stoppage of youth recruitment. There was absolute preference for soldiers

3. (Vic). 35/752.
4. Supra, pp.245-6.
in recruitment "irrespective of age and in priority to all persons whomsoever, except persons in the public service" if they were competent to fulfil the duties of the respective position. According to the Regulations the soldiers were either to pass the same entrance examination to the Clerical Division or obtain pass marks in the required subjects in the school-leaving examination or have passed a prescribed equivalent examination. Only twice was a modified examination held to let in soldier temporaries to the Division. On the whole from 1921 to 1936, 458 soldiers entered the Clerical Division of whom 144 were soldier temporaries made permanent through a modified examination. In the same period 368 youths were recruited through the normal entrance examination. There was thus no inundation of the service with soldiers as in the Commonwealth. Of the Victorian soldier recruits 3:14 who entered through the normal examination or exemptions were prima facie of better quality than the "modified entrance" recruits to the Commonwealth.

5. V.P.S. Act 1915, sec.8. See also V.P.S. 1916 Report, p.16.
7. Figures taken and added from V.P.S. Annual Reports.
While the Commonwealth was plumping for a highly detailed classification, Victoria shelved the recommendation of the Ross Commission of 1927 in favour of more classes with shorter ranges "to permit of a classification being based on the relative values of work." Instead, the class structure was simplified (see table) in the Public Service Act of 1929 so that the Professional and Clerical Divisions had nearly parallel classes at the lower end, for parallel levels of responsibility.

<table>
<thead>
<tr>
<th>Class</th>
<th>Clerical Division</th>
<th>Class</th>
<th>Professional Division</th>
</tr>
</thead>
<tbody>
<tr>
<td>IA</td>
<td>£800 - 1000 per annum</td>
<td>A</td>
<td>£700 - 1500 per annum</td>
</tr>
<tr>
<td>V</td>
<td>£ 72 - 252 p.a.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(The bottom two classes correspond exactly. Thereafter the professional scales are wider reaching up to £1500. The clerical scales are narrower and stop at £1000 - since there was the Special Division above.)

There were no major changes in the procedures of promotion. As before, a vacancy was generally

8. Ross Report, p.84, recommendation 34. Wallace Ross, a well-known chartered accountant was appointed by the Victorian Government as a one-man Royal Commission to report on the Victorian Public Service in 1926.

9. The table reproduces schedules to the V.P.S.Act, 1928.
advertised and applications forwarded to the head of the
department (wherein the vacancy existed) who recommended
a suitable officer. A non-recommended officer was free
to appeal to the Commissioner, who made the final decision.
The Commissioner and the permanent head often sat
together to interview appellants or applicants. The
Commissioner had the power to recommend an officer either
from the same department or another department and also
try out officers in a new job for some time to test their
ability. This enabled him to carry out a good number
of inter-departmental promotions. The Royal
Commissioner's recommendation in 1927 to delegate the
power of promotion to the permanent heads with the
Commissioner as appellate authority, was not carried
out. It would not have made much difference anyway since
the permanent head had the initiative in practice. The
1929 Act repeated the provision for the appointment of
Inspectors already included in the 1912 Act. Only one
was appointed in 1930 though his duties did not involve
reporting on officers for promotion as in New South Wales.

10. V.P.S. Act, 1915, section 50.
11. In 1928 there were 21 inter-departmental promotions
against 49 departmental promotions in the Clerical
Division. In 1938, there were 18 against 63. There
were few inter-departmental promotions in other
Divisions. (Figures taken from the V.P.S. Promotion
Register).
There were no changes in the criteria of promotion. The relevant sections of the Act remained the same up to 1940 and so did the Regulations. Promotion examinations could not be resuscitated to serve as criteria. The Ross Commission repeated the laments of the earlier Royal Commission of 1917 about the removal of examination provisions from the Act as a result of "the clamour of a comparatively small but apparently influential section of the service" and recommended a class test for promotion to each class from the class below, the first test to be held before the officer attained 25 - to weed out 'passengers'.\textsuperscript{13} This recommendation again was shelved. Promotion examinations had become a lost cause in Victoria and the eve of the depression was hardly the time to revive it. There is no need to add that the recommendation\textsuperscript{14} to give more powers and longer tenure to the Public Service Commissioner was also shelved.

The Ross Commission also complained about the lack of essential administrative skill of many permanent heads and senior officers and recommended a steady increase

\textsuperscript{13} Ross Report, p.67.  
\textsuperscript{14} Ross Report, pp.62-64.
in the educational standards for these positions which should ultimately be filled by graduates with a broad training in the humanities.\textsuperscript{15} As if in answer, the Victorian Public Service Commissioner claimed in 1934 that the service did contain a good number of arts graduates (78) besides 25 in science, along with 22 lawyers, 44 medical men, 118 accountants, 12 engineers and a number of graduates in sundry other subjects.\textsuperscript{16} Similar figures were produced in 1938\textsuperscript{17} when the Commissioner claimed: "The high standard of education required for admission to the permanent staff of the public service and the broad range of qualifications possessed by so many officers should ensure a high degree of efficiency in future departmental administration."

This was complacency on the eve of the second world war. But the raising of the entry standard to school-leaving level, the less strong impact of returned soldier recruitment and the good proportion of home-grown graduates in a small service with potentially less onerous tasks made such complacency less dangerous than in the Commonwealth.

\textsuperscript{16} V.P.S. 1934 Report, p.7.
\textsuperscript{17} V.P.S. 1938 Report, p.5.
The depression affected Victoria in much the same manner as it did the Commonwealth and other States. But the Victorian Public Service Act had preserved the economy provisions introduced in the last century such as discretionary increments (subdivisional promotions).

As soon as the effects of depression began to be felt, the Victorian service was quick to cut down expenditure on salaries through the Public Service Payments Act of 1930. The Act imposed a flat reduction of 4½% on salaries below £260 per annum and of 15% on salaries above. The Financial Emergency Act of 1931 made a more graduated reduction. The reductions were reduced by 25% in 1935 and removed the next year. The growth of the service was arrested in 1929, recruitment was stopped from 1929 to 1933, and the numbers slightly reduced during the years from 1930 to 1934. Many vacancies were kept unfilled and the number of promotions was also considerably reduced. The effect of the depression on the Victorian service is summarized in the accompanying table.
Table showing the growth of the Victorian Public Service and the promotion coefficient during the inter-war years

(Compiled from figures in V.P.S. Annual Reports)

<table>
<thead>
<tr>
<th>Year</th>
<th>The strength of the service at the beginning of the year</th>
<th>The number of promotions during the year</th>
<th>Promotion Coefficient</th>
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</tr>
<tr>
<td>1928</td>
<td>4053</td>
<td>121</td>
<td>3.0</td>
</tr>
<tr>
<td>1929</td>
<td>4106 ( )</td>
<td>164 ( )</td>
<td>4.0 ( )</td>
</tr>
<tr>
<td>1930</td>
<td>4000 ( )</td>
<td>55 ( )</td>
<td>1.4 ( )</td>
</tr>
<tr>
<td>1931</td>
<td>- ( )</td>
<td>104 ( )</td>
<td>- ( )</td>
</tr>
<tr>
<td>1932-3</td>
<td>3852 ( )</td>
<td>73 ( )</td>
<td>1.9 ( )</td>
</tr>
<tr>
<td>1933-4</td>
<td>3850 ( )</td>
<td>143 ( )</td>
<td>3.7 ( )</td>
</tr>
<tr>
<td>1934-5</td>
<td>3893</td>
<td>248</td>
<td>6.4</td>
</tr>
<tr>
<td>1935-6</td>
<td>3944</td>
<td>204</td>
<td>5.2</td>
</tr>
<tr>
<td>1936-7</td>
<td>3965</td>
<td>188</td>
<td>4.7</td>
</tr>
<tr>
<td>1937-8</td>
<td>4149</td>
<td>181</td>
<td>4.4</td>
</tr>
<tr>
<td>1938-9</td>
<td>4493</td>
<td>158</td>
<td>3.5</td>
</tr>
</tbody>
</table>

N.B. The shockingly low promotion opportunity during the depression years clearly stands out in the table, apart from the generally low opportunity throughout the inter-war years.
NEW SOUTH WALES

The Public Service Act of 1919 (based on the Mason Allard recommendations of 1918) gave the mother State a powerful Public Service Board of three members with tenure till retiring age, with additional powers for the Chairman and provided Inspectors (on a statutory basis) for the exercise of proper control.\(^{18}\)

As regards returned soldier preference, the Public Service Act was not amended as in the Commonwealth and Victorian services. The legal basis for preference in recruitment was the Commonwealth Returned soldiers and Sailors Employment Act of 1919 the principles of which the Board claimed to have followed even earlier.\(^{19}\) The earlier Board was strong enough to prevent the State Government from suspending youth recruitment - pointing out the long-standing evil effect of such suspension in 1902.\(^{20}\) Very few special examinations were held for soldiers and the first of them held in 1916 yielded few recruits to the clerical ranks, since most soldiers were

\(^{18}\) It was statutorily the most powerful Public Service Board in Australia and in practice too it has remained so, in the opinion of the writer.


\(^{20}\) Supra, p.178.
unequal to "consistent indoor work." By 1920, about 200 soldiers were recruited to the Clerical Division but not many thereafter. The impact of soldier preference was not strong on the New South Wales service.

There was no preference in promotion according to the Returned Soldiers and Sailors Employment Act and no statutory concessions according to the Public Service Act regarding seniority or grade tests. But 1450 officers had enlisted from the service (excluding the Education Department) and the Board had to ensure that they did not unfairly suffer "any loss of seniority or status by their absence at the war," of lack of touch with their departments. The Board dealt with such cases sympathetically in their discretion, without any statutory modification of the definition of efficiency. Grade tests were modified in the case of disabled soldiers, without however altering the regulations. The policy of extending concessions by discretion instead of by statute avoided the build-up of vested interests.

22. Figures added up from N.S.W.P.S.B. 21st to 25th Reports.
24. Ibid.
The effects of depression on the public service were much the same in New South Wales as in Victoria. The Public Service Salary Reduction Acts of 1930 and 1931 imposed graduated salary cuts on all service salaries and it was not till June 1937 that they were removed. Color was lent to depression politics by the legendary Lang, Premier of the State but that is part of political history.

Classification

It is impossible to give a simple coherent picture of the grade structure, since no less than five different methods of fixing the salaries of posts operated at various levels of the service. The diagram overleaf summarises approximately the position from July 1927 till early 1939 in the Clerical Division.

Salaries of positions above the career range were fixed for each individually. There was no common set of grades at that level.

Salaries were determined (a) up to £525 by Salaries Committees consisting of a representative of the Board, the department, and the officers every two years (P.S. Amendment Act 1922 section 3): (b) up to £750 by the Industrial Commission (N.S.W. Industrial Arbitration (Amendment) Act 1926): (c) up to any level by the Board independently (Public Service Act 1919 section 13.) or (d) agreement with the associations (P.S.Amendment Act 1922 section 3.1). The last provision was the most useful; it was widely used in this period and even more in the post-war years.

Seventeen year automatic career range awarded by the N.S. W. Industrial Commission in July, 1927 (N.S.W. Industrial Gazette, Vol.31, pp.1032-7) ----

Progression up to the seventeenth year independent of the occurrence of a vacancy - subject to the passing of grade tests. Salaries are given as in 1939 to the nearest Australian pound.

Higher Grades examination.

Grade test 119 to be passed for further progression.

----- adult) Grade test 116 to be passed for further progression

Entrance point at the intermediate certificate level.

N.B: The Board protested against the automatic range year after year without success. In 1939, by agreement with the Association, it was converted to a ten year scale at the 119 grade test level the rest being covered by two grades I and II.
There was no important change in promotion procedure in 1919. Mason Allard's recommendation to have promotions handled by an inspectorial committee and departmental committees was not carried out, but Inspectors were appointed under the 1919 Act with powers delegated by the Board. The departmental head informed the Board of a vacancy with the name of a suitable officer, whereupon the Board had the matter examined and reported on by an Inspector and then made the final recommendation. This was the procedure early in the century though the Inspector then had no statutorily delegated power. The initiative which had passed on to permanent heads according to Mason Allard, was not allowed to slip back, thanks to his strictures.

An important change came in 1929 when the long agitation of the Public Service Association for some form of promotion appeals bore fruit. In 1928, the Board were feeling that they could no longer help making some concession.\textsuperscript{27} They discussed the matter with the

\textsuperscript{26} Supra, p.177. Probably it was considered to be cumbersome.

\textsuperscript{27} The Board might have felt a concession in time in the form of promotion committees might save them from the more undesirable independent appeal board demanded by the Association. Probably they were afraid of the mercurial Lang coming to power again and granting such an appeal board.
Association representatives and both finally settled for a promotion committee system which would review promotions before they were made. The Chairman of the (annual conference of the) Public Service Association was jubilant both about the concession and the form it took. 28 He felt that getting a review before a promotion was finalised, avoided tension and soreness which were always involved in a review after the event. The relevant section of the Public Service Act and the regulations thereon were discussed with the Association in detail and agreed upon before they were presented to the State Parliament. 29 Section 8 of the Public Service (Amendment) Act of 1929 provided that when any officer other than the next senior officer in the "department" was recommended for promotion to a vacancy in a department within an annual salary of £750, the Board should refer it to a promotions committee. Each such committee was to consist of -

(a) The permanent head of the department in which the proposed promotion is to be made, or an officer nominated by him;
(b) An officer's representative who shall be an officer of the division in which the position to be filled is classified and who shall be selected by or on behalf of the employees of

29. (N.S.W.). 30/2462.
that division in the manner prescribed;

(c) an officer to be nominated by the other members of the committee or (failing agreement by them) by the Board.

The committee was to inquire into the claims of all officers to be passed over and report to the Board. In the Regulations made under the Act the method of choosing the employee's representative was laid down.

The permanent head or his representative was to call the promotion committee within 14 days after its constitution by the Board. If the two representatives did not agree on the third member the Board was to nominate one within ten days. The permanent head or his nominee was to preside. The committee could interview affected officers if necessary and call for information from the department. It was to report to the Board within 14 days after the meeting.

Seniority for this purpose (a) was based on salary, the officer in receipt of the higher salary being senior and in case of equality the one who had received it for a longer period, and (b) was confined to a particular section (of similar posts) in the Ministerial department to which the officer belonged. This small section was called a "department" in terms of section 8 of the Act. There were more than fifty such "departments"

in the service, some of them containing barely a dozen posts. The Board's reason for instituting such sectional seniority was their fear of the unmanageable number of references to committees that might be legally necessary if seniority lists were any wider. In the Clerical Division alone in many cases a hundred and odd seniors might have to be passed over in a small Ministerial department.

Even as it was, there were many delays. The Board, while satisfied with the general working of these committees, was already worried about delays in 1932 when only 37 cases were referred to them in the previous year. In 1937 the Board was concerned over the legal necessity to refer many promotions to committees even when the senior officers were not interested in the particular position. They urged an amendment of the Act to avoid these needless references.

The Board was further worried when the committees upset what appeared to them a good choice in favour of the senior mediocrity. The committees demanded specific proofs of fitness from departments. The Board naturally argued that fitness consisted of "personal

33. N.S.W.P.S.B. 42nd Report, p.16.
qualities and disabilities - matters that might not be proved by evidence before a promotion committee."34 They also naively confessed that no record was kept of the officer's fitness or failings because it would be "depressing"! It was thus the same story - of any form of promotion appeal insisting on specific proofs of fitness (which were not available in the absence of staff reporting) or the senior's unfitness, and consequently making it difficult to pass over a senior mediocrity.

The Public Service (Amendment) Act of 1929 made an important change in the criteria of promotion. Section 7 of the Act categorically stated that in all cases special fitness should override seniority thus extending the criterion which applied only to the Special Division to other Divisions also. The former confusion of combining seniority and fitness was thus mitigated.35 The same section deleted the earlier clause on departmental and extra-departmental officers and instead gave a clear preference to the departmental officer. There were probably no startling effects in the wake of these legislative changes. Fitness was becoming an important

34. N.S.W.P.S.B. 41st Report, p.18.
35. The Crown Employees Appeal Board, has however held that fitness and seniority have to be balanced and special fitness is different from superior fitness. See infra, p.460.
consideration for the higher positions, but in the case of other positions the promotion committees effectively deterred any overenthusiastic courtship of it. The departmental officer enjoyed a better chance for a vacancy in his department even before the Act admitted it.\(^\text{36}\) We have referred to the three promotion examinations in the classification table. The grade tests\(^\text{37}\) under Regulations 116 and 119 were chiefly intended to test the proficiency of officers in clerical accomplishments and departmental knowledge and had crystallised into their present form in the twenties. The former included such subjects as Correspondence, Precis, Elementary Bookkeeping, Handwriting, Office methods and Departmental Procedure. This test was held annually and any officer with twelve months' service before the examination could sit. The second grade test (under Regulation 119) was slightly more difficult though the list of subjects was very much the same. It was slightly different for different departments. Any officer who had passed the first grade test could sit the second after a lapse of two years. There was however, only one grade test for the Professional Division, at

\(^\text{36}\) That is what old timers in the N.S.W. service tell me.

\(^\text{37}\) These tests are described in regulations nos.116 and 119 and have generally come to be known by these numbers.
about the level of the Regulation 116 test. Promotion however, was dependent on the final approval of the Board in all cases - on their being satisfied as to the good conduct and efficiency of the officer.

We have already traced the evolution of the Higher Grades examination from the original concept as a general test of administrative potential to being chiefly a measure of departmental knowledge and expertise. The general nature of the examination remained the same during the inter-war years. A few more departmental groups of subjects were included in the list of alternatives, swelling the number to sixteen. The professionals had, as before, their own Higher Grades examination. Exemptions were, as earlier, allowed to holders of degrees and recognized diplomas, though professional graduates might be asked to sit for a departmental paper in addition.

The thirties were a period of soulsearching in the Australian public services, owing to the criticism of University dons, the Ross Commission, and the British Economic Mission on the lack of general

38. Supra, pp. 171-73.
education in Australian administrators. So, in 1937, the N.S.W. Public Service Board set up a committee of senior officials and a service representative to review the whole scheme of promotion examinations.40 A historical note prepared by the committee traced how the original purpose of the Higher Grade examination, to select men of general administrative ability from all departments, was lost through the option allowed not to sit for the general papers and how official opinion and inertia kept it that way. The examination maintained some sort of a barrier and demanded at least a high level of departmental knowledge and technical competence but its real purpose should be to test administrative potential. Exemption was granted to graduates, in the belief that University students develop through their studies, habits and methods of approach to problems which are in themselves an essential preparation for administrative duties - in other words, it is not the subject matter studied but rather the method of study that provides the qualification.

The object of the examination, as Professor Bland put it was to provide "an adequate supply of officers who by wide reading or special knowledge were capable of dealing with the varied problems arising in those positions."

The committee therefore, recommended an

40. The story in the next three paragraphs is based on (N.S.W.). 37/7472.
examination in four groups of general subjects (without option) namely (a) Social and Political problems, (b) Economics and Finance, (c) Public Administration, and (d) Australian problems - along with a list of selected reading for each subject. The service representative on the committee while in favour of a general examination was against the scheme of four subjects with no choice and submitted a dissenting report. The Board accepted the majority report in substance and the new Regulation 122 of 1938 prescribed the four subjects recommended as compulsory for the Higher Grades examination. Exemption was however, allowed to officers of the Audit Department in three of them (except Economics and Finance) if they had completed the Institute of Accountants examination. The usual exemption for graduates was retained. The Association however continued to press for a more departmental examination for some years without success.41

The committee felt that the lower grade tests too needed an overhaul.42 The tests should, they said, produce not merely departmental empiricists but officers with "some reliable foundation of disciplined thinking as a guarantee of success in the senior positions of the

41. (N.S.W.). 56/1903.
42. (N.S.W.). 37/7472.
service." Professor Bland felt that tests 116 and 119 tended to be similar. He recommended that 116 be more generalized, with subjects like General Knowledge, Correspondence, Precis, Business Principles, Book-keeping etc. along with a departmental paper, while 119 could shed Precis and Summarizing but include Elementary Accounts and the Theory of Scientific Management. The Board did not accept these alterations in toto: the Regulation 116 test was made slightly more general while that under Regulation 119 remained as departmental as before. The number of sittings was restricted to two in the case of 116, with an additional mercy sitting for 119. The tests were to be held annually in both cases.

Comparisons

The great depression was the key phenomenon of the two decades between the two world wars. As we have already seen, it forced all the Australian Governments into drastic economies. But it had some other important long-term effects on the public services.

The first of these was the embitterment of unionists in the service and the country at large and their resultant grim determination never to let it happen
again. This determination was the foundation on which public service associations and outside trade unions built up their strength during the second world war, making full use of the great demand for manpower. Association activity was more manifest during the depression period in New South Wales and the Commonwealth in demands for promotion appeals as well as in other ways. But in Victoria, the old budget balancing tradition got its second wind with the rise of the Country Party. To this tradition the Party added its own peculiar creed of limiting the number of public servants. The Party's emergence and importance in Victorian politics led to many years of low opportunity in the service and the long Premiership of Dunstan is remembered in Victorian Public Service Association circles as the darkest period of service history.\\footnote{43. The April and July issues in 1939 of the V.P.S.J. contain articles and cartoons illustrating the lack of opportunity and stagnation in the Victorian service for many years and the way it was shunned by youths. Though a Victorian Labour party had emerged and even formed two Ministries in this period with the support of Independents (a short-lived one in 1924 and a longer-lived one under E.J.Hogan from December, 1929 to May, 1932) it had no strong effect on the Victorian tradition of public economy unlike its counterpart in New South Wales. This might have been due to its accession to power during the depression and its reliance on the support of independents.}
service economy, of refusing to deal with the Association, and of rejecting any recommendation to give controlling power over the service to the Commissioner, continued merrily during the inter-war period. But the accumulated bitterness of years made the Victorian Public Service Association uncompromisingly militant in the early years of the second World War.

The second effect was the slow change in the concept of efficiency and administrative ability owing to the acceptance of Keynesian doctrines of Government control of economy and the consequent rise of the new caste of Australian Brahmins, the economists. Once the value of graduates in Economics was recognized, it paved the way for the general arts graduate to get into the service. This trend was helped by two other factors. The British Economic Mission, the Ross Commission in Victoria, writers and University dons had passed unkind remarks on the lack of education among top administrators and called for the use of graduates in the public services. Preferential recruitment of returned soldiers had blocked the old source of supply of administrators (namely bright school-leaving youths trained in the

44. Infra, pp.324-29.
service) particularly in the Commonwealth service. As a result of all these factors, the dykes were opened cautiously to let in graduates. The Commonwealth amended its Public Service Act in 1933 to provide for ten percent of the annual vacancies in the Third Division to be filled by graduates; Victoria had passed her University Act as early as 1923 to provide five free places for her public servants to take a degree and reeled off her list of home-grown graduates in the late thirties; and New South Wales changed the content of her higher grades examination in 1938 to make it more general. The concept of basic general ability as against a specific skill or experience had begun to take root. The second world war which came at the end of this period helped the concept to grow, for the new and unforeseen tasks of the war period demanded more of general ability and inventiveness and less of experience.

We shall proceed in the next Chapter to study the vicissitudes of the three services as they passed through the Armageddon.
CHAPTER X

THE SECOND WORLD WAR AND THE BAILEY REPORT.

The second world war was the greatest single influence for change on Australian public service management. This is true of many other facets of Australian life as it is true of many other public services in the world. We have no space here to consider the myriad changes it wrought in the Australian economy, constitutional set-up, party politics and trade unionism even though many of them were indirectly relevant to the changes in the public services. All that we can do is to consider the direct impact of the war on the services of the Commonwealth and the larger States against the background of these transformations. We shall consider first the general effect of the demands of the war on civilian administration in the Commonwealth and State services, secondly, the work of the Bailey Committee which recommended important changes in promotion procedures in the Commonwealth, and thirdly, the new public service legislation in New South Wales and Victoria.

To start with a few commonplace facts,
Australia entered the war against Germany on the 3rd September, 1939 with R.G. Menzies as Prime Minister but it was the entry of Japan into the war in 1942 that plunged Australia into a total war. In the meantime, a Labour Ministry under John Curtin had taken over early in October, 1941 and Labour remained in power till the elections of 1949.

The total nature of the war meant Government control of almost every aspect of life and an increase in the work of governments both of the Commonwealth and of the States.¹ Existing departments were expanded, new departments and new instrumentalities were created. In the Commonwealth service alone, seventeen new departments were created. Some of these were created by splitting the older departments - as in the case of the old Defence Department, which gave birth to the departments of the Army, Navy, Air, Munitions, Supply, Aircraft Production, Defence Co-ordination and Home

1. The account of civil administration during the war is based heavily on the following volumes in the Official history of the second World War namely Hasluck, Paul, The Government and the People, 1952, and Butlin, J.J., War Economy, 1955. I have refrained from supplying page references for each sentence. The general background information is drawn mainly from Shaw, A.G.L. The story of Australia, 1954, chapter 16, and Greenwood, G.(Ed.), Australia - a Social and Political History, 1955, chapter VIII.
Security. Some were new, like the Department of Labour and National Service. Many new control functions were handed over to new branches attached to old departments such as the Prices Branch and the Division of Import Procurement in the Customs Department. A large number of new agencies, Boards and Committees were also created, some with a large staff. Thus the government sector alone had expanded immensely, to say nothing of the private sector and the supreme demand of the armed forces for recruits.

All this required men of all sorts, skilled and unskilled, raw and experienced, young and old, men and women, and demanded the most careful husbanding of Australia's limited manpower. The small Manpower Committee of 1938, gave place to the new Department of Labour and National Service in October, 1940, till the Manpower Directorate took over this all important matter in June of the next year.

As a result of the competition for manpower, the value of men in all walks of life and particularly in the public services had increased tenfold and the demand for men of skill, ability and particularly administrative
potential had indeed shot up a hundredfold. This general change in values in sharp contrast with the depression years is most important to our enquiry.

Secondly, "competition for bulk manpower" increased the general strength of labour and trade unions by leaps and bounds. The unions were determined that current sacrifices should be equal and that the depression should not be repeated but when danger threatened Australia itself, they were prepared to accept many restrictions under a Labour Government. The advice and co-operation of their leaders were actively sought in many wartime organizations such as the Trade Union Advisory Panel and the Manpower Directorate. As a corollary to all this, the strength of public service associations increased steeply in all the three services studied here. The confident tone of association activity was reflected in the pages of the Federal Public Service Journal, Red Tape, and the Public Service Journal of Victoria. Concessions were won in all the three services. In Victoria, the dormant and even despised association had grown strong enough to "negotiate" with the State Cabinet on the new Public
Service Act and placed a service representative on the Public Service Board itself; the Commonwealth service got its Bailey report; and the New South Wales employees got the Crown Employees Appeal Board.

**THE COMMONWEALTH PUBLIC SERVICE**

Let us first consider in greater detail the effect of all the wartime factors on the Commonwealth Public Service. The first strain of the war on the Commonwealth was on staffing,\(^2\) aggravated as it was by the cessation of appointment of suitable recruits during the depression years.\(^3\) The strain grew heavier as the war activities and the number of departments increased, and was most heavily felt after Japan entered the war in 1942. At the same time some of the potentially useful youths in the service were enlisting. More than a thousand permanent officers enlisted before the end of 1940; the number swelled to 2081 by October, 1941; by 1942 the situation was controlled by the Manpower Directorate; still, 7808 officers had enlisted by the end of 1945.\(^4\)

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The strained staff situation forced the Board into both remedial and palliative measures. The Commonwealth service became in practice the single unit it had always claimed to be in theory. Every effort (according to the Board) was made by inter-departmental transfers and other staff adjustments to utilize available officers to the best advantage. The amount of inter-departmental movement then cheerfully accepted would have staggered authorities a decade previously. Owing to the demands for trained officers, thousands of them were asked to act in more responsible positions — "with the result that in some sections of the service, few officers were actually occupying their normal positions". No record was kept of these thousands of acting promotions and appointments by the depleted staff of the Board. A good officer with a decade of service remaining in his substantive appointment during the war years was an exception indeed. Besides developing internal mobility, good officers were borrowed from the State services, as well as from business and industry.

This large scale cross-fertilisation (inter-departmental,

inter-service and even with industry) coming after the inbred barrenness of the earlier decade, left a lasting mark on the promotion process. The suspicion of the intruder gave place in many departments to an active scouting for and "stealing" of extra-departmental talent.

War administration required positive planned action instead of interpretation of regulations and departmental tradition and mere experience was of little use in facing entirely new tasks. The concept of efficiency had to change accordingly. Inventiveness, planning and other components of managerial skill assumed superiority over experience. The small leaven of positive planners admitted into the service as economists in the thirties had already initiated this tendency. The war, by challenging the isolation and safety of Australia forced the service to accept a new concept of efficiency. The brilliant outsiders who rallied to help the service out of its war-time difficulties were promoted and placed in important positions and the Clerical Association which protested against the cold neglect of the experienced insider was
politely told by the Labour Prime Minister that war administration required a "different" mode of selection. 7

The problem of preserving the promotion rights of officers absent on war service arose as early as 1940. Many of them were likely aspirants to vacancies to which promotions were made but could not lodge their appeals personally. The Public Service Act was amended in that year to enable the Board to consider them as appellants in respect of all suitable vacancies. 8 This involved a great deal of work and in a number of cases, absentee officers were promoted on such appeal. As more and more officers enlisted, such appeal work became impossible to cope with by 1942. The Board had to restrict the number of permanent promotions to the minimum. Anyway by that time the whole service had become an "acting" service; the permanent officers were mostly "acting" in various higher capacities in "uncreated" positions; their own former positions and basegrade positions, were filled by "temporaries" - women and older men.

The procedure for promotions as well as for

7. F.P.S.J. Vol.21, no.1. Many issues in Vol.19 and Vol.20 contain protests against advancement of outsiders. It is also interesting to note that many of these "differently" selected outsiders were absorbed in high positions in the service in the immediate post-war period.
appeals remained the same. The figures for the war years are summarized in the following table.

Table XIV

<table>
<thead>
<tr>
<th>Year</th>
<th>Total strength of vision</th>
<th>Number of promotions</th>
<th>Pro-motion coefficient</th>
<th>Number of appeals allowed ed</th>
<th>% of Successful Appeals based on equal Super-efficiency</th>
</tr>
</thead>
<tbody>
<tr>
<td>1939-40</td>
<td>34,201</td>
<td>2,100</td>
<td>6.1%</td>
<td>897</td>
<td>166</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(42.71%)</td>
<td>(18.51%)</td>
</tr>
<tr>
<td>1940-41</td>
<td>36,192</td>
<td>2,857</td>
<td>8.1%</td>
<td>948</td>
<td>203</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(33.18%)</td>
<td>(21.41%)</td>
</tr>
<tr>
<td>1941-42</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>no report submitted</td>
<td>-</td>
</tr>
<tr>
<td>1942-43</td>
<td>38,108</td>
<td>1,549</td>
<td>4.1%</td>
<td>531</td>
<td>170</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(34.28%)</td>
<td>(32.01%)</td>
</tr>
<tr>
<td>1943-44</td>
<td>38,760</td>
<td>1,445</td>
<td>3.7%</td>
<td>451</td>
<td>124</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(31.21%)</td>
<td>(27.5%)</td>
</tr>
</tbody>
</table>

The table shows that promotions were considerably restricted from 1942, the promotion coefficient falling to less than half the value for earlier years. The percentage of promotions appealed against and the percentage of successful appeals showed little change and as usual, eighty per cent of the successful appeals were

9. Based on C.P.S.B. Annual Reports, 16th to 22nd.
based on seniority and equal efficiency.

In 1940 the Board raised the question of preference to returned soldiers of the current war, pointing out its disastrous effects after the previous war, involving suspension of youth recruitment. A committee of senior officials was appointed to inquire into it. Their report, after detailing the bad effects of preference on service efficiency in the foregoing decades (which we have referred to in an earlier chapter), found that they could not in fairness recommend any change in concessions regarding age, medical fitness or definition of eligibility. They felt that much harm could be avoided if preference was coupled with the same entrance examination standards for all and a reservation of fifty per cent of the annual recruitment to school-leaving youths.

These recommendations were overshadowed by the subsequent total war after 1942. The Reestablishment and Employment Act of 1945 covered the whole field of employment including State services and private business and extended preference in recruitment to any position subject to statutorily prescribed entrance qualifications.

11. Supra, pp.245-53.
but none in promotion. The problem of reconciling youth recruitment with soldier preference never arose as such in the expanding services of the States and Commonwealth of the post-war period\textsuperscript{11a} and the difference in quality between youths and soldiers was less marked since a total war made soldiers of the best talent in the country and returned soldier training and scholarships improved their quality.

The Bailey Committee

The long agitation for a review of promotion appeal procedures bore fruit in December 1943, when the Prime Minister, John Curtin, appointed a Committee to investigate the question. The Labour Party was vaguely committed to review this matter; the growing power of unions and the contribution of public servants to the war effort prepared the ground for such

\textsuperscript{11a} On the recommendation of the Enquiry Committee the Government instructed the Board to reserve 50\% of the Third Division vacancies for youths who were so few and so hard to get during the early post-war years that the Board had to recruit over 3000 returned soldiers as against 863 youths from 1945-8. (C.P.S.B. 24th Report, p.13). This was not due to preference but the compulsions of staff shortage and the Board admitted in 1951 that returned soldier recruitment saved the service from a serious breakdown. (C.P.S.B. 27th Report, p.6). From 1951 onwards youth recruitment steadily increased till it exceeded soldier recruitment in 1956. The total number of youths and soldiers recruited from 1951-52 to 1955-56 was 3126 and 2203 respectively.
a review; and the end of 1943 when the advance of Japan had been arrested, provided a suitable respite and occasion.

The Committee consisted of:

Mr. F.G. Thorpe, Public Service Commissioner
Mr. L.S. Jackson, Commonwealth Commissioner of Taxation
Mr. R.W. Hamilton, Acting Deputy Director, Posts and Telegraphs, New South Wales
Mr. J.V. Dwyer, General Secretary, Amalgamated Postal Worker's Union of Australia
Mr. T.B. Goodall, General Secretary, Professional Officers' Association
Mr. A.V. Langker, General Secretary, Commonwealth Public Service Clerical Association, Secretary, Council of Commonwealth Public Service Organisations

and Mr. F.J. Webb, General Secretary, Postal Telecommunications Technicians Association.

Professor K.H. Bailey (Professor of Public Law, University of Melbourne) constitutional adviser to the Commonwealth Government, was appointed Chairman. When Mr. Hamilton died in September, 1944, his place was taken by Mr. J. Malone, Deputy Director, Posts and Telegraphs, New South Wales.

The Committee were asked to find out whether any change was desirable regarding (a) the basis of selecting

11b. Prime Minister Curtin was not happy about having such an enquiry during those hectic days, but he was persuaded by Commissioner Thorpe.

12. B.R.2. The material for a number of pages hereafter is a summary of the Bailey Committee Report. It is hereinafter referred to as B.R., with a number indicating the paragraph.
officers for provisional promotion and for temporary
duty in higher positions; and (b) the provision of
appeals against provisional promotions and against
selection for temporary higher duties. The Committee
had no power to take evidence on oath. The
association and official sides were, however, well
represented on the Committee itself. Twenty-two
service associations and independent organisations like
the Institute of Public Administration submitted their
views. The various Departments readily co-operated in
furnishing facts, views and statistics. The Committee
were in close touch with many permanent heads and senior
officers, and made a study of public service legislation
and procedures in the different States of Australia, New
Zealand, Canada, South Africa, Great Britain and
America. There was no dearth of relevant material
before the Committee, though the actual staff position
in the Board and departments did, in the writer's
opinion, restrict the extraction of relevant statistical

information.  

In their report, after describing the divisional structure of the service and current promotion procedures, they discussed the basis of promotion and found that all permanent heads were agreed on relative efficiency as the only foundation of a sound promotion system and administration. The Second and Third Division organizations such as the C.P.S. Clerical Association and the Professional Officer's Association agreed with this even apart from considerations of administrative efficiency. They felt that they should not retard the advancement of their more efficient and qualified members. On the other hand, the Fourth Division associations, chief among which was the Amalgamated Postal Workers' Union, felt that in well-defined manual repetitive operations there were few opportunities to show special merit in performance.

14. For example detailed statistical information regarding promotions and appeals at various salary levels would have indicated the high incidence of appeals at certain levels. Figures of future mass retirements of top officers in some departments would have alerted the Committee on the urgency of extending the definition of efficiency to cover further promotability. (B.R. 54-63.) The figures they actually gave in the appendices were mostly from the Board's Annual Reports and did not go very far.

15. B.R. 24-29. (Part II - Division A).
Merit in such cases was merely "discovered", even if it was not simple favouritism. The choice of the senior among equally competent officers not only would avoid errors of judgment, but restore general morale, team spirit and overall staff efficiency which were impaired by the selection of a junior.

We have already referred to this line of argument of the A.P.W.U. in an earlier chapter.\(^{16}\) The division of interests between the top Divisions whose work called for exercise of judgment and the Fourth Division with its predominantly manual repetitive work, was already brewing in the twenties and thirties, when the former wanted stiffer tests for entry into their ranks from below. The fairly long Australian honeymoon when Smilesian heroes from the General Division provided more than half the material for the best places in the higher Divisions, when the education of telegraph messengers was a pre-occupation of the first Commissioner and when "caste" distinctions were anti-Australian - was coming to an end. The sharp difference in attitudes between the industrial civil service and the civil service proper which had emerged in all other countries, was making its appearance in

\(^{16}\) Supra, chapter VIII, pp.59-60.
Australia. The Marxian distinctions between the timid professional petite bourgeoisie and the solid working class had invaded the public service also. The inevitable result was different standards and criteria of promotion for the two groups.

The report devoted much space to canvassing the general arguments in favour of efficiency, quoting at length from the Royal Commission Reports in Britain and the evidence submitted by the Victorian Group of the Royal Institute of Public Administration. The evils of promotion by seniority, such as the stifling of ambition, the frustration of the brilliant and the dehydration of initiative from the energetic through years of dull routine, were also listed.

This was traversing old ground. The real problem was whether or not to prescribe different bases for the two different strata of the service. The Committee were convinced of the need for this after analysing a few promotions in the Fourth Division in the R.M.G's. department. The higher posts to which promotion was made were not very different from the lower ones. The work in general was manipulative and

17. B.R. 33-34.
repetitive and the few supervisory positions themselves required more capacity for co-operation and team work than administrative ability. The time spent, therefore, by top officials in balancing the relative merits of officers, could, the Committee felt, be better employed. Further, an analysis of some promotions convinced the Committee that in practice the senior competent officer was promoted.¹⁹ The Committee, with the Chairman dissenting, recommended the regularisation of this practice by prescribing the promotion of the senior competent officer for groups of posts in the Fourth Division (below a certain salary limit).

The Chairman felt that such a clear-cut prescription would reduce the efficiency of the service in the long run - by encouraging an officer other than the fittest to be promoted. He felt that it was possible to reduce discontent by the new appeal procedure recommended later and that seniority could be given greater weight and fine distinctions of efficiency disregarded through a Board circular rather than through statutory prescription of seniority (subject to minimum qualifications or fitness).

¹⁹. No statistical analysis was made. Some typical files were studied and officers questioned.
In the final outcome the dissent was ignored and the prescription was made in the Public Service (Amendment) Act of 1945. Few realized its historic significance. When J.V. Dwyer who had advocated it for two decades, stoutly fought for it in the Committee, and after its general acceptance, Pilate-like, washed his hands of any further interest in the efficiency basis of promotion in the higher echelons, his act was symbolic of the separation of the group-conscious, collective, unionist mass of the service from the potentially individualistic, competitive, professional-minded part of the service.

The report went on to consider at length the measurement of efficiency and the addition of special stress on potential\textsuperscript{19a} for higher posts. After considering definitions of efficiency in other public service Acts, they reproduced the Board's 1926 exegesis on the four elements of efficiency,\textsuperscript{20} commended it highly, and felt that such an exposition was better than detailed legislative direction or exact formulae. They recommended its circulation to departmental officers.

\textsuperscript{19a} The word potential is commonly used in the Australian public services in the sense of potentiality.

\textsuperscript{20} B.R. 52-53.
Two well-known ways of measuring efficiency, namely examinations and rating reports, were discussed. They found that there were already many qualifying examinations for promotion, mostly in the Postmaster-General's Department, prescribed either under Section 53 of the Act or by the Arbitrator. Promotion to some other positions was restricted to those with prescribed qualifications such as an accountancy diploma or an associatéship of some Institute. The Committee did not note that most examinations were confined to the Fourth Division and a few professional positions in the Third nor did they go into the success or otherwise of the New South Wales grade tests and examinations. They felt that examinations though they were tests of knowledge, skills, and intellectual ability were not tests of qualities of mind, character or disposition. The detailed classification of posts in the Commonwealth service, they said, made any standard form of examination impossible. The Committee would not encourage any wider use of examinations.

Discussing rating reports, the Committee found that there was no general system of periodical rating

reports in the service as a whole - though standardised forms were used in sections of the Postal department. The reports obtained by permanent heads before making promotions and by Inspectors when making appeal enquiries were descriptive and not standardised by reference to any set of qualities. But the Director-General of Posts and Telegraphs and his senior officers felt the need for an appropriate reporting system in their large organisation not only for promotions but for general "stock-taking" of their human resources. The Postal Telecommunication Technicians' Association was also in favour of periodical efficiency reports. The New South Wales Regional Group of the Institute of Public Administration felt that Chief Officers were largely at the mercy of their subordinates' conscious or unconscious prejudices and that a system of regular staff reports, furnished and discussed by selected personnel officers, was necessary to avoid this. The Victorian Group felt the need equally strongly for a reporting system to assess the present and potential value of all officers. The dangers arising from the varying standards of reporting officers, they said, could be avoided by the scrutiny of branch heads and the permanent head.
The Bailey Committee considered the use of reporting systems in Britain, America and New Zealand. The New Zealand Director-General of Posts and Telegraphs, after attributing the failure of their earlier reporting system to the differing standards of different reporting officers claimed success for their new system of reporting committees, with two specially trained reporting officers who travelled round the islands and interviewed officers with a local controlling officer.

The Bailey Committee felt the need for a common set of values in any reporting system as against the current haphazard oral and written reports prior to a promotion. They recommended a "rating" type of report on a common set of qualities but only when promotions were to be made.

They were not sufficiently convinced of the need for a periodical rating system (as against ad hoc reports for promotion only) to recommend it straight- away, but would rather have departments make their own experiments. Considerations such as taking stock of the human resources, keeping officers on their toes and raising the general level of efficiency, they said, were
outside their purview. They recounted other arguments in favour of periodical reporting such as providing a continuous record of past performance (based on scientific methods of rating), more balanced judgment than an ad hoc report aimed at a specific vacancy and a few applicants, better training in personnel judgment for reporting officers, more staff confidence in the promotion system and fewer appeals. Against periodical reports could be arrayed their tendency to become formal (like incremental reports), their greater cost, and more particularly the varying and unreliable nature of reports obtained from different reporting officers, some generous, some strict and many timid and immature. The last argument was stressed in a paper on reporting in Britain by W.V. Bradford and also by F.G. Thorpe, the Commissioner, from his own experience. On the other hand it was said that ad hoc reports for promotion could be rid of bias by having more than one opinion; such ad hoc reports soon built up into a reliable file on the officer reported on; and promotion was after all an occasional and ad hoc process, not justifying a regular periodical reporting system. On balance, the Committee was weighed down by the possible objections to a regular periodical rating system and confined itself to recommending standardised ad hoc reports.
Thus "saddened by heavenly doubts" they indirectly damned even their limited recommendation to standardise ad hoc promotion reports (on a form recommended by the Board) which was anyway subsequently ignored. Their view of their terms of reference as restricted to individual promotions and as not including the general efficiency of the service was, indeed, narrow and short-sighted. It was against the spirit of their long quotations on efficiency and of the Chairman's dissenting opinion all of which implied a close relation between the general efficiency of the service and the relative efficiency of individual promotees. The choice they postulated as between the new pitfalls and cost of pseudo-scientific rating and the old safe chaos without rating was artificial. While they quoted critiques of the rating systems in Britain and New Zealand, they forgot that they preferred to keep the baby rather than throw it out with the bath-water. The "cost" of operating a rating system was often mentioned but never calculated by the Committee. On the whole, they seemed subconsciously frightened at the prospect of pouring the new wine of rating into the old wine-skins of the cynical, untrained,

22. B.R. 80. 23. B.R. 33-34 and 44.
depression-soured old-school officers of the service. With greater courage and awareness of the future tasks and expansion of the service, they might have seized the favourable moment without opposition from associations, to recommend a statutory experiment.

The Committee then considered the statutory definition of efficiency which related it to the duties of the vacant position. The man with satisfactory past service might find it difficult to prove efficiency for a different post, especially if he was in a dead-end job. The Committee felt that he was reasonably safeguarded by the explanation of "merit" in the Board's exegesis on efficiency. On the other hand, the strict relation of efficiency to the immediate vacancy might bind the hands of far-sighted permanent heads, looking for officers with potential to fill still higher posts. It might favour an immediately efficient officer to the exclusion of a junior with high administrative potential. The Committee recommended that "within a defined limited range of more senior posts, the permanent head should be permitted (and indeed required), to take account of the qualifications of the applicant not only in relation to the immediate vacancy to be filled but also in relation to.

the prospective vacancies in higher posts within the department." They were not prepared to extend the new requirement to relatively junior levels - even when there might be a need for it (as the Commissioner of Taxation pointed out) owing to the sudden expansion of a department. They were afraid that without a strict reference to the particular duties of a vacant post, there would arise "opportunities for inexact and even arbitrary assessments of efficiency."

The tale is told in a later chapter of how this halting recommendation suffered early legal strangulation. The Committee never went to the root of the problem since they excluded classification from its purview. A little reflection would have shown the close relation between classification and this aspect of promotion. It is more difficult and more urgent to locate the level at and above which the new concept of efficiency as administrative potential is to operate in a service of narrow overlapping salary scales. In it, a hard-working narrow specialist could climb very high step by step on the old concept of

fitness for the immediate task, with very little administrative ability. The older services solve this problem by the differential recruitment of an administrative class on the basis of administrative potential. It would be easier to solve in a service with wider and fewer salary scales with or without differential recruitment. It is an irony that these implications were ignored by a committee on promotion and considered by a later committee on recruitment in 1958.

There was little criticism of the current definition of seniority, according to Regulation 110, either from permanent heads or service organisations. The Committee, however, took up the question mainly to discuss the criticism of the New South Wales Regional Group of the Institute of Public Administration. The Group pointed out that it was absurd for an officer, who was passed over many times for promotion, to preserve his seniority, which was based on length of service in the Division. They wanted a reversion to the pre-1924 position when seniority was based on salary and class. The Committee was, however, convinced that the arguments advanced by the Board in 1924 against the evils arising from seniority based on salary - such as the craving for

27. B.R. 91-109. (Division C - Seniority).
trifling promotions just to gain seniority, and unfair loss of seniority owing to sickness or stoppage of an increment - were still valid, even apart from the potential confusions flowing from the Arbitrator's determinations.

On the other hand, they felt that there was a good case for assigning "sectional seniority" to certain technical positions. In cases where a technician was promoted after a qualifying examination, he acquired no additional seniority over others (senior to him in the Division) who passed the examination years later to become senior technicians. Often the latter, with little experience as senior technicians, were promoted as foreman technicians on the basis of Divisional seniority over the heads of senior technicians of long experience. The remedy suggested was an additional seniority list for mechanical ranks. The Committee were aware that temporary anomalies would arise from such a departure but was encouraged by the support of a large majority of members of the service associations concerned. The Committee (with the Commissioner, Mr. Thorpe dissenting) recommended the institution of sectional seniority for those ranks.
The report went on to describe the procedure then followed in making provisional promotions and deciding appeals. In considering changes in this procedure, the Committee first dismissed the idea of vesting complete and final power of promotion in departments, as impossible under Australian conditions. They were not convinced by the old arguments that a department responsible to the Minister must have control in staff matters, that departmental officers know their men best, and that extra-departmental control undermined discipline and loyalty. An extra-departmental authority, they felt, was necessary to supervise promotions if only because there were and could be many inter-departmental promotions in the expanding Commonwealth Service. Departmental responsibility for promotion would cut across the Board's responsibility for economy and efficiency according to section 17 of the Act and would also create staff dissatisfaction.

This discussion was purely academic. It was just a feeble echo of the Parliamentary debates of 1901 and 1922 and the Postal Commission hearings. Complete departmental responsibility for promotion was against

established Australian tradition and was simply impossible.

The Committee summarised the various complaints about the current appeals system. We have already described them in detail earlier. 30 According to the Committee, the system did not have the confidence of the majority of the staff who felt that:

(i) The present system did not afford a sufficient check on the personal factors involved in making and assessing the results of enquiries and

(ii) Public Service Inspectors must in the nature of things tend to support departmental decisions and to lean towards the administration.

The process of enquiry by an Inspector tended to be a purely administrative process with no judicial element. The Committee were sympathetic towards this general demand for a quasi-judicial element in the enquiry. They were in favour of appeal Committees, consisting of a representative each of the Board, the department concerned, and the appropriate service organisation. 32 Mr. Jackson, the Taxation Commissioner, however, felt that such a Committee could not obtain all the necessary information about officers - since departmental officers would not risk unpleasantness by disclosing confidential details to a Committee with a

service representative. He feared that as a result, wrong decisions would be made, promoting officers would take refuge in seniority, the service would deteriorate, while dissatisfaction would still remain, since no Committee could promote all appellants. On the other hand, service associations were almost unanimous in asking for an independent Promotions Appeal Board, presided over by a judge or a magistrate, with final powers of determination. The Committee rejected this - afraid as they were of all the evils of formal hearings. They expected appeal committees, constituted according to its recommendations, to have both expertise and judicial independence. While full-time chairmen should be appointed by the Board for New South Wales and Victoria, the inspector could preside in the other States. The departmental representative could be nominated for each appeal by the department. The service representative should be selected by the appropriate organisation - covering that class of work. The Bailey Committee were not in favour of giving the final decision to the Appeal Committees, mainly because inter-state appeals could not be finally dealt with by State appeal committees, and differing standards might

33. B.R. 152.  
34. B.R. 153.  
35. B.R. 154-5.  
develop. The appeal committees were to enquire and recommend to the Board who would make the final decision. The Committee was quite favourable to the idea of appeal committees determining finally all appeals to positions up to a maximum annual salary of £450 (s) - to which level Chief Officers had delegations to make promotions.

The Committee found the general practice regarding temporary transfers to higher positions confusing and unsatisfactory. The Regulation concerned (reg.116) based the choice on seniority and efficiency. The Board in their circular of January 1931 had in so many words asked departments to choose the senior available officer if fit to perform the duties. This interpretation had been contested by the Solicitor-General in 1936. There was general dissatisfaction and lack of uniformity concerning the meaning of availability.

The Committee recommended that for short term transfers not exceeding a month, where the object was merely to provide some continued service, the senior efficient officer should be chosen. For long-term

transfers, which gave the acting officer valuable experience and opportunity to demonstrate potential, the most efficient available officer should be chosen (except for posts where the senior competent officer was chosen for permanent promotion). A senior officer not chosen should be allowed to appeal to promotion appeal committees on the basis of equal efficiency and availability.

The recommendations of the Committee on promotion appeals were practically a foregone conclusion. The persistent demand of two decades and the obvious defects into which the Inspectorial enquiry system had fallen; the heavy representation of associations on the Committee and the obvious sympathy of Commissioner Thorpe with their aspirations; and the general honeymoon of the Government and unions in the war effort - all these could lead to no other result. The Committee did a thorough job of investigation and discussion. Their short-comings flowed essentially from the narrow terms of reference they were provided with and their further narrow legalistic interpretation of them, involving a refusal to consider the implications of the classification structure for various aspects of their
enquiry and their undue caution and even timidity in dealing with staff rating and changes in the concept of efficiency.

The Report was presented to the Cabinet in December 1944. The Public Service Bill of 1945 embodied all its recommendations regarding appeal committees, modified definition of efficiency for senior executive positions, sectional seniority for mechanical ranks, and the choice of the senior officer for certain classes of posts in the Fourth Division. The Bill also included a provision for the constitution of Joint Classification Committees, and a Joint Council, mainly at the instance of Mr. Thorpe, the Commissioner. Taken up in Parliament a day after the landing of General McArthur in Japan and the first session of the United Nations in San Francisco, it was passed with scarcely any discussion. The post-war era in promotion was inaugurated without anyone taking notice of it.

NEW SOUTH WALES AND VICTORIA

The same acute staffing position and the increasing influence of associations led in New South

41. C.A.A. C.P.408. G46/2. See also G45/17.
42. C.P.D. Vol.185, p.6245.
Wales, to the same problems and similar remedies. The percentage of enlistments was even higher in New South Wales, where more than 8000 officers out of about 30,000 enlisted. The Commonwealth service too made demands on State personnel. The need to protect the interests of officers absent on war service became very evident in 1941. The extra staff needed for normal work was recruited either from retired officers or juniors so as not to affect the prospects of other officers. All promotions in the service were reviewed by a soldiers' rights committee, who watched the claims of absent officers. As time passed, promotions were limited to the necessary minimum.

There was no amendment to the Public Service Act in New South Wales to ensure preference for returned soldiers. This right flowed from the Commonwealth Re-establishment and Employment Act of 1945. The preference in recruitment did not occasion any difficulty in the post-war period owing to the great expansion of the public service. There was no statutory preference in promotion. In practice, the soldiers were exempted from one of the two grade tests, and correspondence courses at the front and special courses in the post-war period helped them out considerably.

43. N.S.W.P.S.B. 49th Report, p.3.
44. N.S.W.P.S.B. 47th Report, p.3.
The Crown Employees Appeal Act of 1944 fulfilled an old dream of the New South Wales Public Service Association. The Act provided an open Court called the Crown Employees Appeal Board with a presiding Judge (with Supreme Court Status) and a representative each of the employer (Board) and employees (service associations). Officers of the public service as well as of many government instrumentalities could appeal to the Court with regard to dismissal and disciplinary action as well as promotions. An appeal as regards promotion was to be based on the criteria specified in the Public Service Act (or any other Act governing an instrumentality). Counsel was allowed, but the Court was not to be bound by precedent and could decide on the merits of the case. An open Court for discussing promotions was repugnant to the Board which could not, however, prevent its constitution.46

In Victoria, the Public Service Association had grown strong enough by 1939 to press their demands on the

46. The Court covered all Government instrumentalities. It was constituted at a time when elaborate discussion of its merits was impossible and the Labour Government of New South Wales politically felt bound to satisfy this demand of various associations. The Chairman of the N.S.W. Public Service Board, W. Wurth, expressed the view to the writer that he might have been able to prevent it but he was busy as the Manpower Director.
Dunstan Ministry. After much negotiation, their chief demands were granted in the Public Service Act of 1940, which created a Public Service Board containing an elected service representative and another member and a Chairman nominated by the Governor-in-Council. There was jubilation in association circles over this and the long-awaited re-adjustments in salary, but it was short-lived. The Dunstan Ministry refused to meet the association demands for a five-day week, payment of overtime, re-classification, and difference between militia and service pay for enlisted public servants. When the Association were permitted by the Commonwealth Government to take their plaint to the Arbitration Court, the Victorian Ministry invoked the High Court who decided that the Arbitration Court had no jurisdiction. By 1943, the cup of disillusionment was full and the Association openly and bitterly campaigned against the Dunstan Government in the elections the same year. The Government which came back with a few losses, retorted with the Discharged Servicemen's Preference Act (in November) which gave absolute preference to soldiers not

47. V.P.S.J. See the issues from April to August 1939, and Jan. and Oct. 1940, for the story of the association campaign and negotiations in 1939 and 1940.
only in recruitment but also in promotion, in the public service as well as in outside employment. Bitter, indeed, were the comments of the association journal on the subject, as illustrated in the following extract:

The present measure, providing as it does, absolute preference in appointment and promotion, to be exercised time and time again exclusive altogether of the claims of others, will wreck the public service, condemn future generations to be hewers of wood and drawers of water, inflict grave injustice on large sections of the community and create all manner of bitterness and dissension.

The bitterness did in no way abate as the Act was put into practice. In October, 1944, the Journal commented again:

Politicians seeking kudos and interested parties seeking to further personal interests have made free use of the name and deeds of men at present in the forces to justify the Dunstan Preference Act but such a preference was never sought by the fighting men.

The promotion preference was administered thus. All applicants for a vacancy were first considered by the permanent head who recommended suitable men strictly according to merit and seniority as prescribed in the Public Service Act. The Board as the employer had then to exercise the promotion preference. A soldier was chosen from those recommended if he was

48. V.P.S.J. November 1943.
49. V.P.S.J. October 1944.
50. V.P.S.J. October 1944.
competent to perform the duties of the position, irrespective of the merit or length of service of others. If, however, there was an officer in the service who had enlisted and been discharged, he could be promoted over the head of the recruited soldier, on the basis of efficiency. If there was no soldier fit for the position, the fittest officer among the other applicants was chosen according to the Public Service Act.

We will now trace the rather short life of this preference against the background of the new Public Service Act - anticipating some post-war history. In 1946 the dream of a really independent Public Service Board came true through the Public Service Act of the same year, enacted by the Cain Labour Ministry. The Board, composed of a service representative for a three year term and the Chairman and another member nominated by the Governor to occupy office till the age of 65, was given final power over recruitment and promotion and also salary fixation - subject to disallowance by Parliament within 30 days. The Governor-in-Council had sole power over conditions of employment such as hours of duty and leave and creation of offices - but in these
matters he usually accepted the Board's advice. Section 5 of the Act vested responsibility for overall efficiency in the Board very much as section 17 of the Commonwealth Act did. As regards the statutory basis of promotion, section 32 (5) of the Act stated:

In the appointment of a person to any office consideration shall be given first to relative efficiency and in the event of equality of efficiency of two or more officers in the Public Service, then to relative seniority. (Italics mine.)

In this sub-section efficiency means special qualifications and aptitude for the discharge of the duties of the office to be filled together with merit, diligence and good conduct.

Thus the Victorian Act was brought into line with the Commonwealth Act in giving the first place to efficiency. The Association accepted the change since it came along with an independent representative Board.

In the meantime the Commonwealth Re-establishment and Employment Act of 1945 had laid down comprehensively the preference to be accorded to returned soldiers by all employers all over the Commonwealth. In short, there was preference in recruitment - subject to minimum qualifications and the law governing entry - but no preference in promotion. Early in 1947, the Victorian Public Service Association demanded the abandonment of
the promotion preference according to the Discharged Servicemen's Preference Act - since it was superseded by the Re-establishment Act.\textsuperscript{51} The Government hesitated, after receiving conflicting advice from two eminent legal advisers.\textsuperscript{52} The point was finally decided in the "Wenn Case" by the High Court who held that the Commonwealth Act, having "covered the field", the provisions of the Victorian Act in excess of it were null and void.\textsuperscript{53}.

Thus, all the three services faced the post-war years with the same servicemen's preference, similar public service Acts and similar problems.

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\textsuperscript{51} (Vic.) 47/3872.  \textsuperscript{52} Ibid.  \textsuperscript{53} 55 A.L.R. pp.293-308.
PART III

CURRENT PRACTICES AND CONCLUSIONS.
Chapter XI

PROMOTION IN THE POST-WAR COMMONWEALTH PUBLIC SERVICE

The post-war years in Australia have been a period of economic expansion, characterized by increasing industrial production, business and commerce, a vigorous immigration programme, a policy of full employment and faith in Australia unlimited. This rapid transformation from depression through war to expansion, has affected public services profoundly in all respects (most obviously in service expansion and recruitment). But the Commonwealth Public Service Act itself has remained much the same except for some amendments consequent on the Bailey Report and the recommendations of Mr. Thorpe, the retiring Commissioner. The important innovations in departmental promotion procedures and in evaluation of efficiency were extra-legal developments. We shall therefore have to consider the statutory and even more, the extra-statutory developments as we study current promotion practices under the four broad headings of (a) classification, (b) provisional promotion procedures, (c) criteria of promotion and (d) the new appeal procedures.

1. That is the overall picture and general belief though there have been deviations from the former and disagreements with the latter.
This section could probably be closed straight away by mentioning that the principle of the pre-war detailed classification remains, though the salaries have trebled. But some recent unsuccessful soulsearching on its basic principles deserves a brief account.

This began too late, in 1953, long after the old classification had entrenched itself in principle in the post-war period. The Public Service (Amendment) Act of 1945 provided (at the instance of Commissioner F.G.Thorpe) a new tool for reviewing classification through Joint Classification Committees, but without a new directive principle. The Committee, with representation for the relevant service organisation, the Branch of the department and the Board, brought together grievance, expertise and authority. They could collect evidence and inform themselves in any way, at the instance of an officer or his association or the department. But they were briefed by the Board to rectify the accumulated "anomalies" of the war period, that is, serious departures from the "relativities"

2. (current). G46/2. See Thrope's letter to the Prime Minister of 1st August, 1945. See also (current). G45/17.
between salary scales in the "standard" classification as at 1939. In consequence, their massive accomplishment in examining over 28,000 positions (mostly in the Third Division) between 1947 and 1953 entrenched the minute relativities of the old classification.

The marginal increase determination of 1947 produced the same result, when it replaced the old table of salaries with a new schedule with the same number of salary scales. The significant increases of salary are less important to us now than the fact that this determination perpetuated the old principle and declared openly the Arbitrator's dominance over the classification. When at last, in 1953, the new Board sought to simplify the classification, it faced not a fluid situation but an entrenched institution.

The ball was set rolling, unpropitiously enough, through an auditor's suggestion in early 1953 to

3. The account of the work of Joint Classification Committees is based on an unofficial short history of them prepared in the C.P.S.B. Classification Bureau. "Relativity" means the (accepted) ratio between different salary scales of different positions. Certain positions were known as "key positions" in the service because once their salary scale is fixed, the others automatically follow by multiplying that by the proper ratio or relativity.

make salaries and increments multiples of thirteen for easier calculation. He poured out trenchant criticism on the mass of ill-related overlapping salary scales which was worshipped as a superaccurate reflection of work value, and the high degree of waste flowing out of its supposed economies. Later the same year, the idea was thoroughly elaborated and buttressed by an Assistant Controller of Customs, with a suggested simpler schedule of salary scales. At a Joint Council meeting which discussed the subject the association side was "favourably interested". But the Permanent Heads' Conference of 1954 witnessed the unprecedented spectacle of absolute unanimity on the question.

Let us summarize the arguments against the current classification without apportioning credit to their various sources.

(a) First, it was an illusion to think that the current finely calculated salary limits were accurately related to work value. Rather, they were "the product of expediency and conformed to a pattern of relativity

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5. The account of the attempts in 1953-54 to simplify the Classification in the following paragraphs is based on (current) 57/5224 and (current) 57/5035.
influenced from time to time by expediency”. The large number of ranges - seven between the base grade and £1004, and fourteen from there to £1986 - had no justification either.

(b) The strongest criticism was levelled at the large number of promotions flowing from the many narrow scales and an officer's keenness to get to the next narrow range, in whatever department it was or however unrelated it was to his work or natural line of development. As was also pointed out:

It follows that the greater the number of salary ranges the greater the number of promotions and it must be admitted that the cost of making even one promotion is high. The costs incurred in making promotions include the following: (a) cost of applicants' time in submitting their applications including distractions resulting therefrom (b) the cost of dealing with the applications in the department and making a provisional promotion (c) cost of all the time spent by officers, departments, appeal committees and the Public Service Board in determining appeals (d) the cost following the

5a. As proof of which it was asked: Will anyone seriously argue that the following maxima of our ranges £2544, 2706, 2906 are anything but crude measures of work value? Also note the lack of logical pattern in our rates of incremental advancement as we ascend the salary ranges. Between the salaries £572-764, the annual increment is £36 per annum; the rate is reduced to £24 between £1004-1304, then jumps to £62 from £1304, remains at this rate till a salary of £2606 is attained and finally we come to increments of £100 per annum but instead of the ranges to which they relate being multiples of 100, their maxima are such rates as 2706, 2906 and so on.
disarrangement of work in the transferee department on the release of the officer promoted and (e) the cost of transfer expenses in moving the officer to his new location. Such costs may reach high proportions.

Besides permanent promotions, there was an equally large number of cases of acting in higher positions with their quota of appeals. As a result, "officers have been moving from one job to another so rapidly that they are not gaining that solid background of knowledge for efficient work and there were many indications that an increasingly large percentage of officers are becoming jacks of all trades and masters of none". The critics adequately proved that the savings effected in higher duties allowances by the overlapping ranges and in general by narrow scales, were being outstripped by the increasing cost of promotions and the still more immeasurable losses in efficiency.

(c) To these criticisms the Board added another, namely that the "philosophy of narrow work measurement" drove service associations to "constantly press for recognition of very small differences in work value" leading to an unending series of awards which kept the classification in a constant state of flux.
The Board's approach to the Cabinet was substantially based on these arguments. They won Cabinet approval to start negotiations with service organizations about simplifying the classification; the approval was apparently conditional on an estimated additional expenditure of not more than a million and quarter pounds; and the Cabinet was also being brought round to consider some amendments to the Public Service Arbitration Act to keep the classification simple and stable.

Early in March 1954, the Board asked the associations to discuss with them the possible replacement of 27 current scales by the following simpler classification of fourteen wider salary scales with uniform increments and no overlaps.
Table XV

Scheme of simplification discussed with the associations in 1954

<table>
<thead>
<tr>
<th>Existing grades in Australian pounds per annum</th>
<th>proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>524-548-572-596-620</td>
<td>524-548-572-596-620</td>
</tr>
<tr>
<td>572-596-620-650-692</td>
<td>620-644-668-692-716</td>
</tr>
<tr>
<td>764-788-812-836-860</td>
<td>716-740-764-788-812</td>
</tr>
<tr>
<td>812-836-860-884-908</td>
<td>716-740-764-788-812</td>
</tr>
<tr>
<td>860-884-908-932-956</td>
<td>716-740-764-788-812</td>
</tr>
<tr>
<td>908-932-956-980-1004</td>
<td>908-932-956-980-1004</td>
</tr>
<tr>
<td>956-980-1004-1034-1064</td>
<td>1004-1034-1064-1094-1124</td>
</tr>
<tr>
<td>1004-1034-1064-1094-1124</td>
<td>1004-1034-1064-1094-1124</td>
</tr>
<tr>
<td>1094-1124-1154-1184</td>
<td>1094-1124-1154-1184</td>
</tr>
<tr>
<td>1154-1184-1214-1244</td>
<td>1148-1196-1244-1292</td>
</tr>
<tr>
<td>1214-1244-1274-1304</td>
<td>1148-1196-1244-1292</td>
</tr>
<tr>
<td>1274-1304-1366-1428</td>
<td>1292-1340-1388-1436</td>
</tr>
<tr>
<td>1366-1428-1490-1552</td>
<td>1292-1340-1388-1436</td>
</tr>
<tr>
<td>1428-1490-1552-1614</td>
<td>1436-1484-1532-1580</td>
</tr>
<tr>
<td>1490-1552-1614-1676</td>
<td>1436-1484-1532-1580</td>
</tr>
<tr>
<td>1552-1614-1676-1738</td>
<td>1580-1628-1676-1724</td>
</tr>
<tr>
<td>1614-1676-1738-1800</td>
<td>1580-1628-1676-1724</td>
</tr>
<tr>
<td>1676-1738-1800-1862</td>
<td>1580-1628-1676-1724</td>
</tr>
<tr>
<td>1738-1802-1862-1924</td>
<td>1724-1796-1868-1940</td>
</tr>
<tr>
<td>1800-1862-1924-1986</td>
<td>1724-1796-1868-1940</td>
</tr>
<tr>
<td>1862-1924-1986-2048</td>
<td>1724-1796-1868-1940</td>
</tr>
<tr>
<td>1986-2048-2110-2172</td>
<td>1940-2012-2084-2156</td>
</tr>
<tr>
<td>2110-2172-2234-2296</td>
<td>2156-2278-2300-2372</td>
</tr>
<tr>
<td>2234-2296-2358-2420</td>
<td>2156-2278-2300-2372</td>
</tr>
<tr>
<td>2358-2420-2482-2544</td>
<td>2372-2444-2516-2588</td>
</tr>
</tbody>
</table>
The negotiations, after extending over nine months, fizzled out, though the Board had agreed in principle to place most officers in any eliminated current scale in the corresponding wider scale and most associations approved the Board's proposals in spite of some reservations. The immediate cause of the breakdown was the increase in service margins by £10 millions following on the Metal Trades award of 1954 and a further increase resulting from the cost of applying the new salary scales. The Board understandably, hesitated to approach the Cabinet to meet the increased cost and let the negotiations lapse.

But there were also deeper reasons for dropping the subject and the blame has to be shared equally by the Board and associations. The latter never fully realized the advantages to themselves of simpler and wider salary scales and their suspicions prolonged the negotiations. On the other hand, the Board (in the writer's opinion) never dug deep into the suspicions to allay them. They were too quick to abandon

6. C.A.R.Vols.78-79. See also (current). 57/5035 on the lapse of the negotiations. As a result of the award, service salaries i.e. the current 27 scales were increased. Therefore the proposed 14 scales would have also to be relatively increased and the additional cost was estimated to be another million and a half over and above the estimated cost of a million and a quarter pounds.
the negotiations, when faced with an immediate increase in cost, against their own earlier promptings to gain a long-term advantage. The Board were also in an unseemly hurry to reject the advances of associations in 1957 to reopen the negotiations, and they have been too quick to congratulate themselves over minor simplifications effected in recent years. It is evident from the replies of permanent heads and other senior officers to my questionnaire that most of them want a simpler classification but are not quite clear as to how to achieve it. The germ of hope for a more rational salary and class structure lies in some of the suggestions of the recent Recruitment Committee which we shall discuss in the last Chapter.

The discussion has not so far dealt with the Fourth Division which contains more than half of the permanent officers in the service, i.e. 63,810, including about 22,000 artisans, 8,000 semi-clerical workers,

7. (current). 57/5035. The Board's feeling was that the rationalization of scales was not worth the increased cost. This feeling (in the writer's opinion) is unfounded. Much better founded were the Board's fears that unless the Arbitrator was won over, a patiently built salary structure could be upset by him in a single award; but that was no good reason to have bluntly refused to reconsider the question.

8. For details of the questionnaire see Appendix B, question VI.
16,000 postal workers, and others. It has indeed a bewildering variety of salary scales - determined from time to time by three authorities, namely the Board, The Public Service Arbitrator and the Arbitration Court. There were discussions in 1956 about bringing some order into the incremental pattern but beyond confessing that "the Fourth Division was such a confused mass of inconsistencies in the amount of increments and length of increments that it required the devices of a Philadelphia lawyer to be able to comprehend", the Board was not keen to start rationalizing its salary structure in view of immediate costs and the immensity of the task.

We shall take note of some salient facts about the present classification before taking leave of the subject. The common salary scales in the Third and Second Division are given in the following table (in Australian pounds per annum) following a determination of the Arbitration Court in 1954.

9. Statistics of Permenent Staff and Establishments (as at 30th June 1957), - a C.P.S.B. publication. All figures of staff mentioned in the text hereafter refer to the position on 30th June 1957 and are taken from this publication - unless otherwise stated.


11. Details of salary scales are taken from the C.P.S.B. booklet Classification of Selected Designations in the Commonwealth Public Service, 1958.
### Table XVI

<table>
<thead>
<tr>
<th>Annual</th>
<th>increments</th>
</tr>
</thead>
<tbody>
<tr>
<td>369</td>
<td>903</td>
</tr>
<tr>
<td>813</td>
<td>993</td>
</tr>
<tr>
<td>903</td>
<td>1083</td>
</tr>
<tr>
<td>993</td>
<td>1173</td>
</tr>
<tr>
<td>1083</td>
<td>1263</td>
</tr>
<tr>
<td>1173</td>
<td>1353</td>
</tr>
<tr>
<td>1263</td>
<td>1443</td>
</tr>
<tr>
<td>1353</td>
<td>1533</td>
</tr>
<tr>
<td>1443</td>
<td>1623</td>
</tr>
<tr>
<td>1668</td>
<td>1853</td>
</tr>
<tr>
<td>1778</td>
<td>1943</td>
</tr>
<tr>
<td>1888</td>
<td>2053</td>
</tr>
<tr>
<td>1998</td>
<td>2163</td>
</tr>
<tr>
<td>2108</td>
<td>2273</td>
</tr>
<tr>
<td>2218</td>
<td>2493</td>
</tr>
<tr>
<td>2383</td>
<td>2713</td>
</tr>
<tr>
<td>2603</td>
<td>2933</td>
</tr>
<tr>
<td>3150</td>
<td></td>
</tr>
<tr>
<td>3350</td>
<td></td>
</tr>
<tr>
<td>3650</td>
<td></td>
</tr>
<tr>
<td>3850</td>
<td></td>
</tr>
<tr>
<td>4050</td>
<td></td>
</tr>
<tr>
<td>4250</td>
<td></td>
</tr>
<tr>
<td>4450</td>
<td></td>
</tr>
<tr>
<td>4750</td>
<td></td>
</tr>
</tbody>
</table>

| £45 up to £1668 |
| £55 up to £2273 |
| £110 up to £2933 |

There are a few odd scales outside this scheme still current in the service.

The base grade for an ordinary clerical recruit is £369-903. The commencing rates for professionals are £903 for some diplomates to £1083 for professional graduates who have done a four or five year course. The salary scales in the Fourth Division are more numerous and varied and it would be pointless to talk about a general base grade or general scales. The percentage of those drawing over £1300 is quite small.

The following table of the distribution of Third Division officers among various salary groups in
different years shows the steady increase in the proportion of the higher and middle salary groups in the fifties.

Number and Percentage of Third Division Officers according to Salary Group at 30th June, 1951, 1953 and 1957

<table>
<thead>
<tr>
<th>Salary Group</th>
<th>1951</th>
<th>1953</th>
<th>1957</th>
</tr>
</thead>
<tbody>
<tr>
<td>£A. per annum</td>
<td>No.</td>
<td>%</td>
<td>No.</td>
</tr>
<tr>
<td>Up to 903</td>
<td>6121</td>
<td>26</td>
<td>6294</td>
</tr>
<tr>
<td>Over 903 to 1083</td>
<td>6068</td>
<td>26</td>
<td>6770</td>
</tr>
<tr>
<td>&quot; 1083 to 1263</td>
<td>3418</td>
<td>15</td>
<td>3945</td>
</tr>
<tr>
<td>&quot; 1263 to 1443</td>
<td>2928</td>
<td>12</td>
<td>3414</td>
</tr>
<tr>
<td>&quot; 1443 to 1623</td>
<td>2157</td>
<td>9</td>
<td>2535</td>
</tr>
<tr>
<td>&quot; 1623 to 1833</td>
<td>1171</td>
<td>5</td>
<td>1311</td>
</tr>
<tr>
<td>&quot; 1833 to 2053</td>
<td>909</td>
<td>4</td>
<td>1145</td>
</tr>
<tr>
<td>&quot; 2053 to 2493</td>
<td>587</td>
<td>2</td>
<td>722</td>
</tr>
<tr>
<td>&quot; 2493 to 3350</td>
<td>150</td>
<td>1</td>
<td>252</td>
</tr>
<tr>
<td>Over 3350</td>
<td>6</td>
<td>..</td>
<td>13</td>
</tr>
<tr>
<td>All Salary Groups</td>
<td>23515</td>
<td>100</td>
<td>26401</td>
</tr>
</tbody>
</table>

The percentage of Third Division officers of the comparable middle and upper strata was 12% in 1928; and in the years of Commissioner control it did not exceed 12% for the Clerical Division or 15% for the Clerical

12. The three tables which follow are from the Survey of Permanent Staff and Establishment 30th June 1957, brought out by the research section of the C.P.S.B. They are from pages 19, 20 and 21 respectively.
and Professional Divisions put together. The patently higher administrative group of the service, the Second Division has also increased from 88 in 1935 to 310 in 1951 to 335 in 1957. All this is strong evidence that the managerial content of the service has steadily increased over the past six decades vis-a-vis the routine content. There is no need to add that promotion opportunities have increased too.

The professionals who have always had a greater proportion of positions in the higher salary scales, are enjoying it now in an increasing measure as shown by the two following tables.

<table>
<thead>
<tr>
<th>Number and Percentage of Clerical and Administrative Officers (a) according to Salary Group at 30th June, 1951 and 1957</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Salary Group</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Up to 903</td>
</tr>
<tr>
<td>Over 903 to 1083</td>
</tr>
<tr>
<td>&quot; 1083 to 1263</td>
</tr>
<tr>
<td>&quot; 1263 to 1443</td>
</tr>
<tr>
<td>&quot; 1443 to 1623</td>
</tr>
<tr>
<td>&quot; 1623 to 1833</td>
</tr>
<tr>
<td>&quot; 1833 to 2053</td>
</tr>
<tr>
<td>&quot; 2053 to 2493</td>
</tr>
<tr>
<td>&quot; 2493 to 3350</td>
</tr>
<tr>
<td>Over 3350</td>
</tr>
<tr>
<td>All Salary Groups</td>
</tr>
</tbody>
</table>

### Number and Percentage of Professional Officers (a) according to Salary Group at 30th June, 1951 and 1957.

<table>
<thead>
<tr>
<th>Salary Group</th>
<th>Year (c)</th>
<th>1951</th>
<th>1957</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No.</td>
<td>%</td>
</tr>
<tr>
<td>Up to 1443</td>
<td></td>
<td>990</td>
<td>39</td>
</tr>
<tr>
<td>Over 1443 to 1623</td>
<td></td>
<td>627</td>
<td>25</td>
</tr>
<tr>
<td>&quot; 1623 to 1833</td>
<td></td>
<td>237</td>
<td>9</td>
</tr>
<tr>
<td>&quot; 1833 to 2053</td>
<td></td>
<td>354</td>
<td>14</td>
</tr>
<tr>
<td>&quot; 2053 to 2493</td>
<td></td>
<td>223</td>
<td>9</td>
</tr>
<tr>
<td>&quot; 2493 to 3350</td>
<td></td>
<td>98</td>
<td>4</td>
</tr>
<tr>
<td>&quot; 3350</td>
<td></td>
<td>6</td>
<td></td>
</tr>
</tbody>
</table>

The privileged position of professionals is too glaring to escape any one's notice. When the clerical group had 16 and 19 per cent respectively of positions above £1443, the professionals had 61 and 69 per cent of them. The increase in higher positions from 1951 to 1957 has been faster for them than in the case of the Clerical group.

### PROMOTION PROCEDURES

Except for requiring the Board's approval to fill a vacancy and to promote an officer from another department, section 50 of the Act, as well as the
Regulations, leave the detailed procedure for provisional promotions to permanent heads. Since each of the twenty-four Ministerial departments differs from the others in size or geographical spread or professional content, to say nothing of the permanent head's whims and fancies, there is much variety in the organization and procedures of promotion. An attempt is made here only to describe some broad patterns, since the minutiae change frequently, owing to departmental and service-wide reorganization. For such a survey the departments can

13. All references in the text here and hereinafter to the Act and Regulations are to the loose-leaf volume of the *P.S. Act and Regulations* published in 1954 and in general daily use in the Board's office and departments. Amendments are added in loose-leaves and the volume is kept up to date.

14. For example in 1956, the Trade section of the Customs Department and the Department of Agriculture were reorganized as the Departments of Trade and Primary Industry. In 1958 the Department of Defence Production was merged into the Department of Supply. Within departments themselves reorganization is a continuing process. Whenever this writer was supplied copies of their organization charts, they were kind enough to bring them up to date but it is quite likely that when this is being read many of them may not be up to date at all.
be roughly grouped into four categories: (a) the large Postmaster-General's department along with departments like Labour and National Service, Customs and Excise or Taxation which have State branches and similar problems of delegation and central coordination; (b) departments like Attorney-General's or Health or Civil Aviation, with a large professional element, together with the problem of State branches; (c) the group of service departments namely Army, Navy, Air and Supply; and (d) small policy departments with practically no State branches: such as the Prime Minister's, External Affairs, Trade, Primary Industry and Defence.

Group I. Large departments with State branches

In departments of the first group, the common elements are a small or large personnel (or staff) section in each State office with a delegation to its

---

15. This grouping is entirely my own, purely for the purpose of comparing promotion organization. The charts which are supplied in the text to illustrate the organization of promotion procedure in departments not only omit three-fourths of the detail given in the departmental organization charts but simplify the rest very considerably. The account of departmental procedures in this section is based on the current organization charts supplied by the various departments, the delegation files in the Board's office, various current files in departments and the many interviews I have had with the different departmental heads, their Assistant Secretaries (Administration) and personnel officers. I am of course wholly responsible for using their material to suit my purpose.
Chief Officer to promote directly up to a stated salary level, and a central office personnel section to make State promotions above this delegation and all promotions in the Central Office. Within this broad pattern, the departments differ considerably from one another in such respects as the amount of delegation to State Chief Officers or the regular use or otherwise of Committees for selection, or in the status and salary of the officer in charge of the personnel sections. Diagrammatically the common pattern may be represented thus:

```
Permanent head

| Various central office branches directly under the permanent head |
|------------------------|---------------------------------------------------------------|
| Personnel Branch, under an Assistant Secretary either directly through a Personnel Officer or Administrative Officer. (with delegation). |

State Chief Officer (delegation)

<table>
<thead>
<tr>
<th>sections under the Chief Officer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel or Staff Section usually under an Inspector</td>
</tr>
</tbody>
</table>
```

N.B: The term delegation is used in the Commonwealth Service in the sense of delegated power (to promote upto a salary level). In all subsequent diagrams the delegation is given within brackets as the highest annual salary level to which it goes.
The Postmaster-General's Department for all its strength of 55,464 permanent officers and 27,327 temporary and exempt employees does not have a very complicated promotion organization.

Director-General of Posts & Telegraphs

Personnel Director
in charge of Personnel Branch (£2053)

Inspector Personnel

Three Divisions

Four Branches

Six other Senior Clerk
sections (£2053 in charge of staff & Admin sections - delegation limited to approving State recommendations)

Director Post & Telegraphs (all 4th Dn. positions, some engineering positions etc.,- excludes inter-State promotions)

Superintendent of Personnel (£1353) in charge of Personnel Bch.

Three Divisions

Four Branches

Three other Staff sections

section
All positions are as a rule advertised except in rare cases (of higher positions) where "the only suitable or the most efficient" officer is right under the Supervisor's nose. Applications for posts in States are processed in the State Personnel Branch and the relevant Branch or Division heads are consulted and/or asked to make a suitable recommendation. District Inspectors' reports are available for the country staff while opinions of more than three different supervising officers are normally obtained for the city staff. In a few cases, ad hoc selection committees are constituted of the relevant Branch heads and the Personnel Superintendent and promising applicants (about 15%) are interviewed. The report and recommendation are dealt with by the Superintendent or Director if within their delegations and sent up to the Central Office Personnel Branch if above.

Direct applications for positions in the Central Office are dealt with there through a similar procedure. Recommendations from States above their delegation are also processed in the Central Office personnel branch and finalized by the Senior Clerk if agreed to. Doubtful cases and all inter-State recommendations are dealt with either by the Personnel Inspector or Director of Personnel and approved, if within their delegation (which covers nearly ninety per cent of
the positions in the department). Consultations with various Directors and even the Director-General are the rule for important positions even within the delegation.

The State delegation appears rather low for a big department, but the frequency of inter-State applications above this level (according to the department) makes further delegation unworkable. As in pre-war years, the department believes very much in advertising and claims that it reduces appeals and the need for elaborate inventories of officers' experience and qualifications. Nearly the same form of questionnaires on technicians and the same type of reports by District Inspectors on postmasters as were used during the inter-war years are employed now to assess their performance.

The pattern of the Customs department has some additional sophistications, in the form of Staff Committees at the State and Central Office levels.

In a State the branch head having the vacancy may make a suitable recommendation from his own branch. But all vacancies and recommendations have been since 1953 considered by a State staff committee consisting of the Collector, the two Assistant Collectors and the Personnel Inspector who processes the material through his staff section for the consideration of the Committee. It would normally include a list of prospective officers from the branch concerned and other branches (in seniority order), their experience cards detailing their experience in various branches, their higher duty records and also their rating reports. The Committee do not generally interview the officers concerned but call in branch heads for consultation. Their final recommendation
is, with the Collector's approval, gazetted as a provisional promotion if it is within his delegation.

Reports and Recommendations above that level are forwarded to the Central Office where the Central Staff Committee consisting of the Comptroller-General, and the three Assistant Comptrollers-General consider them. They also deal with promotions in the Central Office, in much the same manner and on much the same material as the State Committees. Their decisions are in most cases unanimous, but the Collector or Comptroller-General can take a decision on his own responsibility.

The Committee system ensures continuous periodical consultation on most departmental officers at the decision-making level and forms a good complement to the department's rating system. It is well suited to a department whose staff are mostly concentrated in one office in each State capital. Interviewing for selection is avoided as leading to possible delays and complaints from the non-interviewed.

There is little advertising in the Gazette to invite non-departmental applicants for promotion vacancies.

17. For the twelve months from November 1957 less than a hundred positions (excluding base positions like Lockers), were advertised, most of them being professional ones such as accountant or librarian.
The department believes that most of its work is specialized and much time would be wasted in training promotees from other departments. Vacancies are often circulated in all the States within the department to get "State blood" into the Central Office.

With an organization and procedure pattern similar to that of the Customs, the Taxation Department has carried the Committee mechanism much farther in the State offices, in each of which there are no less than eleven standing committees to deal with different levels of promotion, consisting usually of supervisors of appropriate units, advised by the Personnel Inspector. As in Customs, they interview only a few applicants and rely considerably on departmental rating reports. The delegation to the State Deputy Commissioner is somewhat higher, i.e. £1833. Committees are much less used in the Central Office, where an Assistant Commissioner, Management and a Director of General Administration with full delegations rely more on informal consultation.

The pattern is much the same in other departments of this group.
Group II - Professional departments

It is not very different in the departments of the second group except for some distinct features in delegation and branch organization occasioned by their professional element. For example, in the Department of Works the delegation for professional posts is different from the delegation for other posts. In the Department of Health the Directors of the three self-contained divisions of Tuberculosis, Veterinary Hygiene and Plant Quarantine and of the Serum laboratories are all under the control of the Director-General and have each a delegation of £1173, along with the State Health Directors; at the same time full delegation for all but medical posts is vested in three top offices in the Central Office. An extreme is reached in the Attorney-General's Department where six specialized divisions such as the Crown Solicitor's, Bankruptcy Branch and the Patents Office have each its own small branch offices in the State capitals, without a single State Chief Officer controlling them all. No delegations are made to these small branches for fear of inbreeding and the only delegation, for £2053, is held by the Assistant Secretary (Administration) in the Central Office for non-professional positions. In both departments, professional pride has segregated the lawyers and doctors
for direct control by a professional permanent head.

**Group III - Service departments**

The Service group of departments control two different categories of staff, namely those under the Public Service Act and those under the relevant military Act. The former comprise a part of the civilian personnel in each department while the latter include military and exempt personnel and civilians as well. The departmental head also plays a dual role, as a permanent head under the Public Service Act and as a member of the relevant military Board. The general pattern of delegation and organization is much the same as in big departments of the first group but modified by this duality.

A simplified organization diagram of the Department of the Navy illustrates this.
The Secretary of the department is a member (and coordinator) of the Naval Board which is in charge of the Naval policy and personnel, and he is responsible for the financial administration of the Navy and for Civil personnel, of whom over 2,000 are employed under the Public Service Act and about 9,000 under the Naval Defence Act. Similarly the Director of Civil Personnel who is
directly under the Deputy Secretary of the department has to coordinate Naval (Civil) recruiting with the Naval Personnel Branch. In the regional offices, an administrative officer in charge of the Civil Personnel section, is responsible to the Central Director of Civil Personnel, and also coordinates his work with that of the Regional Naval Officer. There are the usual delegations under the Public Service Act to the regional officers and in the Central Office. The Director of Civil Personnel has complete delegation but would consult the permanent head about all important cases.

There are no standing Committees but ad hoc interview committees are constituted for most higher promotions. A high proportion of the vacancies are advertised. There is considerable dependence on consultation and oral reports but surprisingly, rating is rather suspect (after a short experiment in a branch) in a department, the naval wing of which swears by it.

The Department of the Army has a similar organization. The permanent head of the department is also a member of the Military Board and he is responsible for the financial side and civil personnel of whom about 2,000 permanent officers are under the Public Service Act. But the procedure is more formalized. Promotions in a State are considered by the State Selection Board including
the Commander of the unit, the Personnel Officer and a Professional officer, in case it is a professional vacancy. Recommendations above the State delegation and all important promotions in the Central Office are considered by a permanent Staff Committee consisting of the Permanent Head, Assistant Secretaries and the Director of Establishments, which does not interview candidates. Besides these, ad hoc interview Committees are also set up for vacancies which are generally advertised. Rating schemes for civilian personnel have been discussed and prepared but not yet launched.

The other departments in the group namely Air and Supply have similar patterns of promotion organization. The Department of Territories though not a Service department, bears an organizational resemblance to them, in controlling staff under the Public Service Act as well as other Acts, with the additional luxury of its own Public Service Commissioner for Papua and New Guinea.

Group IV - The policy departments

The smaller policy departments of the fourth group have usually an Assistant Secretary and/or an Administrative Officer who deals with many promotions on his own delegation as illustrated by the following diagrams for three such departments.
Secretary, P.M.'s Dept. (Staff 111)

Dy Secretary

Asst. Secy
Special Services & Administration (full)
Administrative Officer (full)

First Asst.
Secy.
Cabinet Dn.
policy Bch.'s

Secretary, Defence Dept. --- Military Board.
(Staff 327)

Two Directors
(1723 each)

Asst. Secy.
Staff & Interior Economies (1833)
Personnel officer

Secy.
Defence Cttee.
First Secy's

Secretary, External Affairs. (Staff 349).

Staff Committee of Secy. and 4 Asst. Secy.'s.

Asst. Secy. Dn. 3

Administrative officer in charge of Personnel section.
There are no regional officers in these departments and therefore no regional delegations but there are other differences between them. In the Prime Minister's Department, the Office of Education and the Auditor-General have independent departmental status with full delegation and are not shown in the diagram. The Assistant Secretary and the Administrative Officer have full delegations. In Defence, the delegations cover a smaller field. Both departments have informal procedures, since a departmental candidate's worth can be checked at short notice. External Affairs, whose diplomatic staff are spread all over the world, employs a special reporting system and all promotions are made by a Committee of the four Assistant Secretaries and the Secretary.

The departments of Trade and Primary Industry in this group furnish an example of inter-departmental cooperation. They have a common personnel section housed with the latter, under a Personnel Officer of the former. Each department has its own Director of Personnel and Establishments under one of its Assistant Secretaries (with full delegation), advertises its vacancies separately, and arranges interviews through its own selection committees. But the work of processing promotion material, keeping records and
gazetting promotions is handled by the common personnel section.

The foregoing account of departmental organization of promotion shows considerable variety. The level of delegation to State branches varies from none in Attorney-General's to £1083 to £1173 in some others to as high as £1883 in Taxation. In the matter of advertising vacancies, we have at one end the P.M.G.'s Department swearing by universal advertisement and at the other end departments like Customs advertising less than half of their vacancies, with other departments in between advertising most of their vacancies, though claiming less virtues for it than the P.M.G.'s. Some departments have standing Staff Committees, some use ad hoc committees and a few employ neither. Some committees interview candidates, while others go by reports and consultation. Not all the differences between departments can be traced rationally to staff composition, size or geographical spread. Much depends on the personality and policies of the permanent head. This factor is more evident when we consider the criteria used in determining efficiency.
CRITERIA OF PROMOTION

Statutory changes

There were three amendments in 1945 to section 50 of the Commonwealth Public Service Act regarding the basis of promotion. The main subsection (3) stating that in the selection of an officer, consideration was to be given to relative efficiency and in the event of equality of efficiency to seniority, was left alone subject to the next subsection (based upon a Bailey Committee recommendation,) saying:

"(3A) The regulations may provide for the selection of officers for promotion to prescribed offices or to offices included in any prescribed group or section of offices on the basis of the selection of the senior efficient officer available for promotion."

The relevant Regulation 109G has so far prescribed 34 types of positions, many of them Fourth Division manipulative positions such as Assistant Storeman, Telegraphist, Line Foreman, Mail Officer and Lift Attendant but including some clerical positions such as Clerical Assistants (grades 1 and 2), Postal Clerks, and Senior Postal Clerks, the last two being in the Third Division. Professor Bailey's misgivings have been more than justified by the success of associations in widening

18. Bailey Report, paras. 41-44.
the scope of the Regulation beyond its original intention, and impeding the march of efficiency.

Subsection (4) defines efficiency exactly as in the earlier Acts, adding that "in the case of an officer who is a returned soldier, (efficiency) includes such efficiency as in the opinion of the Permanent Head, the Board or a Promotions Appeal Committee, as the case may be, he would have attained but for his absence on active service."

This is exactly the same as the modified efficiency provision of the earlier Acts. There was no instance of its use in the sample survey of 1956 promotions, though there were many servicemen in it. This may be partly due to the fact that practically all applicants within certain age groups in the service are returned soldiers giving no opportunity for its selective application. There is some evidence of a general deprecatory attitude among departments (even in the Repatriation Department) and the Board towards weighting war service as such. On the other hand army experience in a similar field of work (to that of the

19. For details of the sample survey, see later and see also Appendix, C.
vacant position) is counted and the holding of a Commission is equated with qualities of leadership.

The soldier recruits of recent years have generally progressed as fast as youth recruits; but fears have been expressed about the conglomeration of the older soldiers at crucial levels of the Third Division which form promotion steps for the younger recruits below - thus constituting a block to their promotion.

Subsection 4A, introduced on the recommendation of the Bailey Committee, reads:

Notwithstanding anything contained in the last preceding subsection, "efficiency" shall in relation to promotions to such senior executive offices in a Department as are prescribed, include not only special qualifications and aptitude for the discharge of the duties of the office to be filled but also for the discharge of the duties of offices of higher status in the department.

This important change in the concept of efficiency (in Australia) unfortunately suffered infanticide as follows.

21. At least one Appeal Committee Chairman has this tendency and this writer was present during an appeal hearing when he could discover this.


23. Ibid.


25. Based on (current), 53/2847.
Early in 1946, the Board circularized departments to find out what positions each of them would like to "prescribe". Departments varied considerably in their replies; Treasury listed 22 positions including most Second Division officers and a few Third Division accountants; Health included all professional branch heads, and all senior Commonwealth medical officers with only the Chief Clerk on the clerical side; Civil Aviation wanted all positions over £450(S) i.e. within the present maximum of £1173, prescribed; Navy listed 29; Supply and Shipping would have positions over £750(S) i.e. present £1833 prescribed; the P.G. listed 147; while Defence wanted all Second Division positions prescribed.

After a year's delay the Board, influenced by Mr. Langker decided to include all officers in charge of sections and branches. The draft regulation 109J read:

"The provisions of Subsection 4A of Section 50 of the Act shall apply in relation to an office the occupant of which is in charge of a branch or a section of a branch in a department."

As a second string to their bow the definition of merit (in the Board's 1926 circular) was to be expanded to include "efficiency demonstrated by duties already performed and estimated capacity to perform other higher duties in the future". But the Solicitor-General in June
1949 declared the draft regulation (and the wider definition of merit) as *ultra vires* section (50(4A) since the positions were not "senior executive". After toying with the idea of amending the Act, the Board let the matter drop quietly.

But in the fifties, many departments were faced with mass retirements of top rung officers, with few officers in the next line with the proper age and experience, owing to the suspension of youth recruitment in the inter-war years. Many promotees to the lower middle range positions would therefore have to be quickly moved to near the top and the "potential" for higher positions assumed great importance even at the lower middle level. The Customs Department urged this with figures and graphs in 1953 and it was true of many other departments. The Board asked departments "to use their discretion as to the extent to which potential might be taken into account", though an Appeal Committee Chairman was later worried about the extra-statutory nature of the discretion.

During the five years since then, a part of the "administrative gap" in the upper middle ranges has been filled with each department using its discretion in

26. Ibid.
considering potential. This is indeed better than disregarding potential altogether on a narrow interpretation of the letter of the law. But the ways in which the gap has been filled by discretion have varied very widely from department to department; the responsible officers of some departments who were farsighted or lucky enough to recruit mature qualified men from outside through section 47 in the early post-war years had little difficulty; others who believed in making the best of a bad job put their faith in intensive training of the available mediocrity; and still others who had no illusions of the quality of their middle level officers compromised by training and pushing up some and keeping other positions unfilled. Their replies to a recent questionnaire from this writer showed their concern about potential and their vagueness and differences as to where and how to find it. There seems to be no general policy or plan in the service as a whole on the subject. We shall return to the subject in the last chapter and

27. In their replies to a question of the Board of Recruitment Committee on the administrative gap, many departments obliquely confessed to having filled part of it; their methods and standards indeed differed widely; and they expected the next mass retirements in the early sixties creating a problem again.

28. For details of the questionnaire see Appendix B. The salary level at which they wanted to consider potential varied very much. But practically all were agreed about its importance at some stage.
discuss the implications for this question of the suggestions of the Recruitment Committee on the new Second Division.

**Practical determination of efficiency**

So much for the changes (or stagnation) in the statutory concept of efficiency. Let us turn to the question of how it is determined in practice now. We shall discuss (a) the expressed opinions of promoting authorities; (b) the criteria used as revealed in a sample survey of 1956 promotions, and (c) some attempts to use a staff rating or reporting system.

The opinions of over fifty promoting officers in twenty departments of the service were elicited through a questionnaire, supplemented by many follow-up interviews, the questionnaire itself being based on earlier interviews and a study of many promotion files. The table of preferences drawn from their replies is quite revealing.

29. See Appendix B for the questionnaire sent round. After receiving the replies of these promoting authorities almost all of them were interviewed to check up doubtful points and elicit further information. This was very helpful in setting some numerical replies in their proper perspective. The Postmaster-General's Department would not answer the questionnaire in the form sent but instead sent a long descriptive reply which was preceded and followed by some interviews. This information has now been used in the text later, though it cannot be used as such in the tables. The questionnaire avoided all vague terms like personality and initiative. The determinants were chosen after a study of many promotion files and interviews with promoting officers, as the ones which were in practice used widely in the service. The questionnaire itself was prepared in consultation with a Professor of Psychology.
### Preference order

<table>
<thead>
<tr>
<th>Determinant</th>
<th>I</th>
<th>II</th>
<th>III</th>
<th>IV</th>
<th>V</th>
<th>VI</th>
<th>VII</th>
<th>VIII</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Oral opinion of his immediate superior officer</td>
<td>1</td>
<td>7</td>
<td>13</td>
<td>16</td>
<td>4</td>
<td>4</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>b) Written opinion of his immediate superior officer</td>
<td>6</td>
<td>12</td>
<td>13</td>
<td>12</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>c) Acting experience in the vacant position or a similar position</td>
<td>5</td>
<td>7</td>
<td>8</td>
<td>11</td>
<td>10</td>
<td>5</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>d) An examination qualification relevant to the duties of the position</td>
<td>2</td>
<td>7</td>
<td>5</td>
<td>7</td>
<td>17</td>
<td>8</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>e) A general examination not immediately relevant to the duties of the position</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>4</td>
<td>10</td>
<td>13</td>
<td>20</td>
</tr>
<tr>
<td>f) An honours degree in subjects not immediately relevant to the duties of the position</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>4</td>
<td>7</td>
<td>10</td>
<td>17</td>
<td>7</td>
</tr>
<tr>
<td>g) A series of regular periodical rating reports on the officer by one or more superior officers</td>
<td>13</td>
<td>10</td>
<td>7</td>
<td>2</td>
<td>2</td>
<td>5</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>h) The opinion or recommendation of a Staff Committee in the department</td>
<td>27</td>
<td>12</td>
<td>4</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>5</td>
<td>0</td>
</tr>
</tbody>
</table>

N.B. The term determinant is used in the sense of something which determines one's efficiency. Each horizontal row does not exactly add up to 51 since some refused to place a number against some determinant and some others placed the same number against two determinants. But these were rare cases. This excludes the Public Service Board's reply but includes that of four of its Inspectors and three sets of comments modifying some preferences. No specific method of counting preferences is used but only a general impressionistic survey.
The first place goes to the recommendation of a staff committee. This is partly due to at least ten departments having standing staff committees with many others relying heavily on ad hoc committees. There is a feeling that committees combine the virtues of all other determinants. Their growing vogue has replaced sporadic consultation of superior officers (over the phone) by formal regular consultation together with an opportunity to check opinions. Secondly, superior officers welcome this closer association and feel more responsible. Thirdly, Appeal Committees seem to place some value on staff committee choices. Where committees are combined with a rating system as in the Department of Taxation or in the Customs, general satisfaction has been the result.

Next in order is the rating report. Curiously enough, ten of its first and four of its second preferences, come from promoting authorities who do not operate a rating system at present but are either on the eve of introducing it, or want the Board to introduce it, or wait for an ideal set of trained raters. On the other hand, four authorities actually using it, gave it the third place. Hence its importance as an actual operating determinant is not as high as indicated by preferences, which however prove its growing popularity. We shall discuss a little later the rating systems in actual use.
Acting experience comes fourth among the preferences but we shall soon find that it is much more important in practice. Similarly a general examination qualification and an honours degree come last among the preferences (while a relevant examination qualification is placed somewhat higher) mainly because the replies excluded all 'prescribed' examinations. This indicates the widespread suspicion of qualifications, but also underrates their actual importance, as we shall soon see.

The oral opinion of a superior officer has a low preference value (sixth) mainly because its place has been taken by the superior committee system. A few old-fashioned officers prefer it to a written opinion as being more frank and forthright. The majority prefer an opinion supported by evidence, their own personal knowledge of an officer, and a variety of opinions to a single casual opinion of the superior officer, however forthright.

Acting experience

The sample survey of Third Division promotions in 1956 reveals the greater importance of

30. Professional examination qualifications are "prescribed" by regulations for professional positions. Similarly a University degree is prescribed for some other positions. Promoting authorities (as revealed when interviewing them) excluded "prescribed" qualifications from their consideration.
acting experience which comes fourth in the preferences. The survey showed that in 48 out of 120 cases it was a very important factor. In fifteen cases the promotee had acted for more than a year in the position, in some even four years. In 23 cases successful acting experience was the deciding factor revealing itself in phrases ranging from the simple "proved satisfactory while acting", "performed duties satisfactorily when acting", "acting and senior available officer" (in lower ranges where seniority is held important,) "has the advantage of actual performance" to laudatory ones such as "left no doubt as to his performance and capacity," "Proven ability to discharge the duties of the position," or "demonstrated by the efficient manner (in which she performed the duties) her suitability for promotion". In the other 25 cases it played quite an important part along with academic qualifications and impressive personal characteristics. There were five cases where more than one candidate had acting experience, and the promotee was chosen on superior performance when acting.

On the other hand, there were three cases in which a promotee without acting experience was promoted over an acting applicant or appellant who did not measure 31. For details of this sample survey see Appendix C.
up, while acting in the post. There was also one case in which the department was compelled to promote an officer acting in the post for more than a year, though not the best choice, for fear of facing the music in the Appeal Committee.

Acting in a higher position thus plays a very important part in deciding permanent promotions. This presents both desirable as well as less desirable features.

According to Regulation 116, "the senior efficient officer available" is chosen for vacancies of less than a month but "the most efficient officer available" must be transferred if longer periods are required. The latter transfers, till 1954, could be appealed against only by a senior officer on the basis of equal efficiency, but in that year the Regulation was amended to allow appeals by juniors on the basis of superior efficiency, thus placing both the transfer and appeal on the same basis as permanent promotions. The number of appeals is only a small percentage of the number of such transfers, because officers in other States

32. (current). 53/1551. It is interesting to note that this amendment was due to the pressure of the Clerical Association on a reluctant Board!
and other departments and branches in the same State are deemed not "available" and usually do not appeal.

Appeals were well below 500 till 1954 but have been steadily increasing since then as shown by the following table.

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of higher duty transfers appealed against</th>
<th>Number of successful appeals on the grounds of seniority and equal efficiency</th>
<th>Successful appeals on the grounds of superior efficiency</th>
</tr>
</thead>
<tbody>
<tr>
<td>1955</td>
<td>768</td>
<td>117 (15.2%)</td>
<td>95</td>
</tr>
<tr>
<td>1956</td>
<td>880</td>
<td>156 (17.7%)</td>
<td>118</td>
</tr>
<tr>
<td>1957</td>
<td>937</td>
<td>133 (14%)</td>
<td>103</td>
</tr>
</tbody>
</table>

N.B. Percentages in brackets are of successful appeals to the total number of appeals.

The percentage of successful appeals is roughly the same as for permanent promotions (i.e. 17%), but a slightly higher proportion (over one fifth) of successful appeals are won on superior efficiency than in permanent promotions.

Some departmental authorities argue that since officers are chosen for higher duty for periods in excess of a month on the same grounds as for permanent promotion, it is no surprise to find such acting officers dominating final promotions and so all is well. In practice, such figures taken from the C.P.S.B's Temporary Transfer Register.
transfers are very much circumscribed by considerations of "availability". An officer of potential who thus misses acting experience through no fault of his own finds it difficult to establish his efficiency against a proven acting officer, though in rare cases we have seen him win against an acting failure. In some cases, a senior officer allowed to act in an apparently short term vacancy is continued in it for months out of sheer inertia and allowed to entrench himself. On the other hand, some promoting authorities choose acting officers with utmost care, follow their progress and weed out the poor risk early, and then put acting vacancies to the best use as testing grounds and stepping stones. There is no uniform practice or policy in the service as a whole and though higher duty transfers are put to better use than in the inter-war years, with a planned policy, much more could be made out of the enormous acting opportunities in the present service.

34. In fact some transfers are restricted to branches and districts in the P.M.G's Department in the interests of smoothly running the department. For an account of a recent dispute over this question see (current). 52/1599.

35. See Infra, Chapter XIV, pp. 536-37.
Tertiary qualifications

The growing importance of qualifications (both professional and general) has been highlighted by recent surveys.

(i) The following tables from the Board's sample survey of the Third Division in 1956 bring out the dominance of graduates in the higher echelons.

Table XXII

<table>
<thead>
<tr>
<th>Qualification type</th>
<th>Annual salary up to £1300</th>
<th>Annual salary £1300-£2999</th>
<th>Annual salary £2,000 and over</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No qualification</td>
<td>13,725 (92.5%)</td>
<td>4288 (49%)</td>
<td>510 (29.3%)</td>
<td>18,523</td>
</tr>
<tr>
<td>General qualifications</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arts, Commerce Economics etc.</td>
<td>345 (2.3%)</td>
<td>960 (10.9%)</td>
<td>306 (17.5%)</td>
<td>1626</td>
</tr>
<tr>
<td>Professional Qualifications</td>
<td>773 (5.2%)</td>
<td>3504 (40.1%)</td>
<td>927 (53.2%)</td>
<td>5204</td>
</tr>
<tr>
<td>TOTAL</td>
<td>14,843</td>
<td>8752</td>
<td>1743</td>
<td>25,338</td>
</tr>
</tbody>
</table>

36. The first table is actually taken from Significance of Recruitment Practices for Higher Administration in the Commonwealth Public Service, (a study group report of the A.C.T. Group of the R.I.P.A.), 1957, Appendices, Table 9. This table was compiled from the figures in the C.P.S.B. III Division Sample survey, 1956.

The sample error is well below 5% except in the case of General qualifications in the lowest stratum. The second table is part of Table 19 in the unpublished group of tables in the C.P.S.B. III Division sample survey of 1956.
Table XXIII

<table>
<thead>
<tr>
<th>Maximum salary of the group</th>
<th>Those with academic qualifications</th>
<th>Those without academic qualifications</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>£ 903</td>
<td>270</td>
<td>4590</td>
<td>4860</td>
</tr>
<tr>
<td>£ 993</td>
<td>45</td>
<td>3240</td>
<td>3285</td>
</tr>
<tr>
<td>£1083</td>
<td>255</td>
<td>2325</td>
<td>2580</td>
</tr>
<tr>
<td>£1263</td>
<td>548</td>
<td>3563</td>
<td>4111</td>
</tr>
<tr>
<td>£1353</td>
<td>1040</td>
<td>1319</td>
<td>2350</td>
</tr>
<tr>
<td>£1533</td>
<td>816</td>
<td>1496</td>
<td>2312</td>
</tr>
<tr>
<td>£1723</td>
<td>1520</td>
<td>776</td>
<td>2290</td>
</tr>
<tr>
<td>£1943</td>
<td>1096</td>
<td>691</td>
<td>1787</td>
</tr>
<tr>
<td>£2273</td>
<td>798</td>
<td>422</td>
<td>1220</td>
</tr>
<tr>
<td>£2493 &amp; above</td>
<td>438</td>
<td>93</td>
<td>531</td>
</tr>
</tbody>
</table>

N.B: Each salary group includes those drawing salaries from the maximum of the lower group to the maximum indicated for that group.

The terms graduate and academic qualifications as used here embrace all tertiary qualifications. The general graduates include graduates in Commerce and Economics while the professionals include in addition to the usual doctors, lawyers, engineers and architects, accountants and scientists also.

The second table shows vividly how the unqualified fall by the wayside as we go to higher salary groups and how the graduates slowly dominate the higher echelons. The first table shows the same slightly differently; the qualified form over seventy per cent of the top stratum and fifty of the middle while the unqualified form ninety per cent of the lowest and less than half of the middle.

Both tables would indicate that the graduates have been moving up faster than the rest for quite a few years. From other tables of the Board's survey, it would
appear that they tend to crowd into the responsible policy forming and higher supervisory areas of the service. There is also some indication that those recruited initially as graduates move up faster than those who qualified by part-time study in the service and that the graduates in each stratum are significantly younger than the rest. The professionals form the majority of graduates and half of the top salary group because as we have shown earlier there is a greater proportion of higher positions in the professional part of the Third Division.

(ii) The Board's Progression Survey of the clerical recruits of 1948, 1951 and 1954 shows that graduate recruits are promoted twice as fast as the others.

(iii) Encel's survey of about 280 of the most senior administrators indicates an even higher preponderance of graduates in that group. Of the 280, 154 were graduates of whom 110 were recruited as graduates. Of the 123 who became senior administrators before age 45, 94 were graduates, 74 being recruited as

37. This is a broad but reasonable guess from the age level tables in the C.P.S.B. III Division sample survey. These tables were not published because of somewhat high sample error. They would seem reliable enough for making this statement.


39. See Appendix E for details of Encel's Survey.
The reasons for the fast progress of graduates in the thirties and forties are not far to seek. (a) The professionals were always geared to advance quickly; most of them, recruited through section 47, started with a high initial salary; and their cadres contained a greater proportion of higher paid posts than the clerical cadres, virtually pulling them up fast. (b) The arts graduates recruited in the thirties under section 36A, stood out from the mass of ageing soldiers and the depleted ranks of the old clerical examination recruits, in the post-depression and war years, when the service was hungry for administrative talent. (c) Many first rate graduates from other walks of life who helped the service out of the stress of war years were eagerly retained through section 47 in the early post-war years. (d) The small but increasing quota of graduates recruited as diplomatic cadets were meant to progress faster like the professionals.

40. This was so in the days of Commissioner control (Supra, p.106) and is more so in the fifties (Supra, p.243). Hence it must have been halfway between these two in the forties.

41. From 1946 to 1948, 88 non-professionals were retained in the service through s.47. From 1949 to 1951, 344 were retained in the same way. This group contained the cream of the war years willing to stay on and some of these are well-known figures in the service now.
All these reasons except (c) are operating in the fifties with even greater vigour. We have pointed out the steadily increasing proportion of higher paid posts in the professional cadres compared with the rest of the service. According to the Board's determinations under Section 53 there are 89 categories of positions requiring a professional qualification making up about 5,000 posts in the Third Division, and the Professional Officers' Association has zealously insisted on proper qualifications in all cases. All this, combined with the high regard for them in a new society ensures professionals even faster progress in the future. Their poor cousins, the arts graduates, have four categories of positions (such as Research Officer and Defence Officer) with wider salary scales numbering over 300 reserved for them, but in many more cases their chances are increased by a degree being prescribed as "desirable" or being counted as "potential". They tend to be concentrated in certain departments such as External Affairs, Trade, Treasury and Primary Industry with more

42. See C.P.S.B. publication, Determination of the Public Service Board in Pursuance of section 32, 53 and 53B of the Public Service Act as at 1st September 1958.
43. For an instance, see (current). 56/4960.
43a. The professionals dominate the higher salary groups right up to the top but at the top itself there are very few of them as permanent heads. This is due to various departmental traditions, conventions and prejudices.
44. See (current). 52/6782 for some sidelights on "desirable" qualifications.
posts in the upper echelons requiring capacity to collect and weigh information and conceive policy than in bigger departments suspicious of them or giving them no special recognition.

Staff reporting

The increasing vogue of staff reporting systems is wholly due to the initiative of some departments without any central direction from the Board.

45. These are the small but important policy departments with a good number of higher positions and many positions such as Projects Officers, Research Officers, Statisticians etc. demanding a degree by regulation or otherwise.

46. The estimated distribution of graduates as a percentage of the departmental Third Division Staff is given in the following table. Table XXIV

<table>
<thead>
<tr>
<th>Up to 5%</th>
<th>6% - 15%</th>
<th>16% - 25</th>
<th>26 - 50</th>
<th>above 50</th>
</tr>
</thead>
<tbody>
<tr>
<td>Army</td>
<td>Air</td>
<td>Defence</td>
<td>A.G. 's</td>
<td>External</td>
</tr>
<tr>
<td>Customs</td>
<td>Civil</td>
<td>Defence</td>
<td>Health</td>
<td>Affairs</td>
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<tr>
<td>War</td>
<td>Aviation</td>
<td>Prod.</td>
<td>Primary</td>
<td>Nat.</td>
</tr>
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<td>Immigration</td>
<td>Interior</td>
<td>Industry</td>
<td>Development</td>
</tr>
<tr>
<td>Homes</td>
<td>Labour and</td>
<td>Treasury</td>
<td>P.S.B.</td>
<td>Prime</td>
</tr>
<tr>
<td>Navy</td>
<td>National</td>
<td>Works</td>
<td>Supply</td>
<td>Minister's</td>
</tr>
<tr>
<td>Social</td>
<td>Service</td>
<td></td>
<td>Territories</td>
<td>Office of</td>
</tr>
<tr>
<td>Services</td>
<td>Audit</td>
<td></td>
<td>Trade</td>
<td>Education</td>
</tr>
<tr>
<td>Taxation</td>
<td>Repat.</td>
<td></td>
<td>Stats</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Shipping and</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Trans</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>P.M.G.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

At least Customs and P.M.G. seem to be "suspicious" of graduates on the basis of the casual remarks of some of their top officers.

47. This paragraph is based on (current). 53/4271.
The latter settled into an attitude of letting the departments do it, after an indifferent reception of their own proposals in 1954 by the Permanent Heads' Conference and the Joint Council subcommittee. They discouraged departmental enthusiasts for service-wide reporting "even though the piecemeal systems developed by each department might vary and be often unsatisfactory."

The stages of evolution are much the same in each department; the initiative of some keen officers produces a scheme suited to departmental needs, which passes through an experimental stage with the approval of the permanent head; and the service associations are consulted and informed at suitable opportunities before finally launching the scheme.

For example, in the Customs Department, on the initiative of a keen Assistant-Comptroller a form was slowly evolved in 1955 through the Supervisor's

48. The account of the evolution and current practices of staff reporting in various departments is based on a number of interviews with departmental officers concerned, and discussions on their current files and forms. Most of the actual forms are too long to be incorporated in the text or footnotes. The shortest of them is given in the Appendix D. For a more detailed history of staff reporting see V. Subramaniam, "Evaluating personnel efficiency in the Commonwealth Public Service" Public Administration (Sydney), Vol. XVI, no. 3.
conferences; an elected Staff Advisory Committee of the department was consulted at all stages; experimental reports were made in 1956 in the Central Office and four States which helped to improve the description of qualities in the form; and the methods of reporting and regular reports were instituted the next year. Similarly in the Works Department, a keen O and M Officer experimented with and designed forms in May 1957 which were discussed with branch heads, and the associations were consulted and convinced in the next few months. In Labour and National Service trouble arose in 1933 through insufficient consultation with associations who suspected rating as a preliminary to retrenchment.

The forms and the methods of reporting are so intimately tuned to the differing job categories and needs of each department as to make description in general terms pointless. It is an inescapable consequence of the close relation of "efficiency" in the Australian fashion to the specific duties of each post. At one extreme the Works Department has four different reporting forms, for technical officers, lower clerical officers, upper clerical officers and senior officers respectively. The first three of them consist of three minutely printed foolscap pages with highly descriptive ratings under ten different quality-headings in each,
suited to the respective category, but the form on senior officers leaves it to the reporter to make a descriptive report on certain lines. The Customs Department has a single form for all Third Division officers, with ten items such as quantity of work, accuracy, relations with others, initiative, judgment, and supervision. The Taxation Branch also has one form with seven traits such as knowledge, diligence, power of expression, mental alertness, accuracy, output and interrogation, the first six to be rated for assessors, and the first four and the seventh for investigation officers. There is a supplementary form for those who measure up to a high level in the basic rating. The Department of Labour and National Service has three different forms resembling a long questionnaire, while the Civil Aviation Department uses questions involving responses to specific work situations for reporting on its Traffic Controllers. The reporting form used by the External Affairs Department for judging the promotability of its diplomatic staff combines personality assessment with response to general situations.

The procedure of reporting varies considerably from department to department. It is generally the section leaders or their equivalents who rate their officers, but in Customs, the branch head is encouraged
to form a reporting committee with his supervisors, while in the departments of Works and Taxation the report is countersigned by the superior officer, with comments if he desires. In the latter two departments, reports are made half-yearly (to build up a series of reports) while in the former reporting is annual. All reporting departments have successfully fobbed off demands to let the officer see his own report. But the contents, particularly his shortcomings are to be explained to him in the normal course of work in the case of Taxation, more formally by the branch head, during a "counselling" interview in Customs, and by a formal periodical committee of senior officers in Works.

An expert analysis of the methods of reporting and of the traits reported on is outside the scope of this enquiry. It is also too early to judge the results of the systems used. But they deserve praise simply as an earnest search for light, more light. The departments themselves claim for them only the virtue of more and better information to help promotion decisions. But the close orientation of each reporting form to the duties of a particular group of positions may rejuvenate the concept of specific job efficiency at the expense of the newer concept of general administrative potential.

The largest department, the P.M.G's, is not keen
about rating after the failure of a recent sectional experiment, though Postal officials were its strongest advocates before the Bailey Committee. They continue to use various questionnaires as before for their manipulative staff and rely on District Inspector's reports for their country postal staff.

Of forty other promoting authorities who gave reasons for their reservations, six cite the small size and intimacy of their establishments, three the costs of instituting it, eight the lack of trained reporters, while thirteen did not believe in it seriously. On the other hand, many Public Service Inspectors are in favour of the idea though they do not need it for their own small offices; in the Departments of the Interior and Navy, many Chief Officers are keen while the permanent heads have doubts; in the Army a prepared scheme has been delayed by frequent change of permanent heads; and in Repatriation its launching is imminent. The list of converts seems to be expanding.

To sum up, efficiency in the Third Division is largely determined on the basis of one or more of the

50. The information in this paragraph was given in reply to question no. II in my questionnaire. See Appendix B.
following: (a) staff committee opinion (in many departments); (b) periodical staff reports (in six) departments; (c) professional qualifications and attainments (for professional positions) and University degrees (in some policy departments); and (d) higher duty performance (in all departments). P.M.G.'s uses (c) and (d) as much as other departments and relies considerably on the inordinately long applications overflowing with information instead of (b) and on the opinions of branch heads or section leaders and informal consultation instead of (a).

We have also noted the differences between the determinants used by various departments owing to their differing needs and the differing policies of permanent heads. The latter has been mostly responsible for the institution of staff reporting in some departments and hostility in others. Similarly, some departmental heads are openly known as favouring or prejudiced against graduates or as welcomers of extra-departmental talent or otherwise. We shall refer again in the last chapter to the credit and debit sides of this flowering of departmental initiative.

51. Infra, Chapter XIV, pp. 517-19.
Seniority

Seniority, which is governed by the same regulations as in 1924, is rarely mentioned in Third Division promotions nowadays. In the writer's promotion sample survey, only in three cases was it definitely considered as between two officers otherwise equal with a fourth case in which it was flagrantly rewarded. It could have played a part in the twenty-one cases influenced by considerations of wide and varied experience or maturity, which a senior has a better chance of acquiring. Its role is rather obscure in promotions influenced by higher duty experience, for the chances of a senior to act in higher positions vary much according to departments and circumstances. In both acting and final promotions his chances are better in positions carrying up to £1263 per annum and some departments are known to arrange applicants or prospectives in seniority order against the specific recommendations of the Bailey Committee.

On the other hand a seniority list embracing the whole Division and based on date of entry has become unrelated to any line of experience and unintelligible.

52. Bailey Report, para. 89.
even to strict Confucians. The list plays some cruel jokes on them, when, for example, they find the senior they have chosen appealed against by a senior from elsewhere and have to defend their choice on either efficiency grounds or by pleading "real" seniority based on sectional experience as against "fortuitous" seniority.

On the whole, in Third Division promotions above the £1263 level, promoting authorities are ashamed of mentioning seniority, which exerts some influence, however, under other names and forms. The existence of Appeal Committees compels many of them to consider seniority more carefully on the one hand and to seek better factual foundations for their judgments of efficiency, on the other, and the latter is a definite gain.

Seniority, however plays an important part in the Fourth Division with its 63,810 officers under 731 designations. Over a third of their total occupy positions in various base grades, which include almost all

53. Eg. P.56/1409.
54. 38 out of 50 promoting authorities felt so in answer to my questionnaire, question V.(1).
promoteable posts in the postal and semi-clerical group, such as higher grades of Assistants and Clerical Assistants, Postal Officers and Telegraphists and a good proportion of them in the artisan group such as linemen and line foreman, "the senior efficient officer available" must be promoted according to Regulation 109G. Seniority thus governs promotion to over half the promoteable positions, subject to minimum qualifications by examination or experience. In 1957-58 about a third of the promotions in the Fourth Division came under Regulation 109G. Secondly ninety-two types of positions involving technical duties require examinations for appointment or promotion. For the small number of supervisory positions outside the scope of regulation 109G and particularly those carrying annual salaries over £1263 such as Workshop Supervisor, Senior Technical Instructor or Supervising Technician, similar determinants of efficiency to those in the Third Division are used in promotion.

55. C.P.S.B. 34th Report, p.33, Table 14.
Promotions Appeal Committees

The Bailey Committee

recommendations concerning the method of determining appeals were carried out by the amending Public Service Act of 1945 and incorporated in section 50 of the main Act. The appeal procedure was further elaborated in Regulations, 109 and 109D-F.

Early in 1946 full-time Chairmen for the Promotions Appeal Committees of New South Wales and Victoria were appointed and took their oath to perform their duties "without fear or favour, affection or ill-will." The State Public Service Inspectors were appointed Chairmen in the other States and took the oath before one of the Chief Officers. The Chairmen later administered the oath to the other two members of the Appeal Committees.

The departmental representative on each Appeal Committee is nominated by the permanent head of the department wherein a promotion is appealed against and is usually chosen for his familiarity with the relevant group of positions, though some departments have preferred to

56. Bailey Report, para. 180, recommendations XI-XVIII.
57. (current). G46/2.
send an officer from the Personnel section in all cases. Associations have sometimes complained that this member tended to become a departmental advocate forgetting his oath and the Board has drawn departments' attention to such complaints. This writer has found little reason to suspect departmental "briefing" of their nominees. Associations have also insisted that the departmental representative must not have been associated with the making of a promotion appealed against, but the Board has left this to the good sense of departments.

The association having the largest membership covering the relevant group of positions has the right to nominate a representative (and two deputies) to Appeal Committees. A few associations have been expressly mentioned in the Regulations as covering certain groups of postal positions and in most cases the Board finds it easy to determine the proper association but there have been groups of positions for which two or three associations have claimed coverage. The association itself may cover employee groups outside the public service but the officer nominated should be a Commonwealth

59. Ibid.
60. This paragraph is based on (current). G46/29, G48/107, A48/3270, 55/3 and 55/4220.
public servant. The British Medical Association (Australian Branch) till recently refused to nominate a representative in each State and also objected to a lay Chairman of a Committee determining an appeal regarding a medical position but they have at last worked out a modus vivendi with the Board.

An appeal must be lodged by an appellant, within 21 days of the gazettal of the promotion, with the Inspector of the State wherein the position is located; either on the grounds of (a) superior efficiency or (b) seniority and equal efficiency. He may submit additional statements and documents in support of his appeal. As soon as possible after the last day for the receipt of appeals, the relevant Promotions Appeal Committee goes through the appeal and decides either to interview the promotee and the appellants (some or all), or to determine the appeal on the basis of statements submitted and any further enquiries deemed necessary. Generally, most city officers are directly interviewed but most country appeals are determined on statements, though the Victorian Committee tried to visit many officers

in country districts. According to section 50(7A) all officers absent on war service or defence leave (under section 72) or absent on official duty outside Australia, are to be considered appellants for all suitable vacancies but since July 1947 this privilege has been restricted to very few cases.

Under Regulation 109F "it shall be the duty of a Promotions Appeal Committee to make its inquiries without regard to legal forms or solemnities," As soon as a Committee assembles, the members spend some time in going through the papers concerning the appeal(s) to be heard, the departmental representative usually explaining his department's reason for the promotion. The promotee is then called in first and then the appellants one by one. Each is allowed to explain his case in his own way after which he is questioned by the members of the Committee on some points. After the parties have been heard, the Committee deliberates together for some time and in simple cases, may come to a decision straight away. In other cases they are free to make enquiries individually over the phone at once or

63. (current) G49/136.
64. (current) A46/1490.
65. Based on actual observation of an appeal hearing.
at leisure as the case may be, and decide at a later sitting.

The Appeal Committee in each State can decide finally (under powers delegated by the Board) appeals regarding all positions carrying up to a maximum salary of £1263 per annum provided the promotee as well as all the appellants are in that State and in such cases they need send only their decision to the Board's office for gazettal, without an accompanying report. For all positions above this level and for all inter-State appeals the Committee must send a detailed report on the parties with their own recommendation in the matter. Any member of the Committee is free to express his dissent in part or wholly from it, but the large majority of recommendations are unanimous since each Chairman makes a special effort towards unanimity in the Committee's deliberations. The Public Service Board go largely by the State Committee's recommendations in making their final decision in the case of all intra-State appeals. They have, however, to balance and weigh the reports of different State Committees in deciding inter-State appeals.

appeals. If a provisional promotion is upset on appeal, the appellant is promoted by a certificate of the Board, otherwise the Board confirms the provisional promotion.

While by and large the new appeal system has given satisfaction to officers and has been accepted by departments, there have been some complaints from both sides. The Clerical Association discussed theirs with the Board in July 1947; other associations have made representations from time to time; and the High Council of Commonwealth Public Service Organizations asked for a general investigation into the working of the appeals system in August 1953. Their first group of complaints centre on the lack of information handicapping appellants. They have therefore asked the Board to supply them with details of the duties of the position, of the qualifications and experience of other appellants and the promotee and of the files on the particular promotion containing the reports on various officers. The Board has directed departments to give clear duty

67. This is the weakest point in the appeals system according to my investigation into a large number of appeal files. The State Committee are asked to sum up an appellant as offering "strong competition" or "average competition" and final judgment is very often based on such thin comparisons.

68. The next three paragraphs on the complaints of both sides are based on (current) 64/8, 649/136, 57/581, 55/1776, 56/1488, 56/6494 and 56/6274.
statements when advertising the vacancy or announcing the provisional promotion; they consider it difficult and time-wasting to supply details of other appellants; and they have definitely refused to reveal confidential reports to officers as it might destroy the candour and value of such reports. They feel that an astute service representative on the Appeal Committee can watch for victimization and have agreed to make relevant files available to the Committees some hours before the proceedings. They have been reluctant to have evidence on oath as destroying the informality of appeal proceedings though a Committee is free to consult witnesses. The Board would like the senior officer passed over for promotion or higher duty transfer to be informed before the appeal proceedings of "any specific adverse matter" that in itself constituted a bar to his selection according to the strict letter of Regulation 108B, but they consider that this does not cover general judgments about his relative efficiency. They have generally felt that it was physically impossible to interview all appellants though associations have pressed that justice should appear to be done in that way.

The second set of association demands has been directed towards getting the final power of decision for all intra-State appeals vested in the State Appeal
Committees, and towards extending the upper salary limit of their delegated power of decision. The Board has consistently refused the first demand to divest themselves of the final decision but they have progressively extended the upper limit of delegation to Appeal Committees till it is £1263 now for provisional promotions and £2053 for higher duty transfers. They have refused to extend the former to £1353 since the corresponding positions "formed a threshold of entry to higher administrative positions in the service."

The permanent heads, on the other hand, were worried in 1949 about the number of appeals and the delay caused by them in staff arrangements. The Board however felt that it was unwise to restrict appeals to applicants since some vacancies were not advertised and some shy officers preferred to appeal rather than apply. They were also not prepared to reduce the time limit for appeals to two weeks instead of three for the Gazette still did not reach many places in time. However they instructed Appeal Committees to dispose of most appeals within a fortnight after receipt and submit returns to them of appeals pending over two weeks and four weeks respectively. They also used a "floating" Appeal Committee to dispose of excess appeals in some States.
The reduction in delay however is not really impressive; as late as June 1957, there were 233 appeals pending over four weeks and 484 over two weeks.

The following tables of the number and details of promotion appeals in the post-war years reveal some interesting points. (See next page).

69. Compiled from C.P.S.B. Annual Report Appendices.
### Number of promotions and appeals

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Promotion motions</th>
<th>Number of Appellants</th>
<th>Number of Successful Appeals</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1st July to 30th June</td>
<td>1s t</td>
<td>2nd</td>
</tr>
<tr>
<td>1946/47</td>
<td>3120</td>
<td>1484</td>
<td>6980</td>
</tr>
<tr>
<td>1947/48</td>
<td>7061</td>
<td>2597</td>
<td>9690</td>
</tr>
<tr>
<td>1948/49</td>
<td>9891</td>
<td>3110</td>
<td>19204</td>
</tr>
<tr>
<td>1949/50</td>
<td>12037</td>
<td>4270</td>
<td>18331</td>
</tr>
<tr>
<td>1950/51</td>
<td>10591</td>
<td>4019</td>
<td>18973</td>
</tr>
<tr>
<td>1951/52</td>
<td>10191</td>
<td>2797</td>
<td>9107</td>
</tr>
<tr>
<td>1952/53</td>
<td>10407</td>
<td>3157</td>
<td>19881</td>
</tr>
<tr>
<td>1953/54</td>
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<tr>
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<td>11514</td>
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<tr>
<td>1955/56</td>
<td>10455</td>
<td>3098</td>
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</tr>
<tr>
<td>1956/57</td>
<td>11237</td>
<td>3060</td>
<td>11147</td>
</tr>
<tr>
<td>1957/58</td>
<td>11101</td>
<td>3025</td>
<td>9824</td>
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### Percentages

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage of Promotions</th>
<th>Percentage of Appeals</th>
<th>Successful Appeals</th>
<th>Percentage of Appeals</th>
<th>Percentage of Appeals</th>
</tr>
</thead>
<tbody>
<tr>
<td>1946/47</td>
<td>10.9</td>
<td>26.8</td>
<td>91.4</td>
<td>89.4</td>
<td>8.6</td>
</tr>
<tr>
<td>1947/48</td>
<td>11.9</td>
<td>20.4</td>
<td>85.6</td>
<td>82.6</td>
<td>14.4</td>
</tr>
<tr>
<td>1948/49</td>
<td>15.6</td>
<td>21.3</td>
<td>84.7</td>
<td>80.3</td>
<td>19.7</td>
</tr>
<tr>
<td>1949/50</td>
<td>16.2</td>
<td>17.6</td>
<td>84.0</td>
<td>80.3</td>
<td>16.0</td>
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<td>1950/51</td>
<td>17.6</td>
<td>16.5</td>
<td>87.7</td>
<td>86.3</td>
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</tr>
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<td>1951/52</td>
<td>19.0</td>
<td>17.4</td>
<td>88.7</td>
<td>83.3</td>
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<td>1952/53</td>
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<td>87.9</td>
<td>83.2</td>
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<td>17.8</td>
<td>83.7</td>
<td>80.3</td>
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<td>17.6</td>
<td>83.3</td>
<td>83.2</td>
<td>21.0</td>
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<td>16.6</td>
<td>79.7</td>
<td>80.0</td>
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</tr>
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<td>1956/57</td>
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<td>16.6</td>
<td>78.8</td>
<td>78.8</td>
<td>21.2</td>
</tr>
<tr>
<td>1957/58</td>
<td>16.6</td>
<td>16.6</td>
<td>78.8</td>
<td>78.8</td>
<td>21.2</td>
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The percentage of promotions appealed against decreases slowly till it becomes somewhat steady at 29% by 1953 and in the same manner the percentage of successful appeals has become steady at 17%. This may be due to the wearing out of the novelty of Appeal Committees; the decreasing percentage of successful appeals might itself have discouraged many who just wanted to "have a go at it;" anyway the appeals system and the service have apparently settled down to a stable equilibrium.

The percentage of seniors pleading equal efficiency among all appellants as well as among successful appellants is almost as high as in the inter-war years. It would be reasonable to suggest the same explanation: that many seniors are passed over in promotions; that most of them appeal; that many prefer to appeal on seniority and equal efficiency as more proveable and less presumptuous; and the high percentage of success among seniority appeals probably encourages them.

A further breakdown of the promotion and appeal figures for two recent years reveals the concentration of appeals in certain areas of the service.
### Table XXVII
Analysis of a sample of promotions in the 1956 Gazettes.

<table>
<thead>
<tr>
<th>Type and promotion</th>
<th>II Division</th>
<th>III Division</th>
<th>IV Division Over £1263</th>
<th>Upto £2053</th>
<th>£2053</th>
<th>£1263</th>
<th>Total</th>
</tr>
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<tr>
<td>Departmental Promotions</td>
<td>4</td>
<td>30</td>
<td>280</td>
<td>519</td>
<td>853</td>
<td>1686</td>
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</tr>
<tr>
<td>Promotions Appealed Against Successful Appeals</td>
<td>Nil</td>
<td>5</td>
<td>113</td>
<td>176</td>
<td>102</td>
<td>396</td>
<td></td>
</tr>
<tr>
<td>Inter-departmental Promotions</td>
<td>Nil</td>
<td>2</td>
<td>9</td>
<td>46</td>
<td>21</td>
<td>78</td>
<td></td>
</tr>
<tr>
<td>Promotions Appealed Against Successful Appeals</td>
<td>Nil</td>
<td>1</td>
<td>4</td>
<td>12</td>
<td>3</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>Total Promotions</td>
<td>4</td>
<td>32</td>
<td>289</td>
<td>565</td>
<td>874</td>
<td>1764</td>
<td></td>
</tr>
<tr>
<td>Total Promotions Appealed Against Successful Appeals</td>
<td>Nil</td>
<td>6</td>
<td>117</td>
<td>188</td>
<td>105</td>
<td>416</td>
<td></td>
</tr>
</tbody>
</table>

### Table XXVIII
Analysis of promotions in 1957-58.

<table>
<thead>
<tr>
<th>II &amp; III Division</th>
<th>109G</th>
<th>Others</th>
<th>IV Division</th>
<th>109G</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Promotions</td>
<td>129</td>
<td>5751</td>
<td>1556</td>
<td>3665</td>
<td></td>
<td>11101</td>
</tr>
<tr>
<td>Number of Promotions Appealed Against Successful Appeals</td>
<td>16</td>
<td>2141</td>
<td>163</td>
<td>705</td>
<td></td>
<td>3025</td>
</tr>
<tr>
<td>Number of Successful Appeals</td>
<td>15</td>
<td>303</td>
<td>58</td>
<td>128</td>
<td></td>
<td>504</td>
</tr>
<tr>
<td>Number of Appellants</td>
<td>21</td>
<td>10521</td>
<td>386</td>
<td>1795</td>
<td></td>
<td>12705</td>
</tr>
</tbody>
</table>

70. The Gazettes in the first half of the August to September quarter of 1956 were scrutinized and the promotions therein tabulated.

71. From C.P.S.B. 34th Report, pp. 33-34. All the percentages in the text are not worked out in the Tables but can be worked out from the figures therein.
The percentage of promotions appealed against is much higher in the Third Division (35.4% in 1956 and 36.6% in 1957-58) than in the Fourth Division (11.5% in 1956 and 16.7% in 1957-58). The total number of appellants is also far higher in the Third Division (10,542) than in the Fourth (2,163) and so is the average of appellants for each appeal (about 5 in the Third and about 3 in the Fourth Division). The figures for 1956 suggest that within the Third Division itself there is a higher proportion of appeals to promotions in the middle and lowest salary ranges (40 and 30 per cent respectively). It is suggested that the greater stress on more certain factors such as seniority, examination passes and manipulative skill in the Fourth Division leads to fewer appeals and appellants whereas the more elusive nature of promotion criteria in the Third Division has the opposite effect. The fighting is keenest in the lowest and middle ranges at points which form the "threshold to higher administrative positions" in the service. There is little appealing at the highest levels where the officers concerned work closely with one another and there should be less reason for an error of judgment and more reluctance to fight with close colleagues.
The delays associated with the appeals system in a far-flung service have been pointed out by foreign observers as well as departmental heads in the Service. Each provisional promotion has to wait for 21 days before confirmation and a few weeks longer if it is appealed against and the greater the number of appeals, the greater the delay. It is also a matter for concern that about half the officers in the important area of the Third Division should spend time in preparing appeals and a large number of departmental and association officers spend time in hearing them. This writer feels along with many others that much of this time could be saved without seriously curtailing appeal rights. First of all, the time limit can be safely curtailed with the availability of modern communications almost all over Australia and much departmental time could also be saved by anticipating the bulk of the year's promotions in a formal promotion budget. Secondly the less serious appellants could be reduced in numbers. These can be classified as "protective" appellants who appeal against one another in a group of promotions, "advertising" appellants who merely want to publish their qualifications with an eye on future promotions, and lastly the

72. (current) 56/6454.
73. See infra, p. 538.
"professional" appellant who has a perpetual grievance against the service. The first type can be abolished by a regulation assuring that a group of promotions will be considered as a whole on appeal; the second can be reduced by a bolder personnel policy in departments which appears to go out in search of talent; and the last could probably be better controlled by staff counseling. Lastly, the concentration of appeals in the "threshold" areas of the Third Division indicates the need for a positive approach to selection which we discuss in the last chapter.

An analysis of a sample of appeal decisions shows that their value lies more in providing a safeguard against error than in constructing a case law on determining efficiency. The Appeal Committees proceed rather informally; they do not report at all on appeals up to an annual salary of £1263; and above this limit, their reports to the Board are read consistently only by some officers in the Appeals section of the Board's office though important points raised are circularized from time to time and a department might build its own interpretation through its own appeal cases.

74. More than 150 appeal files relating to promotions in 1956 and chosen at random were studied.
over some months. We have already taken a sample of appeal decisions into account in our sample survey of 1956 promotions, since through the medium of departmental representatives, there is continuous osmosis between departmental and Appeal Committee interpretations. The Appeal Committees have in general induced many departments to search out a wider field of officers, gather more information on them and present their decisions more cogently by the example of their procedure and decisions. Some departments advertise and circularize vacancies to avoid appeals if possible; and many departments have instituted formalized consultative procedures such as staff committees and ad hoc Committees or have gone in for periodical reporting, partly at least to present a better case to Appeal Committees and discourage appeals.

On the other hand, it was not unknown till recently for departmental representatives to pick out promising material through appeal hearings and, indeed, many timid promoting officers are known to rely on Appeal Committees to rescue them from their indifferent choices. The Committees have forced departments to look more carefully into the claims of senior officers but this seems to be mostly confined to the lower salary ranges.
As safeguards and safety valves, the Committees have played a more important part for, there is evidently more satisfaction in the service with the promotion system than in the inter-war years though this may be due as much to the greater opportunities in an expanding service.

General features of the post-war promotion system

(a) The most striking feature of the current period has been the high rate of promotion in the expanding service; economic expansion and full employment have forced the service to employ all sorts of make-shift devices in recruitment and to promote available talent quickly to positions of responsibility. The annual number of promotions has averaged over 10,000 in the fifties and according to a recent progression study, the "average salary grade" reached by 1948 clerical recruits by 1957 was 4.54. Such jumping over four grades within a decade of entry would have stunned the authorities in the inter-war years.

75. Promotion coefficient is rather less reliable due to the varieties of recruitment methods and levels in the post-war years. Hence we are indicating only the number of promotions.

(b) The next notable feature is the general acceptance of inter-departmental movement and the positive search for extra-departmental talent in the newer departments. The number of inter-departmental promotions in the whole service understates this tendency since the older departments of the Postmaster-General's and the Customs constituting three-fourths of the service are still exclusive, unlike the new departments whose permanent heads are quite frank about scouting for good men from other departments. The progression study mentioned earlier reveals that officers who have changed departments are about one grade ahead of the non-changers. Much of the changing is concentrated closely on both sides of the £1263 level and officers seem to settle down after getting into a good line of development.

(c) A historian will be quick to note the growing segregation of the Fourth Division from the administrative mainstream - a tendency already evident in the inter-war years. Promotion opportunity in it has been reduced to about half that in the Third Division; about a third of the promotions are frankly governed (under Regulation 109G) by seniority and bare capacity to do the job; in recent

77. Supra, p. 401.
78. Ibid.
years it has contributed less and less to the Third Division by transfer (its contribution is less than a fourth of the total clerical recruitment whereas under single Commissioner control it was nearly two-thirds); it may contribute even less since over half the transferees are the dwindling group of returned soldiers; and lastly the chances of these transferees to get near the top ranks, i.e. near the £2273 salary level, are pretty poor on their present showing.

On the other hand the higher salary echelons and top administrative posts are being progressively dominated by those recruited by the special sections (s.47 mainly) and graduates directly recruited, elbowing out even direct clerical entrants through the school-leaving examination. The upper crust of the service is by no stretch of imagination the product of "egalitarian" recruitment and it is already "pukka Sahib" in having entered the service to a significant extent by "non-egalitarian" routes and progressed faster on the basis of special ability and "potential".

79. Supra, p.89 for figures under Commissioner control. See, also Recruitment Committee Report, p.89, Table 3.


81. Ibid. See also the various surveys referred to earlier.
(d) The fourth noteworthy feature is the general increase in the proportion of higher (supervisory) posts in the Third Division as a whole (compared with earlier periods) and the still greater increase of them among the professionals. This is a clear indication of the increasing managerial and administrative content of the service and particularly its quicker growth in recent times. We have already referred to the privileged position of the professionals in an almost inverted pyramid. A by-product of this worth mentioning is the professional affectation of some other groups. which we shall discuss in the last chapter.

(e) An important development of the fifties is the slow realization of the need to discover future administrators early, together with the need to evolve new concepts of efficiency and the growing dissatisfaction with rule-of-thumb average-of-opinions method of evaluating efficiency. These tendencies are too unevenly distributed among departments, too embryonic and inchoate to be called a definite movement. We shall discuss the need for such a definite movement in the last chapter.

(f) Lastly, mention must be made of the generally

82. Supra, p. 343.
smooth relations between associations, the Board and departments. It is difficult to say how far this is due to the satisfactory safeguards of the appeals system, how far to the good opportunities in the post-war service, how far to the consultative mechanism of the Joint Council, Council, and how far to the policy of the Board of letting sleeping dogs lie. It is even more difficult to say whether vested interests will be provoked by any imaginative policies looking for new sources of administrators.

We shall find in the next chapter that some of the post-war problems and tendencies are common to the State services too.

--- o O o ---
CHAPTER XII
CURRENT PROMOTION POLICY IN VICTORIA AND NEW SOUTH WALES

In the current post-war period of economic expansion, the State services have been faced with just the same difficulties as the Commonwealth in recruitment and promotion but because of their smaller size, compactness and greater opportunities to experiment they seem to be tackling some problems with greater success. A study of their current promotion policy brings out the effect of size, administrative needs and leadership on actual promotion practices. In both the State services we are studying here we shall enquire respectively into (a) their classification system (b) their promotion and appeal procedures (c) their concept of efficiency and ways of determining it and (d) the special problems of service expansion.

VICTORIA.

We have already described how Victoria inaugurated her post-war era with a new Act and a powerful Board in 1946 - thus making a complete break with her past of stagnation and Ministerial interference.¹

¹. Supra, pp.324-28.
The long-delayed victory\(^2\) fortunately avoided the mistakes of the Commonwealth and New South Wales, erected a simple and satisfying framework of service management, and kept the classification simple by avoiding the complications of external arbitration.\(^3\)

**Classification Structure**

A hierarchy of nine classes was adopted in common for both the Professional and Administrative (i.e. the former Clerical) Divisions in October, 1947 (in place of the former five classes in each of these two Divisions).\(^4\) The class structure itself remained unaffected when the salary limits of all classes were revised in 1951, 1953, and 1956. The following table gives the classes and their original and present salary limits.

---

2. The interval between 1893 when the full-time independent Board was retired and 1946 when another powerful Board took over is quite long. Even counting from the early years of the Victorian Public Service Association in the second decade of this century it is a long interval.

3. See further. The Association is very satisfied with the present framework and method of determining salaries as their Secretary told this writer.

4. V.P.S. 1948 Report, Appendices.
## Table XXIX

<table>
<thead>
<tr>
<th>Basic Annual Salary Limits (In Australian pounds) as at October, 1947.</th>
<th>Basic Annual Salary Limits (In Australian pounds) as at 9th July, 1958.5</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A</strong></td>
<td>1050-1520</td>
</tr>
<tr>
<td><strong>A</strong></td>
<td>850-1000</td>
</tr>
<tr>
<td><strong>B</strong></td>
<td>748-774-800</td>
</tr>
<tr>
<td><strong>B</strong></td>
<td>670-696-722</td>
</tr>
<tr>
<td><strong>C</strong></td>
<td>592-610-644</td>
</tr>
<tr>
<td><strong>C</strong></td>
<td>527-553-579</td>
</tr>
<tr>
<td><strong>C</strong></td>
<td>449-475-501</td>
</tr>
<tr>
<td><strong>D</strong></td>
<td>286-312-338-364-390-416-436</td>
</tr>
</tbody>
</table>

N.B. (The middle figures between the maximum and minimum are the annual subdivisional incremental steps by which the maximum is reached. Class A has no subdivisions and an officer can be placed at any fixed salary within the limits from time to time. In addition to the basic salary a cost of living allowance, varying from year to year, is paid. It is now £A462 per annum in late 1958.)

5. See Victoria Government Gazette of the same date.
The salary limits and the cost of living allowance have been increased progressively during the years, without altering the class structure because a single representative and powerful Board revises the salary limits for all classes at the same time thus keeping the hierarchical relativity of the class structure. The Victorian Public Service Association too, while pressing for general revision of class scales from time to time, has not been keen to nibble at the class structure with sectional claims; and reasonable claims are forestalled by the Board by reclassifying the post or group of posts into the next higher class. Even the Technical and General Division (embracing tradesmen and various classes of manual workers) which had no grade structure till recently, was in July, 1958, provided with a codified schedule of 59 grades of fixed salaries from £A195 per annum to £A1750 per annum.

Promotion and appeal procedures

According to section 32 of the Victorian Public Service Act of 1946, and the Public Service Board's Regulations thereunder (Part II),

6. Ibid.
the permanent head of a department must report to the Board the occurrence of every vacancy together with the duties and qualifications required to fill it, with or without recommending the name of a suitable officer. The Board must then advertise each vacant office in the Government Gazette with full particulars. Applications close fourteen days after the date of advertisement and are forwarded with a list of applicants in alphabetical order to the permanent head, who must within seven days recommend to the Board an applicant he considers most suitable and notify all applicants. When none of the applicants is considered suitable he has to inform them accordingly. Any non-recommended applicant may appeal to the Board in writing within ten days of the notification, stating the grounds of his appeal and whether he seeks a personal interview, if entitled.

The system of compulsory service-wide advertisement of all vacancies is patently fair to all officers and has led to a commendable proportion of inter-departmental promotions. (see Table of
promotions later). But under this sophisticated statutory procedure each promotion would take twenty-one days without appeals and anything over thirty-one with appeals, but the Board has pointed out its essential fairness, against the criticism of its delays.\(^7\) Some feel that advertisement of a vacancy together with the name of a recommended officer deters timid applicants and appellants but in practice only a small percentage of the vacancies are so advertised.\(^8\)

Under the Victorian promotion appeals system (more than four score and ten years old) any non-recommended applicant can appeal in writing; while a senior officer is entitled to a personal hearing, under current regulations a qualified junior officer is entitled only when all applicants are rejected.\(^9\)

A few appeals involving juniors only are

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8. There were less than a dozen such vacancies in a sample of 118 promotions of 1956 studied.
9. (Vic.) P.S.B. Regulations, (Victorian Government Gazette 1954, regs. 38 and 39. There are two sets of Regulations under the P.S. Act of 1946, one set made by the Governor-in-Council and another by the Board. Any reference to regulations unless otherwise stated is to the latter as published in Victoria Government Gazette, 28, January 1954.
disposed of on the basis of written information in the files but many are heard by the Board, the departmental head who made the recommendation being usually present. 10 No strict formalities are observed in the hearing but the departmental head is not allowed to say anything against an appellant in his absence. The Board makes the final decision and informs appellants and the original promotee of the result, but keeps no formal record of the proceedings. The successful appellant and the promotee and any genuine appellant are reimbursed for their travelling expenses to Melbourne.

In the absence of any record of appeal hearings or reasons for the Board's decision or any circular on the criteria followed, one cannot talk about any "case law" on efficiency in the Victorian service. The appeal procedure is weighted in favour of the senior who has a right to be heard, and one hears the ubiquitous quip that "the permanent head must have a pretty good story to tell" if he overlooks a senior. Under the system, it takes a strong departmental head to look beyond a reasonably qualified senior to the

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10. Based on an interview with the (Vic.) P.S.B. Chairman.
claims of a bright junior of potential.

The direct hearing of appeals by the Public Service Board themselves ensures uniform standards of decision such as they are, and creates staff satisfaction by an assurance of fair-play.

There are on an average, about 250 promotion appeals each year,\textsuperscript{11} and the majority of them are in the Administrative and Professional Divisions. Since the average annual number of promotions in these two Divisions is about a thousand in recent years,\textsuperscript{12} it seems that every fourth promotion is appealed against. Further, the bulk

\begin{table}
\centering
\begin{tabular}{lccc}
\hline
Year & Number of Promotions Appealed against & Number Successful Appeals & \% of Successful Appeals \\
\hline
1948-49 & 240 & 26 & 10.8 \\
1949-50 & 410 & 50 & 12.2 \\
1952-53 & 236 & 32 & 13.3 \\
1953-54 & 128 & 17 & 13.08 \\
1954-55 & 178 & 16 & 9.0 \\
1955-56 & 219 & 26 & 11.8 \\
1956-57 & 292 & 45 & 15.5 \\
1957-58 & 287 & 62 & 21.4 \\
\hline
\end{tabular}
\caption{Table XXX}
\end{table}

\textsuperscript{11} The following table of appeal figures is compiled from V.P.S. Annual Reports.

\textsuperscript{12} See Table, infra, p.429.
of these appeals are apparently concerned with promotions to classes C₁ and C₂. The obvious explanation is that promotion from E to D is statutorily semi-automatic and thence to C is so in practice, owing to expanding opportunities in the service, so that real competition starts at the C₁ and C₂ levels. Ambitious officers feel that they must get there early to climb high in the service and permanent heads and Inspectors know that they must look there for the future leaders of the service, though they do not seem to have made any imaginative plans towards a proper choice.

The criteria of promotion.

The Public Service Act of 1946 made a new departure by giving relative efficiency an overriding position. Section 32 (5) of the Act states:

13. Of a sample of 118 promotions in 1956, 30 were appealed against; of these 30, 23 were in classes C₁ and C₂ and 7 in classes above. Three from among the former and one among the latter succeeded. For details of the sample survey see Appendix G.
In the appointment of a person to any office, consideration shall be given first to relative efficiency and in the event of equality of efficiency of two or more officers in the Public Service, then to relative seniority.

In this subsection, efficiency means special qualifications and aptitude for the discharge of the duties of the office to be filled together with merit, diligence and good conduct.

The Association accepted the change mainly because it had a representative on the Board itself to guard against favouritism, and appeal rights were guaranteed as usual.

Seniority is defined simply and unequivocally as vesting in the position, a position with a higher maximum salary being senior to one with a lower maximum. In case of maxima being equal, the position with a higher minimum is senior. The seniority of officers is the seniority of their current positions, and in case of positions of equal seniority, is determined by length of service. It is service-wide in each Division. This system though much the same as obtained in the Commonwealth service under single Commissioner control, is free from its complications, at the same time giving the benefit

16. For complications see Supra, p. 202. The Victorian Regulation by vesting seniority in the position avoids loss of seniority by no-pay leave or suspension.
of additional seniority to the efficient officer promoted to a higher (senior) position.

There is no further official elaboration of the definition of efficiency included in section 32 of the Act. Section 35 permits the Board to prescribe qualifications for appointment and promotion. While the qualifying examination for officers in class E to obtain promotion to D has not been held in the service (owing obviously to the historical anti-examination animus in Victoria), the Board has successfully prescribed external examination qualifications (degrees or diplomas) for promotion to various positions in the service, and conducts a few in-service examinations with the help of external examiners. For example promotion to actuarial positions (in the Administrative Division) requires a pass in the preliminary and final examination in Actuarial Science, conducted by the Board; promotion to the position of clerk and draughtsman is similarly conditional on competency in a relevant test; and in the Professional Division, promotion to many positions is conditional on the

17. For details of prescribed examination qualifications, see (Vic.) P.S.B. Regulations, 1954, regs. 41-57.
possession of relevant examination qualifications.\textsuperscript{18}

In the Technical and General Division too, suitable examination qualifications are required for promotion to such positions as male warden of jails, Fisheries Inspector Grade I, Library attendant Grade I,

\begin{tabular}{|l|l|}
\hline
Position & Qualifications for Promotion. \\
\hline
Conservation officer, Soil Conservation Authority & Degree in Agricultural Science from an approved University or diploma from an approved institution. \\
\hline
District Conservation Officer, Soil Conservation Authority & A 'prescribed' examination conducted by the Authority. \\
\hline
Librarian, above Class D, Chief Secretary's Department & Degree in Arts or Science or approved equivalent linguistic or educational qualification. \\
\hline
Stipendiary Magistrate, Law Department & Practice as Barrister or Solicitor of the Supreme Court for at least five years or \textbf{pass} in a 'prescribed' examination conducted by the Melbourne University. \\
\hline
Clerk of Courts above Class D, Law Department & Pass in a 'prescribed' examination mainly in State Acts. \\
\hline
Surveyor, Chief Draughtsman, or Titles Survey Officer, Office of Titles & 'Thorough knowledge' of office work and legislation. \\
\hline
Assistant Surveyor, or Chief Draughtsman, Office of Titles & Licensed Surveyor's Examination \\
\hline
\end{tabular}
Gardener Grades I and II in Botanic Gardens, Mental Nurse, Inspector of Factories and Shops, Industrial Health Inspector Grade I, and Shorthand writers and typists.

These examination requirements assure the necessary technical or professional competence for the positions; but the choice between two or more officers with the necessary qualifications is still to be made on the basis of relative efficiency and solely on such basis in the Administrative Division which has few examinations. How is it interpreted in the Victorian service?

There is not much choice among qualified professionals, for almost every one is assured progression up to C₁ and many, reclassification up to B as ransom.¹⁹ Above this point proven professional standing counts heavily. Secondly, a statutorily prescribed minimum period of service in the related lower position²⁰ narrows the field of selection for many positions and also affords an opportunity to evaluate the officers' performance of similar duties.

¹⁹. See infra, pp. 433-34.
It would appear that the most widely adopted guide to efficiency particularly for non-professional posts is some sort of 'experience' in the same position or same field as shown by an analysis of a sample of promotions in 1956. In the 118 promotions (to vacant positions) studied in detail, apart from semi-automatic promotions from class E to D, professional promotions, and promotion recommendations which merely named "the most suitable officer", all the others were invariably based on some form of experience. The actual phrases used ranged from such stale ones as "the most experienced officer available", "has all the necessary qualifications and experience" or "in view of his qualifications and experience" to such strong ones - referring to specific acting experience in the job itself - as "has been carrying out the duties of the vacant office in a very satisfactory manner", "has performed the duties of the position satisfactorily in the absence of ..." or "has experience in all phases of Mental Hygiene routine and has relieved the Secretary ..."

21. See Appendix F for details of the sample survey of Victorian promotions.
22. (Vic.). 56/4102.
23. (Vic.). 56/3033.
24. (Vic.). 56/1005.
25. (Vic.). 56/8617.
26. (Vic.). 56/8095.
27. (Vic.). 56/3238.
Besides these promotions to vacancies, there are a large number of reclassifications each year in each of which a post is given a higher class, and the occupant is promoted along with it on the basis of his performance. There is, however, very much less acting in the next higher position in Victoria than in the Commonwealth; experience in most cases means experience in the immediately lower group of positions; and this means some rigidity in lines of promotion and a certain advantage to the senior officer who usually has more experience.

We have already referred to the prescription of a minimum period of experience in the related lower position as a condition of promotion. In addition to this, permanent heads generally mention experience in some lines as "desirable" in advertising their vacancies; and where they refer to "thorough knowledge" of some departmental procedure, it is usually equated with successful experience in that field where it is not covered by an examination. Wide

28. Little use is made of trial promotions (once popular in Victoria) owing to staff shortages.
29. There was one case in the 1956 sample where a junior was promoted on his greater experience over a less experienced senior. See (Vic.) 56/3320.
experience in different fields is an asset for higher supervisory positions but there is no service-wide programme of training and job rotation to breed enough such officers to choose from.

There is little enthusiasm for any standardised staff rating or reporting scheme. Though broached in Inspectors' meetings it has not found an enthusiastic advocate and according to the present Chairman of the Board they were "frightened" of it just now. There is a corresponding apathy among departmental heads, some of whom were scared of the problem of "rating the raters" and most of whom did not feel any pressing need for it.\textsuperscript{30}

This general unconcern about staff reporting or devising any formal way of comparing efficiency is explained by the size of the Victorian service and its departmental distribution.\textsuperscript{31} Eight departments have each less than two hundred officers in the Administrative or Professional Division and excluding base positions in

\textsuperscript{30} More than half the permanent heads were apathetic, except the head of the Chief Secretary's Department whose experiment however, was not encouraged by the Board.

\textsuperscript{31} See V.P.S. 1958 Report, p.21, Appendix B.
Class E forming about half the total, the permanent head and his top associates can personally know the work of the remaining departmental officers and get more than one first-hand opinion. The three departments which have about 300 officers in the Administrative Division (namely, Chief Secretary's, Treasurer and Law) are conglomerates of distinct branches, each a small department, and three departments which have over 250 professional officers have a struggle to keep them with ransom re-classifications and can anyway rely on professional criteria. Thus in the two higher Divisions, no urgent need is felt for formal methods of staff reporting. While the large General Division staff in Mental Hygiene (1286) calls for some form of performance rating, the availability of examinations and experience as measures of technical competence, the greater stress on seniority and the lesser attention given to the General Division have all made it seem less urgent.
An analysis of promotions in 1956 (in the following table) confirms our conclusions about the lack of urgency for formal reporting.

Table XXXI

<table>
<thead>
<tr>
<th>Administrative Division</th>
<th>Vacancy Promotions</th>
<th>Reclassifications</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>( c_1 - a_1 )</td>
<td>( E - C )</td>
</tr>
<tr>
<td>Premier's</td>
<td>32 (4)</td>
<td>17 (1)</td>
</tr>
<tr>
<td>Chief Secretary</td>
<td>33 (9)</td>
<td>25 (3)</td>
</tr>
<tr>
<td>Treasury</td>
<td>35 (10)</td>
<td>32 (6)</td>
</tr>
<tr>
<td>Education</td>
<td>-</td>
<td>10 (1)</td>
</tr>
<tr>
<td>Law</td>
<td>18 (1)</td>
<td>35</td>
</tr>
<tr>
<td>Lands</td>
<td>5</td>
<td>7 (1)</td>
</tr>
<tr>
<td>Public Works</td>
<td>4 (1)</td>
<td>16 (3)</td>
</tr>
<tr>
<td>Mines</td>
<td>1</td>
<td>4 (1)</td>
</tr>
<tr>
<td>Agriculture</td>
<td>10 (2)</td>
<td>9 (2)</td>
</tr>
<tr>
<td>Health</td>
<td>13 (2)</td>
<td>15 (2)</td>
</tr>
<tr>
<td>Labour and Industry</td>
<td>1</td>
<td>4</td>
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<tr>
<td>Forests</td>
<td>2</td>
<td>6 (1)</td>
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<tr>
<td>Water Supply</td>
<td>7</td>
<td>15</td>
</tr>
<tr>
<td>Transport</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Totals</td>
<td>161 (29)</td>
<td>195 (21)</td>
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</tbody>
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32. Figures collected from the V.P.S. promotion and Transfer Register.
Table XXXI contd.

<table>
<thead>
<tr>
<th>Departments</th>
<th>Vacancy Promotions</th>
<th></th>
<th>Reclassifications</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$G_1 - A_1$</td>
<td>$E - C$</td>
<td>$C_1 - A_1$</td>
<td>$E - C$</td>
</tr>
<tr>
<td>Premier's</td>
<td>5 (2)</td>
<td>3 (1)</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Chief Secretary</td>
<td>6</td>
<td>5 (1)</td>
<td>19</td>
<td>9</td>
</tr>
<tr>
<td>Treasury</td>
<td>3</td>
<td>12 (6)</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Education</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Law</td>
<td>55</td>
<td>9</td>
<td>32</td>
<td>7</td>
</tr>
<tr>
<td>Lands</td>
<td>7</td>
<td>7</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Public Works</td>
<td>12</td>
<td>5 (1)</td>
<td>29</td>
<td>3</td>
</tr>
<tr>
<td>Mines</td>
<td>-</td>
<td>-</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Agriculture</td>
<td>7</td>
<td>2 (1)</td>
<td>47</td>
<td>3</td>
</tr>
<tr>
<td>Health</td>
<td>15 (1)</td>
<td>2</td>
<td>10</td>
<td>6</td>
</tr>
<tr>
<td>Labour and Industry</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Forests</td>
<td>15</td>
<td>1</td>
<td>15</td>
<td>15 (1)</td>
</tr>
<tr>
<td>Water Supply</td>
<td>10</td>
<td>4</td>
<td>59</td>
<td>11</td>
</tr>
<tr>
<td>Transport</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Totals</td>
<td>135 (3)</td>
<td>49 (10)</td>
<td>226</td>
<td>63</td>
</tr>
</tbody>
</table>

**Total** 473

995

Note. The Promotions in the Technical and General Division the same year amounted to 647. Teachers are excluded from the Education Department figures. The majority of the staff of Transport Department is in the Technical and General Division. The figures within brackets are promotions of officers from another department.
Out of 356 promotions to vacancies in the Administrative Division, 195 i.e. over half are in Classes E, D and C, where it is either statutorily or in practice automatic. In the Professional Division 49 out of 184 are in the same category. There are thus only 161 promotions in the Administrative Division and 135 in the Professional in Classes C and above distributed over fourteen departments, such that all but three of them deal with less than 20 in each Division. It is possible for each promotion to be based on consultation, more than one first-hand opinion, and by first hand knowledge of the officer's work and it can be reasonably suggested that in such circumstances, rating is mere duplication of intimate personal knowledge.

The large number of reclassifications in the Professional Division requires close comparisons of efficiency in theory but in practice is used to retain good professionals in the service, and the 647 promotions in the General Division are based on simpler criteria. Here again it is difficult to make an urgent case for more formalized methods of determining
efficiency.

The effects of expanding economy

The impact of post-war economic expansion is particularly strong on the Victorian service after years of stagnation. It is more obvious in the field of recruitment wherein the Board has experienced difficulties in securing professionals for the Professional Division and sufficient youth recruits for the Administrative Division, and has thankfully accepted the returned soldier recruits offering. In promotions the two main effects of expansion are the high rate of promotion during the past decade and the increase in

33. Finding it impossible to get the necessary recruits through the annual examination in conjunction with the University matriculation, the Board began to conduct its own competitive entrance examination for the Administrative Division for which youths with the Intermediate or School Leaving Certificate, temporary employees, and General Division officers in the service were all allowed to sit irrespective of age. In spite of the wide drag-net, taking in every qualified soldier offering from outside, from temporary employees and from the General Division there were 199 vacancies unfilled in 1948. Since then, a vigorous recruitment programme, through examination, and through a scheme of scholarships for boys at school desirous of entering the service - recruitment gap has been steadily narrowed. See V.P.S. 1948 Report, p.8 and 1951 Report, pp.3-4.
the proportion of higher posts in both the Administrative and Professional Divisions.

The rate of promotion has been unusually rapid during the past decade.\textsuperscript{33a} Out of the 25 youths who entered the Administrative Division in 1948 in Class E, all but one (who is in Class C) have been promoted to C\textsubscript{1} in 1957 and four of them have been further promoted to C\textsubscript{2} in 1958. The average rate of promotion for the past decade works out at three classes above the base to class C with an average current salary well above £1300 and compares very favourably with the rates of promotion for non-graduate entrants in the Commonwealth service. The promotion rate has been more rapid in the Professional Division. Out of 11 lads who entered the E class in 1948, five have reached C\textsubscript{2}, four C\textsubscript{1} and only two are in C. Of the seven who entered Class D, two have gone up to B, two to B\textsubscript{1}, one has got to C\textsubscript{2} and only two are still in C. The graduate professionals who entered at class C have all got to B\textsubscript{1} and above.

\textsuperscript{33a} The figures that follow are based on a progression survey of the 1948 recruits (see Appendix F).
Secondly, there is an intense pressure on the Board by permanent heads for the reclassification of their professional officers and "reclassification or else resignation" about sums up the tone of their recommendations which are invariably accepted by the Board. At least one forceful permanent head has been making demands for generous reclassifications in public. Out of 473 promotions in the Professional Division in 1956, 289 were reclassifications whereas out of 522 in the Administrative only 166 were reclassifications. Some of these reclassifications are personal and the post is put back into the lower class, when the reclassified occupant leaves it; but many of the higher classifications are retained for the post.

As a result of continuous reclassifications the percentage of officers in the higher classes (i.e. C and above) has been steadily increasing during the past decade as shown by the following table.

---

34. Eg. (Vic.) 57/5196, 56/3133 and 56/3804.
35. Chairman of the State Rivers and Water Supply Commission.
36. Compiled from V.P.S. Annual Reports.
Table XXXII

Professional Division

<table>
<thead>
<tr>
<th></th>
<th>1948</th>
<th>1953</th>
<th>1958</th>
</tr>
</thead>
<tbody>
<tr>
<td>Officers in Classes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C₁ and above</td>
<td>637</td>
<td>954</td>
<td>1215</td>
</tr>
<tr>
<td>(55.5%)</td>
<td>(60.8%)</td>
<td>(67%)</td>
<td></td>
</tr>
<tr>
<td>Officers in Classes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>E, D &amp; C.</td>
<td>511</td>
<td>614</td>
<td>604</td>
</tr>
<tr>
<td>Total</td>
<td>1148</td>
<td>1568</td>
<td>1819</td>
</tr>
</tbody>
</table>

Administrative Division

<table>
<thead>
<tr>
<th></th>
<th>1948</th>
<th>1953</th>
<th>1958</th>
</tr>
</thead>
<tbody>
<tr>
<td>Officers in Classes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C₁ and above</td>
<td>354</td>
<td>691</td>
<td>888</td>
</tr>
<tr>
<td>(25.8%)</td>
<td>(47%)</td>
<td>(40.5%)</td>
<td></td>
</tr>
<tr>
<td>Officers in Classes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>E, D &amp; C.</td>
<td>1021</td>
<td>781</td>
<td>1307</td>
</tr>
<tr>
<td>Total</td>
<td>1375</td>
<td>1472</td>
<td>2195</td>
</tr>
</tbody>
</table>

N.B: (The higher percentage and the quicker increases in the Professional Division highlight the demand for professionals.)

When compared with the corresponding percentages for some pre-war years, (e.g., 18.1% for the higher classes of the Clerical Division, and 28% for the Professional Division in 1940 and still lower percentages in the inter-war years) we see the effect not only of
economic expansion but of the increasing managerial or administrative content of a more complex public service. It is both a sign of expanding opportunity for talent and potential and a warning to the Board about the increasing importance of providing for the future leadership of the service.

NEW SOUTH WALES.

There was no important change in the Public Service Act and statutory promotion procedures except the provision of an additional avenue of appeals in 1944 in the Crown Employees Appeal Board. The classification of the service has been in this period determined more than ever by agreements with the associations from time to time. 36a

Classification

The Clerical Agreement of January 1945 incorporated the ten year automatic incremental scale of the 1939 agreement, and included a structure of 13 grades

36a. For a list of current agreements see N.S.W.P.S.B. 62nd Report, pp.41-45. Agreements are usually concluded between an employee group and the Board for three years. The last set of agreements were concluded in 1956. They are usually renewed with or without variations at the end of this period, unless the association gives notice of its desire for alterations or termination earlier.
above it.\footnote{37} While the salaries of the scale and the grades were revised by the Board in 1946, 1948 and 1951 following awards by the State Industrial Commission, the grade structure remained unchanged till 1956 except for the abolition of grade XIII in 1951. The 1956 Clerical Agreement added four more grades making 16 grades in all covering the large majority of clerical positions, the salary of the few remaining positions above that limit, being determined by the Board itself.

The grades do not overlap, and form a clear hierarchy of promotion steps. The following table gives a simplified picture of the grade structure in 1945 and 1957 respectively.

\footnote{37. Each agreement is identified by either a short name and date or by a serial number. Copies of these are available for reference in the N.S.W. Board's office.}
### Table XXXIII

#### Annual salary in Australian pounds.

<table>
<thead>
<tr>
<th></th>
<th>1945</th>
<th>1957</th>
</tr>
</thead>
<tbody>
<tr>
<td>I yr</td>
<td>105</td>
<td>398</td>
</tr>
<tr>
<td>II</td>
<td>140</td>
<td>476</td>
</tr>
<tr>
<td>III</td>
<td>175</td>
<td>578</td>
</tr>
<tr>
<td>IV</td>
<td>210</td>
<td>677</td>
</tr>
<tr>
<td>V</td>
<td>277</td>
<td>794</td>
</tr>
</tbody>
</table>

Rn 116 barrier

<table>
<thead>
<tr>
<th></th>
<th>1945</th>
<th>1957</th>
</tr>
</thead>
<tbody>
<tr>
<td>VI</td>
<td>297</td>
<td>854</td>
</tr>
<tr>
<td>VII</td>
<td>316</td>
<td>894</td>
</tr>
<tr>
<td>VIII</td>
<td>337</td>
<td>924</td>
</tr>
<tr>
<td>IX</td>
<td>357</td>
<td>954</td>
</tr>
<tr>
<td>X</td>
<td>367</td>
<td>996</td>
</tr>
</tbody>
</table>

#### Reg.116 examination

<table>
<thead>
<tr>
<th>Grade</th>
<th>Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>387 - 393 - 405</td>
</tr>
<tr>
<td>II</td>
<td>429 - 441 - 453</td>
</tr>
<tr>
<td>III</td>
<td>472 - 491</td>
</tr>
<tr>
<td>IV</td>
<td>512 - 532</td>
</tr>
</tbody>
</table>

#### Reg.119 examination

<table>
<thead>
<tr>
<th>Grade</th>
<th>Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>V</td>
<td>662 - 572</td>
</tr>
<tr>
<td>VI</td>
<td>592 - 612</td>
</tr>
<tr>
<td>VII</td>
<td>637 - 662</td>
</tr>
<tr>
<td>VIII</td>
<td>687 - 712</td>
</tr>
<tr>
<td>IX</td>
<td>737 - 762</td>
</tr>
<tr>
<td>X</td>
<td>787 - 812</td>
</tr>
<tr>
<td>XI</td>
<td>837 - 862</td>
</tr>
<tr>
<td>XII</td>
<td>887 - 912</td>
</tr>
<tr>
<td>XIII</td>
<td>937 - 962</td>
</tr>
</tbody>
</table>

#### Reg.122 examination

<table>
<thead>
<tr>
<th>Grade</th>
<th>Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>V</td>
<td>662 - 572</td>
</tr>
<tr>
<td>VI</td>
<td>592 - 612</td>
</tr>
<tr>
<td>VII</td>
<td>637 - 662</td>
</tr>
<tr>
<td>VIII</td>
<td>687 - 712</td>
</tr>
<tr>
<td>IX</td>
<td>737 - 762</td>
</tr>
<tr>
<td>X</td>
<td>787 - 812</td>
</tr>
<tr>
<td>XI</td>
<td>837 - 862</td>
</tr>
<tr>
<td>XII</td>
<td>887 - 912</td>
</tr>
<tr>
<td>XIII</td>
<td>937 - 962</td>
</tr>
</tbody>
</table>

**Note** - Entrance salary varies depending on whether the entrant has passed intermediate or the school-leaving. On passing Regulation 116 examination progression up to the 10th year is automatic. After the tenth year, promotion to the grades is dependent on the occurrence of a vacancy and
conditional on passing Reg.119 examination. Promotion above Grade IV is similarly dependent on a vacancy and a pass in or exemption from the Higher Grades (Reg.122) examination.

The salaries are rounded off to the nearest pound. The first sum in each grade is the minimum and the succeeding amounts denote the next step with an increment. Salaries are subject to quarterly cost of living adjustments.

A grading committee consisting of the representatives of the Board and the Association recommends the grading and regrading of all positions up to Grade XII, and can make representations about the inclusion of positions in Grades XIII to XVI.

In the Professional Division, different classes of officers are governed by different periodical agreements which differ as regards automatic ranges, grades and conditions of progression from one class to another and for the same class between successive agreements. The country-wide demand for professionals makes it necessary to adjust salaries and conditions of progression quickly to the changing picture of demand and the relative weight of various professional groups, and the Board feels that a single set of professional grades in such circumstances would
be "unrealistic". 38

All these professional agreements include (a) an automatic incremental range for entrants, (b) a hierarchy of grades above that, (c) conditions of accelerated progression for exceptional officers through the automatic range and the grades and (d) conditions of promotion from grade to grade. For example, the latest Veterinary Officers' agreement (No. 700 of 1958) has a General incremental scale of 14 years as follows; £A1170 - 1205 - 1250 - 1295 - 1410 - 1460 - 1510 - 1560 - 1610 - 1660 - 1710 - 1760 - 1810 - 1860. But on the basis of reviews on stated occasions by the permanent head an officer may be recommended for accelerated progression at various stages so that a bright officer can reach the top of the scale in seven years and then can be promoted to Grade I with an annual salary of £A1940.

38. This writer suggested to the Chairman of the N.S.W. P.S.B., Mr. Wallace Wurth, that a single set of professional grades or classes as in Victoria may be a simple solution and that changing demand and values could be adjusted by changing the starting grade, merging grades and frequent regradings. He dismissed this as "unrealistic".
The Legal Officers' agreement (No. 708 of 1958) follows a somewhat different pattern providing a fifteen year incremental general scale and six grades above that as follows:

£480 - 582 - 682 - 803 - 913 - 1020 - 1045 - 1070 --

efficiency bar -- 1100 - 1135 - 1170 - 1205 - 1250 - 1295.

Grade I £1410 - 1460 - 1510 - 1560 - 1616 - 1660.

Grade II £1710 - 1760 - 1810 - 1860.

Grade III £1950 - 2000 - 2050.

Grade IV £2150 - 2215.

Grade V £2310 - 2375.

Grade VI £2470 - 2535.

Progression in the general scale beyond £1070 is conditional on the permanent head's recommendation on the special ability of the officer and the nature of his work. Progression from the maximum of the general scale to Grade I is conditional on a degree in law or admission as solicitor or barrister, while graduate entrants are placed straight on the tenth year of the general scale and can progress normally to the maximum of Grade I. After twelve months at the maximum of Grades I and II an officer can be promoted to the next
higher grade by the Board on the certificate of the permanent head that such advanced work is available and the officer suitable, but promotions to still higher grades are subject to the occurrence of a vacancy.

In other Professional officers' agreements such as those of Agronomists and Fruit officers or of Analysts and Bacteriologists, promotion in the grades just above the general scale is dependent on certificates relating to original research, or to the officer's contribution to stimulating production or to some other professional criteria. In all agreements, the grades above the general scale while somewhat narrow do not overlap.

Enough has been said to show the variety of professional officers' agreements and their comprehensiveness in covering conditions of promotion, so much so as to make the Act and Regulations appear irrelevant. Indeed, they look like the Guild Socialist's or Syndicalist's dream come true.

Procedures of promotion

There has been no important change in the Public Service Act or Regulations as
regards procedure but over the last decade
Inspectorial control has been improved and perfected
under a strong Chairman. Besides functional
Inspectors at the Board's office an ample team of
Inspectors called Departmental Inspectors is in
continuous contact with the departments, each
Inspector being assigned one or more related
departments. A recommendation for a promotion in a
department is checked and agreed to by the Inspector
even before it goes on paper after which it goes to the
Board with his comments and report for final approval.
The active Inspectorial participation in, and control
of, promotions at all stages distinguishes New South
Wales from Victoria and the Commonwealth.

If the recommended officer is not the senior
in the "department", the recommendation to any post up
to an annual salary of £1000 must be reported upon by a
promotion committee constituted according to section
49A of the Act.39 In practice, however, the Board and

the Public Service Association have agreed\textsuperscript{40} to waive this requirement in all those cases where the senior officer is expressly not interested or not immediately available or obviously not qualified according to the Regulations or relevant Agreement and delays have been thus substantially cut down.\textsuperscript{41}

As soon as a promotion to any position within a maximum annual salary of £1750 is finally approved by the Board, formal notice is served on all senior officers concerned of their right to appeal to the Crown Employees Appeal Board within thirty days,\textsuperscript{42} and if no appeals are lodged within the time limit, the promotion is confirmed. Actually a large number of appeals were

\textsuperscript{40} Based on interview with N.S.W.P.S.B. Chairman.
\textsuperscript{41} For example, in 1956, out of 93 cases (some cases involving more than one promotion, one of them involving 25) in which promotion committee action was statutorily called for, it was waived in 65 cases on these counts. In the 28 cases where committees were formally constituted, 24 of them approved the recommendation on the same counts after a very brief enquiry, only two of them amended the original recommendation in their report. There were two other cases in which the officers' representative disagreed and represented his case before the Board which after further enquiry confirmed the original majority recommendation. These figures are compiled from an analysis of 1956 promotions in the N.S.W.Service. See Appendix I.
\textsuperscript{42} Crown Employees Appeal Board Act, 1944, section 10 (2).
lodged in some past years (about 2000 from 1944-58) though a large majority were withdrawn before hearing. So far only eight appeals have been fully upheld, and seniority was preserved to the appellant in twenty other cases. In 1956, three promotion cases were heard by the Appeal Board, of which one was dismissed, the second partially upheld preserving the appellant's seniority and a third decided in favour of the appellant. This additional appeal avenue has led to considerable delays in promotion, of thirty days for appeals to be lodged and much longer when they await hearing for months.

A non-recommended senior officer can under section 19 of the Public Service Act, appeal to the Public Service Board who generally interview the officer and make other enquiries. There have been a higher proportion of successful cases of appeal before

43. The C.E.A. Board's reports include many cases of discipline and cases from many government instrumentalities and no significant figures can be extracted from them. The figures given here were supplied by the N.S.W.P.S.B. and are approximate.

44. Some cases have dragged on for over a year.

45. Under s.10.(4) of the Crown Employees Appeal Board Act, 1944, an officer may appeal either to the C.E.A. Board or to the Public Service Board but not to both.
them than before the Crown Employees' Appeal Board.  

---

**Table XXXIV**

46. The following table of appeals to the Board in New South Wales is compiled from their Annual Reports.

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Appeals</th>
<th>Number of Successful appeals</th>
</tr>
</thead>
<tbody>
<tr>
<td>1952-3</td>
<td>25</td>
<td>5 + (1)</td>
</tr>
<tr>
<td>1953-4</td>
<td>27</td>
<td>--</td>
</tr>
<tr>
<td>1954-5</td>
<td>39</td>
<td>10 + (4)</td>
</tr>
<tr>
<td>1955-6</td>
<td>43</td>
<td>10 + (4)</td>
</tr>
<tr>
<td>1956-7</td>
<td>99</td>
<td>36 + (2)</td>
</tr>
<tr>
<td>1957-8</td>
<td>49</td>
<td>20 + (5)</td>
</tr>
</tbody>
</table>

(The figures within brackets are of appeals partly allowed.)
The following table of promotions within all departments of the New South Wales service in 1956 reveals some interesting trends.\(^\text{47}\)

Promotions in 1956 in all Divisions

<table>
<thead>
<tr>
<th>Department</th>
<th>Higher Grades</th>
<th>Other than Higher Grades</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premier's</td>
<td>9</td>
<td>11</td>
</tr>
<tr>
<td>Chief Secretary</td>
<td>Nil</td>
<td>3</td>
</tr>
<tr>
<td>Public Health</td>
<td>7</td>
<td>66</td>
</tr>
<tr>
<td>Hospitals Commission</td>
<td>Nil</td>
<td>4 (2)</td>
</tr>
<tr>
<td>Treasury</td>
<td>9 (1)</td>
<td>126 (10)</td>
</tr>
<tr>
<td>Transport</td>
<td>Nil</td>
<td>1</td>
</tr>
<tr>
<td>Attorney General and Justice</td>
<td>56 (1)</td>
<td>77 (1)</td>
</tr>
<tr>
<td>Lands</td>
<td>22 (1)</td>
<td>18 (1)</td>
</tr>
<tr>
<td>Public Works</td>
<td>63 (1)</td>
<td>82 (1)</td>
</tr>
<tr>
<td>Local Government</td>
<td>4 (2)</td>
<td>8</td>
</tr>
<tr>
<td>Electricity</td>
<td>Nil</td>
<td>1</td>
</tr>
<tr>
<td>Ministry of Housing</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Housing Commission</td>
<td>4</td>
<td>14 (2)</td>
</tr>
<tr>
<td>Public Instruction</td>
<td>25</td>
<td>24 (1)</td>
</tr>
<tr>
<td>Technical</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td>3</td>
<td>9 (1)</td>
</tr>
<tr>
<td>Child Welfare and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Welfare</td>
<td>4</td>
<td>12 (1)</td>
</tr>
<tr>
<td>Labour and Industry</td>
<td>8</td>
<td>16 (2)</td>
</tr>
<tr>
<td>Mines</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Agriculture</td>
<td>61</td>
<td>45 (1)</td>
</tr>
<tr>
<td>Conservation</td>
<td>3</td>
<td>8</td>
</tr>
<tr>
<td><strong>Totals.</strong></td>
<td><strong>282 (6)</strong></td>
<td><strong>52(^*)</strong></td>
</tr>
</tbody>
</table>

The figures within brackets are the number of promotion Committees constituted. The starred figure denotes promotions according to conditions in an agreement.

\(^{47}\) Compiled from a survey of all the 1956 promotion files in N.S.W. Public Service. See Appendix I.
The bulk of the non-higher promotions is in the Treasury, Attorney-General's, and Public Health; the first two are composite departments having many big branches like the State Lotteries, Public Trust Office, Registrar-General's, etc.; Public Health also contains many branches like Mental Hygiene and various Hospitals.

The bulk of Higher Grade promotions is in the three departments of Attorney-General, Agriculture and Public Works containing a majority of professionals. Half the promotions in the Department of Agriculture are agreement promotions not necessarily arising out of a vacancy. The proportion of Higher Grade promotions is more than a third of the total, showing their increasing importance.

When there is no officer within the department qualified for a vacant post or when the department wants to select from a wider field, the vacancies are circularised throughout the service in the Gazette. The Board encourages movement of "qualified" officers from areas of lesser opportunity to new departments with
greater promotion opportunity. Suitable applicants are interviewed and recommended by a standing Selection Committee constituted by the Board. There is as a result a significant inter-departmental movement as shown by the attached table.

### Promotions recommended by the Selection Committee in 1956.

<table>
<thead>
<tr>
<th>In the same dept.</th>
<th>Inter-departmental</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher Grades</td>
<td>1</td>
</tr>
<tr>
<td>Lower Grades</td>
<td>13</td>
</tr>
<tr>
<td>Higher Grades</td>
<td>4</td>
</tr>
<tr>
<td>Professional other grades and General</td>
<td>38</td>
</tr>
<tr>
<td>Total</td>
<td>58</td>
</tr>
<tr>
<td>Grand Total</td>
<td>203</td>
</tr>
</tbody>
</table>

49. Compiled from the bound volumes of N.S.W. Selection Committee Reports in the N.S.W.P.S.B. Office.
Criteria of Promotion

According to Section 49 of the Public Service Act since 1929, in all promotions in the service regard must be had to the relative seniority and fitness respectively, of officers, but in all cases "seniority shall be subordinated to considerations of special fitness"; fitness being defined as "special qualifications and aptitude for the discharge of the duties of the office to be filled". This section has been interpreted by the Crown Employees Appeal Board to mean that while "special fitness" absolutely overrides seniority, "fitness" by itself and seniority are "twin considerations to be weighed against each other", the latter not to be "lightly outweighed". How are the two criteria interpreted by promoting authorities in practice?

Seniority in New South Wales is as before based on salary, the officer drawing the higher salary being the senior, and in case of equality, the officer who has drawn it for a longer time, but in any case, the

50. Infra, p.460.
Board can determine the seniority of an officer in an equitable manner. An officer promoted on fitness normally gains seniority. Secondly, seniority is restricted to small sections of Ministerial departments called "departments" for this purpose of which there are more than two hundred and fifty, some of them including barely a dozen officers.  

There is no further official elaboration of the definition of fitness in the Act. Its practical content is determined, first by the explicit and implicit terms in which the Board, its departmental Inspectors and the departmental officers interpret it and secondly to a lesser extent by the case law built up on the subject by the Crown Employees Appeal Board decisions.

The present Chairman of the Board and his team of departmental Inspectors are a compact closely knit

51. N.S.W.P.S.Regulations, 1956, see regs. 49 and 50 for definition of seniority, regs. 51-55 on constitution and procedure of promotion committees and reg. 56 for the list of "departments". Seniority was related to these small departments by the Board in 1929, to avoid the interminable appeals from bigger seniority lists. Incidentally this sectional seniority is more closely related to experience.
family and their concept of fitness is passed on to departments through the latter. We will study this concept (a) through the expressed preferences of Inspectors and departmental heads and (b) through an examination of some promotion files.

An analysis of a sample of recent promotion files reveals the different qualities that are looked for in the more routine lower grades and the supervisory posts at higher levels. The moderate requirements for a grade II promotion (with many available vacancies) are evident in the recommendation: "B's conduct, punctuality and manner in which he performs his duties are most satisfactory and in view of this and the nature of the work carried out ... etc.". In the case of a supervisory position for which an officer was preferred to 27 seniors, a comparative service history and experience were produced to show that "G's maturity, qualification, and general experience together are not equalled by any of these officers and no injustice will therefore be done to them".

52. This personal factor is important to the understanding of the New South Wales system. Any keen observer can note the way Mr. Wurth (the Chairman) has welded his staff into a devoted team.

53. Chosen from the promotion files of 1956 and 1957.
In another such promotion short shrift was given to some seniors for a position requiring organizing ability and supervisory capacity with such phrases as: "He does not however possess a sufficiently forceful or dynamic approach to handle difficult situations involving supervision of ... officers", or "There is no evidence to suggest that he could cope with a position requiring outstanding organizing ability, forthrightness, exceptional initiative and a capacity to make quick but accurate decisions". An officer of experience and ability was usually characterised as having "special fitness" so as to override seniority.

An analysis of the preferences expressed by 27 departmental officers and Inspectors (in reply to a questionnaire) as tabulated on the next page throws some light on their concept of fitness.
<table>
<thead>
<tr>
<th>Determinant</th>
<th>I</th>
<th>II</th>
<th>III</th>
<th>IV</th>
<th>V</th>
<th>VI</th>
<th>VII</th>
<th>VIII</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Oral opinion of his immediate superior officer</td>
<td>1</td>
<td>2</td>
<td>8</td>
<td>4</td>
<td>5</td>
<td>2</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>(b) Written opinion of his immediate superior officer</td>
<td>1</td>
<td>0</td>
<td>5</td>
<td>7</td>
<td>6</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>(c) Acting experience in the vacant position or a similar position</td>
<td>4</td>
<td>7</td>
<td>3</td>
<td>5</td>
<td>2</td>
<td>4</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>(d) An examination qualification relevant to the duties of the position</td>
<td>3</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>6</td>
<td>6</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>(e) A general examination qualification not immediately relevant to the duties of the position</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>4</td>
<td>8</td>
<td>12</td>
</tr>
<tr>
<td>(f) An Honours degree in subjects not immediately relevant to the duties of the position</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>3</td>
<td>4</td>
<td>12</td>
<td>6</td>
</tr>
<tr>
<td>(g) A series of regular periodical rating reports on the officer by one or more superior officers</td>
<td>10</td>
<td>7</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>(h) The opinion or recommendation of a staff committee in the department</td>
<td>8</td>
<td>5</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>2</td>
</tr>
</tbody>
</table>
N.B. The term determinant means something used in determining efficiency. The full questionnaire is given in Appendix B. The 27 officers represent the majority of the Inspectors and officers of bigger departments concerned with promotions. The columns do not exactly add up to 27 since some officers did not place a number opposite some determinants. An impressionistic method is used in judging the total preferences.

While the first two places go to staff reporting and staff committee recommendations, it is not a reflection of their actual importance as operating determinants. Only one department (the Housing Commission) uses periodical staff reporting; some departments while giving it the first place feel that their small establishments do not need it, while some others who favour it fear staff opposition and lowered morale; and the Boards' Personnel Inspector has his own reservations about the cruelty of ramming home their "averageness" to many officers. Thus in spite of its increasing popularity its introduction may be delayed for long, but it might prove more solidly useful when introduced owing to this more critical and realistic attitude.

The second place for staff committees is more in accordance with facts since ad hoc bodies are used in
some departments and in practice a good departmental Inspector may be said to form an unofficial standing staff committee with departmental officers.

Acting experience which comes third is in practice more important; the officers who gave it the first or second preference seem to be more convinced about it;\(^54\) secondly, an analysis of the career of permanent heads and a sample of senior administrators in 1956\(^55\) showed that many of them had acted successfully in various positions before promotion; and thirdly the career of the clerical recruits of 1948 showed the same pattern for the more successful among them.\(^56\) There are however fewer chances than in the Commonwealth service for gaining acting experience and its use in trying out or grooming a junior of potential is restricted by the strong suspicions of the Crown Employees Appeal Board against promoting an acting junior.\(^57\)

Examinations. In the questionnaire replies analysed

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54. They feel that it is the most reliable indication of fitness and their explanations sound more sincere.
55. See Appendix J. on this survey.
56. See Appendix H. on this survey.
in the previous section a relevant examination qualification comes fourth while a general pass and honours degree get the last two places. This may be because Inspectors and Officers believe that the fitness of a graduate will show up in his work for, in both State services we study there is no direct recruitment of general graduates and there is less chance to look at a home-grown graduate's degree apart from his office work. Secondly, the high regard for a professional degree relevant to one's work is probably more natural in the State services, wherein many departments still carry on "development" work in the 19th century sense and the Professional Division is proportionately larger than in the Commonwealth service.

In practice, the grade tests and the Higher Grades examination play an important part in the Clerical Division in restricting the field of selection

58. Eg. The departments of Forestry, Agriculture, Mines and Conservation.

59. In the New South Wales service in June 1958 the Professional Division was 3199 strong against 8545 in the Clerical Division; in the Victorian service it was 1819 against 2195 in the Administrative Division; but in the Commonwealth service the professional group was only 4413 in the Third Division with more than 29,000 officers in June 1957.
for promotion. While most clerical officers pass grade test 116 sooner or later, a much smaller proportion of those at the maximum of the automatic range pass the 119 test.⁶⁰ A still smaller proportion pass the Higher Grades examination though the successful candidates have to wait long for vacancies at this level.⁶¹

We have earlier described the conversion of the Higher Grades examination from a departmental to a more general examination, and the Public Service Association's opposition to the change.⁶² The Board stuck to the new principle and made the examination even more general in 1951 with a wider reading list in Political Science, Public Administration, and Social history of England and Australia.⁶³ The Board keeps the standard of the examination at about the first year University level and helps officers with classes and postal tuition.

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⁶⁰ Eg. In 1956 only 130 passed the test completely out of more than a thousand reaching the maximum of the automatic scale that year.⁶¹ In 1955, 33 completed the Higher Grades examination but only 15 of these have been promoted to Higher Grades by the end of 1958.⁶² Supra, pp. 283-85.⁶³ N.S.W.P.S. Regulations, 1956, Reg. 122.
The Higher Grades examination has probably not produced the honours class of administrators aimed at originally but promotion examinations have definitely helped the Board to maintain minimum standards of general and departmental knowledge, narrowed the field of selection, held back the triumph of mere seniority, and compelled each Department to take in qualified officers from another department, when they had no officers who had passed the tests.

Promotion among professional groups is governed much more by the tests and examinations prescribed in the Agreements and Regulations. For such groups as legal clerks and cadet draftsmen admitted without a professional examination at the base there is a test halfway through the incremental range to qualify for further progression, and promotion beyond the range is conditional on attaining "graduate status" in the profession. Promotion above graduate level in many groups is clearly based on professional competence as shown on the next page.
Professional Group

Agronomists, Fruit officers, and Livestock officers, Department of Agriculture (Agreement, July 1955).

Condition of promotion in the respective agreement.

From Gd II-III. 12 months service at the maximum of Gd II and the Certificate of the permanent head that the officer has "engaged in a definite line of original research" or is in charge of a district and the permanent head certifies "demonstrated ability to organize and stimulate approved production methods or engaged in such work".

Promotion from Gd III to senior Agronomist - 3 years service at maximum Grade III and the Board being satisfied that he "is responsible for all work carried out in his individual field of original research and is recognised as an authority therein" or "has shown exceptional initiative in the performance of the duties in regard to the adoption of improved techniques or in the furtherance of agricultural development."

Analysts, Bacteriologists, Biometricians etc. (Agreement June 1954).

From Gd II-III. Three years service on the maximum of Gd II and permanent heads certificate that he "is responsible for all work in his field and is a recognised authority in it".
The case law of the Crown Employees Appeal Board. While the Crown Employees Appeal Board is not statutorily bound by legal precedents and successive judges have in fact differed somewhat in their attitudes, their decisions have generally built up a consistent case law on the criteria of promotion. We have already noted that their basic thesis is that while 'special fitness' absolutely overrides seniority fitness as such has to be weighed against seniority, which is not to be 'lightly outweighed'. On the other hand the Appeal Board has also accepted that mere seniority does not confer a claim to promotion while lack of 'fitness' automatically rules out consideration. Elsewhere they have held that the Appeal Board has no jurisdiction when a senior officer lacks the necessary qualifications. They have recognised the validity of agreements prescribing qualifications for promotion and even in other cases, where a qualification was not statutorily prescribed, they have nevertheless refused to interfere with the power of appointing authorities to demand

64. C.E.A.B. Act, 1944, s.12(3). The following summary of the Appeal Board's case law is a layman's summary of its concept of the criteria of promotion. It does not lay any pretensions to legal precision.
specific qualifications for specific jobs. 71.

Though the Court has "never sought to lay down any exhaustive definition or any detailed criteria for determining special fitness", 72 they have indicated the constituent factors in various decisions. Evidence from the department by way of opinion as to an officer's special fitness, while not decisive "cannot be disregarded" 73 and was accepted after cross-examination, and the opinion of selection committees was given great importance. 74 Professional qualification related to the duties of the vacant position were often accepted as decisive. 75 "Mere familiarity with the duties of a position" was not special fitness 76 but long and varied experience in a particular branch or department was held to prove "superior fitness" in some cases. 77 Acting experience according to the Court could not confer a claim to special fitness and since promotion on an acting basis is not appealable (under the law) the Court have been

doubly careful in such cases against being presented with a fait accompli; they have tried to compare fitness before the acting period, or else look for some other factors, accepting the acquisition of special qualifications during an acting period as special fitness.\textsuperscript{78} They have held that "regard must be had to the potential capacity of appointees thereto to fill higher positions" in special grades, which were reservoirs of future promotees;\textsuperscript{79} and have accepted success in the Higher Grades examination as special fitness even in lower grade positions since such a promotee was further promotable.\textsuperscript{80} In many cases where special fitness was not proved, the Court have generally held that a very high degree of fitness, i.e. superior fitness, could outweigh seniority.\textsuperscript{81}

The Court has accepted the concept of seniority as relevant only to "departments" or small sections of ministerial departments,\textsuperscript{82} and have preserved the seniority of appellants where they were well qualified to perform the duties of the position

\textsuperscript{82.} Op. cit. 2.
but were not available or when the "fitness" of the promotee did not completely outweigh the appellant's seniority. 83.

In a recent case the Court have held that an officer who did not apply when a post was advertised could not later appeal against another's promotion to it. 84 They are progressively inclined to cast "the onus of making a case for their intervention" on the appellant. 85

While the general trend of this case law is known to promoting and recommending authorities who have hastened to claim special fitness all too often and tried to widen its content, it is doubtful whether they are thoroughly versed in the legal niceties of its interpretation. The main effect of the Court on them has not been through its decisions and case law but through the "terror" of its open formal procedures. 85a

85a. When I began attending the Court's sessions in 1958, they had already become decorous and smooth. I was assured that they were more "lively" in the earlier years. I was also told of one departmental head who had a stroke the day before he was to be cross-examined. I personally know the Board's Personnel Inspector who was smarting under a cross-examination for over a year.
The Chairman of the Public Service Board has missed no occasion to decry the effect of junior officers and criminal lawyers cross-examining permanent heads on administrative decisions in open court, and has complained often about his hard task in keeping up their spirits against the temptation to promote the senior. Fortunately, the appeals are getting fewer, the Court itself is less suspicious of the Public Service Board and senior officers are getting used to it.

**Fitness versus seniority.**

The Public Service Board has claimed in recent reports that seniority is disregarded in the majority of promotions; for example in 1957-58, 645 out of 1013 (64%) promotions were not in accordance with seniority; in 1956-57, it was 432 out of 843 promotions (51%); in 1955-56 it was 543 out of 919 (59%) and in 1954-55 it was 719 out of 1270 (57%). It is statutorily easier to disregard seniority in New South Wales because of its restriction to small sections, and the examination requirements for promotion imposed

86. This writer has heard him explode on the subject thrice. The Board have complained year after year in their Annual Reports against the Court's delays and interference in administrative matters and jibed that they could soon take over the administration. See N.S.W.P.S.B. 58th Report, pp.35-36, 59th Report, pp.43-45 and 60th Report, pp.39-40.
by Regulations or Agreements. By the mere working of probability, the number of "qualified" seniors available in a small section never exactly matches promotion opportunities therein and some senior officers not interested in a particular promotion waive their chances with or without preserving their seniority. The number of cases in which the Inspectors and departments are compelled to choose between two or more "statutorily qualified" officers is appreciably smaller than the number of promotions in which the senior is superseded. When the choice looks pretty close, the senior is favoured partly because of looming visions of the Crown Employees Appeal Board. While the writer has no wish to detract from the value of the figures or the vigorous personnel policy followed by the present Board, these observations are made to set the numerical picture in perspective.

The expanding economy

Full employment and service expansion in the post-war years have created problems in recruitment and sent up the rate of promotion. For

87. The Board could not get enough youth recruits from the Intermediate or School-Leaving examination and was forced to conduct a modified entrance examination for which returned soldiers outside the service, General Division officers and lads temporarily employed in the service could sit. More than half the clerks have been recruited by this method over the last ten years.
example, out of 31 lads recruited to the Clerical Division in 1948 (between 16 and 18) only six were still in the automatic incremental range and two in Grade I; the majority of sixteen had reached the maximum of Grade II, six had reached Grade III and one had even reached IV. 88 Of 29 recruits through the modified entrance examination in 1948 (under 30 years of age) only three were in the incremental range in 1958; eight had reached the maximum of Grade I, another eight that of Grade II, nine had reached the maximum of III, and an exceptional one had rocketed to Grade IX. The rate of promotion thus averages to nearly Grade II for these two groups, and the normal available recruit could expect to progress nearly up to the maximum of Grade II, i.e. £A1181 in ten years - and compare not unfavourably with his counterpart in the Commonwealth.

Another feature of economic expansion is the increase in the number of higher positions. The salaries of corresponding grades in the Clerical Agreement of 1957 are nearly three times those in the 1945 agreement. The increase in salaries as well as

88. From my analysis of the career of 1948 recruits. See Appendix H.
privileges has been much larger on the professional side; promotion in the first few grades does not depend on a vacancy and there are upgradings of many positions following each professional agreement. The net result has been to increase the proportion of higher grade positions in the Clerical and to a greater extent in the Professional Division; the managerial or senior administrative content of the service has thus increased as in Victoria and the Commonwealth.

Comparisons

All the three services we have studied have some features in common during the current period. (a) The staff shortages characteristic of a period of full employment have forced all of them to adopt make-shift recruitment devices and lower or more "realistic" standards of entrance; (b) Promotion in all of them has been quite rapid and the State services do not compare unfavourably with the Commonwealth service in that respect; (c) There has been a steady increase in the proportion of higher positions or the higher administrative content of all the three services; (d) This increase is more pronounced in the case of
professionals in all the three services. The State services who need them more have offered them such inducements as reclassifications and more favourable agreements; (e) There is apparently more staff satisfaction than before - partly due to the appeal systems and partly due to expanding opportunities. The more generous appeal systems have also made for great delays in promotions.

On the other hand, there are some differences too. (a) Both the State services have solved their classification problems better than the Commonwealth service. The Victorian system of nine classes with the Public Service Board itself revising salaries quickly without legal paraphernalia, is the best from the point of view of good administration and simplicity as well as employee satisfaction, quickness and cheapness. The New South Wales system of agreements with different professional groups makes for a more complicated pattern but is still quick, smooth and inexpensive. The Commonwealth system combines the clumsiness of too many over-lapping scales, with the expenses, delays and irritations of arbitration. (b) The "general"
graduates are less in evidence in the State services which have not made provision for their direct recruitment but the professionals are more numerous, mainly because of the "developmental" activities of State Governments. How far this has affected the philosophy and attitudes of the State Governments it is difficult to guess. But the concepts of efficiency in all the three services are in the melting pot. One hears more of potential and new standards in the Commonwealth service, but owing to great differences between departments in this respect there is no unified picture. On the other hand there is more central direction in personnel policy in the New South Wales service though their stress on potential, training and development finds no support in the Act and has to take note of the Crown Employees Appeal Board. Victoria is apparently much more conservative.

In the next two chapters, we shall take stock of the historical development of promotion in relation to Australian society and economy and evaluate current practices in the light of principles of administration and practices elsewhere.
CHAPTER XIII

INFLUENCES THAT SHAPED AUSTRALIAN PROMOTION PRACTICES

An important task of the historian of promotion in Australian public services is to consider the development of promotion policy and practice - which differs in many respects from that of the old world - in terms of social and economic forces. It is necessary to take this background into account before we can venture to evaluate current Australian practice in the light of conventional principles of public administration.

Public service legislation in the Colonies of Victoria and New South Wales during the second half of the last century took on the color of prevalent Australian myths and was shaped by the current social beliefs of the time. The pattern then set up lived on long after some of the conditions which shaped it had been modified or had even disappeared.

A significant fact about Australian bureaucracy was its evolution under circumstances totally different from those which attended the birth of its
European predecessors. The French, Prussian and Russian bureaucracies of the 18th century were fashioned by absolute monarchs as weapons to despatch the vestiges of feudalism and secure efficient control over their dominions.\(^1\) This period was preceded by centuries during which princes slowly superseded the authority of the Church and assumed a right to much of the traditional reverence it had commanded. Those centuries also saw the growth of Bodin's theory of sovereignty. The eighteenth century itself was a period of the power rivalries of these absolute monarchies and the organization of the army on post-feudal if not modern lines. In Prussia, the army and the bureaucracy were organized on parallel lines, while the imitative Peter the Great went a step further by organizing his bureaucracy, army and nobility in eighteen military ranks.\(^2\) There was a race for imitative efficiency in all these monarchies that reinforced authoritarian tendencies.

These historical antecedents conferred on European bureaucracy certain characteristics which

1. This paragraph is based mainly upon Ernest Barker, *The Development of Public Services in Western Europe (1660-1930)*, 1945, chapter I.
later came to be regarded as the central principles of bureaucracy. The importance attached to hierarchy, command and obedience derives from this source. Many other assumptions inherent in absolute monarchy, absolute sovereignty and military control had their by-products in bureaucracy. Some of them such as the special right of the state as employer survived in full vigour in democratic successor regimes. 3

The conditions which shaped European bureaucracy were not influential to the same extent in Britain and so the British civil services developed along somewhat different lines. 4 But they were altogether absent in Australia, that "last sea thing, dredged by Sailor Time". The early Colonial Governors were strong but they had no chance to bloom into Australian Louis and Peters and the early grant of responsible government put an end to the degree of autocracy they enjoyed. In the crucial second half of the last century, the background against which Australian public services developed was quite different.

3. Eg. The Crown's prerogative in Britain and the claim to special rights as an employer by the Third Republic in France.
4. Ernest Barker, The Development of Public Services in Western Europe, 1660-1930, chapter I.
The first important component of this background was the evolution of an egalitarian attitude.\textsuperscript{5} The egalitarian myth was glorified in story and song by Lawson and "Collins", editorially expounded by \textit{The Age} and \textit{The Bulletin} and noticed by Trollope about the last quarter of the nineteenth century. But recent research has pushed its origins much farther back.\textsuperscript{6} The egalitarian "ethos" was a definite social factor when the public services were organized in the fifties and sixties. It had made it difficult to establish a hierarchical structure of society and it made it difficult to carry the hierarchical idea too far even in bureaucracy. On the contrary, the rights of the meanest person assumed importance and so did those of the lowliest public servants.

The "development" of the country was the second important component of the Australian background.\textsuperscript{7} The primary task of the settlers on an

\begin{flushright}
5. For a brief general description of Australian attitudes, see R.M. Crawford, \textit{Australia}, chapter VIII and A.G.L. Shaw, \textit{The Story of Australia}, chapter X.
7. See 5 above. See also Brian Fitzpatrick, \textit{The Australian people 1788-1945}, pp. 59-61
\end{flushright}
empty continent was to develop its resources quickly. But the resources were neither so easily accessible nor so plentiful as to be capable of development by individual initiative or private enterprise without massive government help. Indeed the Government had to initiate and participate in development right from the beginning, thus giving Australian institutions including the public services a background very different from the American.

As a by-product of the urgency of development a rugged pragmatism characterised politics as well as administration. Tomorrow was more important than a distant future in such a situation; the man with a practical view was more valuable than the academic planner or policy maker; and all questions could be discussed without quoting Burke or Bible, divested of historical accretions and judged on their immediate merits. The typical Australian public servant, bred through hard experience on the basis of minimum schooling, becomes intelligible, nay inevitable against this background. His rights and grievances had to be settled on their immediate merits without the help of
European theories.

The beneficiaries of the state's developmental activities were not unduly obsessed with gratitude; indeed they were slow to thank and quick to complain and even quicker to ask for more. The general attitude to the state was not one of reverence. As a corollary the Australian public servant did not enjoy any special status or prestige as his counterparts in the old world did. This, probably, was one of the reasons which drove him to seek compensation in association activity, to fight for various rights inside the service and generally to "get even with the boss". This psychological drive might have been even more important than the cogent reasons put forward in demanding various appeal rights, but by its nature, its influence is difficult to estimate.

Another by-product of "development" in the seventies and eighties was the budding of a "business


9. I have discussed this in some detail on the basis of behavioural science in a paper entitled "Two bureaucratic compensations - patterns" yet to be published.
myth" which flowered and fruited in the nineties and the early decades of this century. The later phases of nineteenth century development coincided with the eclipse of the pastoralists and the slow rise of a commercial and industrial class in politics.¹⁰ The key political issues were protection and free trade. Many political leaders, members of Parliament and Ministers belonged to this new class. It was not surprising that the idea of business-like government found favour with them. They were more receptive to the application of business criteria to government. Unlike their counterparts in the old world who absorbed aristocratic traditions by marrying into aristocratic circles and aping aristocratic manners, the commercial class was wedded to its own standards and remained largely "unspoilt". The development programme of the government embracing roads and railways, which was elsewhere the province of private enterprise, invited judgment by business standards. Indeed all the conditions were favourable to the application of business criteria in government. But all their

implications were not fully realised in the seventies and eighties of the last century.

Another factor in Australian public service development was that Australian settlement followed close on the heels of civil service reform in Britain. The poor colonials had little chance of making their own mistakes as the Americans did a few decades earlier. No system of "ins" and "outs" was developed and revulsion against Ministerial patronage in appointments and promotions very soon led to the passing of Public Service Acts to put an end to it. We have traced in the first chapter the various phases of public service reform in detail.

The Public Service Acts were indeed strongly influenced by factors we have described earlier such as the absence of the European bureaucratic tradition, the egalitarian ethos and the rugged pragmatism resulting from the urgency of development. Let us briefly recapitulate their philosophy of promotion.

The pattern of these Acts was to safeguard the
members and Ministers from officers' complaints, by safeguarding the officers themselves against arbitrary dismissal without statutory enquiry; against the favouritism of departmental officers in promotion by giving equal value to definite seniority and elusive efficiency and through a further right of appeal to the Board; against competition from outside of Ministerial favourites for promotion by restrictive provisions against outside recruitment; and lastly against any tampering with these guarantees by creating a vigilant Board. 11 The Acts and the Board were conceived as much as guardian angels for the officers in the service against 'departmental tyranny' as the watchdogs of the public at large against patronage. No wonder the public service organizations were solidly in favour of this pattern for many years - as shown when the New South Wales Public Service Association stood against excluding permanent heads from Board control in 1902; 12 when many Commonwealth service associations declared for Commissioner control of promotions during the Postal Commission enquiries of 1909; 13 and when recently in

1940 and 1946, Victorian Ministerial interference with Commissioner control for four decades was answered by the long-suffering association in endorsing a strong board. In short, the pattern was one in which by implication, justice to the public servant in promotion through legal guarantees and appeal rights and a deep suspicion of the immediate superior officer and departmental head overrode any positive urgent search for efficiency at the expense of justice and equity. It must be stressed that this pattern was fairly well established before the ideas of economy and business criteria in government became dominant in the eighteen nineties.

The depression with the bank crash of the eighteen nineties was the important factor in the next stage. It gave form and substance, drive and vigour to the comparatively vague "business myth" referred to earlier. The murmur against over-staffing of 1859 which was not taken seriously by the Victorian Civil Service Commission, had in the nineties loomed into a

cry of economy, and a craze for efficiency on business lines. This concept of economy-cum-efficiency lasted well into the thirties of this century when it was modified by Keynesian ideas of economic control. Indeed it was not till the forties that it was definitely eclipsed by the changed context of economic expansion and full employment.

During this long period from the eighteen nineties to the late forties of this century, issue has been joined on the public service stage between economy-cum-efficiency and authority on one side and the demand for various employee rights and privileges presented by public service unions on the other. These two forces have assumed different guises at different times but at all times their clashes and concords have affected profoundly Australian administrative practice and particularly promotion policy. We will illustrate this briefly with a few examples from our earlier pages.

The first Commonwealth Public Service Act was an example of a nice balance between both forces. The advocates of efficiency were eloquent in its praise

15. Supra, pp.7-9 and p.31.
16. See chapter II.
in the Parliamentary debates and section 42 of the Act made efficiency the prime criterion of promotion. But the public service associations got the safeguard they wanted through Hume Cook's amendment providing that every time a junior was promoted the Commissioner had to certify that there was no senior as capable of performing the duties of the position. The inclusion of a vague appeal section was again a victory for the associations though it proved useless later. On the other hand the provision of discretionary increments was a triumph for the spirit of economy. But the answer in the shape of public service arbitration was not long in coming.

The long struggle for promotion appeal rights in the Commonwealth service is another example of the inter-play of considerations of efficiency and authority on one side and those of fairplay and employee satisfaction on the other. Both sides repeated the same arguments ad nauseam for nearly forty years: the Commissioner and later the Board pointed out the delay and dilatoriness of committee hearings and the impossibility of judicially determining efficiency by them; and the

associations stressed the need for fairplay, second review and the removal of discontent among officers. Success came to the public service associations in various stages; an inspectorial appeal enquiry system was established in 1924 and a full Appeal Committee system with employee representation was set up in 1945. In New South Wales promotion committees were provided for in the 1929 Act and a (judicial) Crown Employees Appeal Board was established in 1944. Victory was won when the associations gathered strength through the process of public service arbitration or the man-power shortages of the second world war but it was rarely due to the weight of the stated arguments on either side. Rather was it due to the unstated major premise of Australian public service history, that employee satisfaction through fairplay and an appearance of fairplay was more important than an abstract concept of efficiency. The latter did not have its traditional European allies, namely the compulsion to emulate and outdo an efficient neighbour and the natural compulsion to excellence in the face of shrinking opportunity and
competition. Nor was there a full counterpart of the American puritan New England tradition which flowered into a ruthless cult of efficiency in private enterprise. In a sheltered continent the vague desire for economy could not provide an urgent emotional basis for a cult of efficiency.

A more dramatic and telling example of the struggle between economy and employee claims is the long struggle between classification and public service arbitration. We have explained the emergence of the principle of work value from the craze for economy round the turn of the century and how it found concrete expression in the first Commonwealth classification of 1904. The counter-principle from the other side of employee rights was public service arbitration born in 1911 in the Commonwealth. Its central importance in public service history and its influence on classification and promotion cannot be overstated. In earlier chapters we have dealt with its direct effects on these under Commissioner control in extenso. To sum up, arbitration awards completely overrode the classification of the

Professional Division, and largely that of the General and Clerical Divisions, upset promotion incentives in various sectors and put an end to central control of salaries and classification for all the world to see. It had indirect effects too on the mechanism of promotion. We have shown earlier how obsession with its effects was an important reason which induced McLachlan to recommend the transfer of promotion control from the Commissioner to permanent heads in his Royal Commission report in 1919.  

But its greatest importance in the light of later history lay in the strength it brought to the associations. While there were associations even in the last century which influenced Cabinets and Federal Conventions and which were recognised later by the first Commonwealth Commissioner, arbitration multiplied their strength and membership by providing a statutory forum for the settlement of their complaints as registered associations regarding salaries and working conditions. The obvious benefits flowing from awards and the restriction of such benefits to association members

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20. See chapter V.
either expressly in the award as those of the New South Wales Industrial Commission or by the order of Labour Governments as in the Commonwealth, brought them a continuous accession of strength. The relation between arbitration and association strength was brought out negatively in Victoria where the absence of the former coincided with the weakness of the latter for four decades of stagnation.

The next lap of this struggle was more complicated. Economy got its second wind during the first world war when the Commonwealth, Victoria and New South Wales all appointed businessmen and accountants to feel their economic pulse and created new machinery for enforcing economy and efficiency. However the direct assault of McLachlan on arbitration in the Commonwealth failed.21 The new Public Service Board was again made to feel the heavyweight of arbitration and the impossibility of overriding arbitration awards in 1924 even as four years later the Bruce-Page ministry was forced to learn the heavy political risks of tampering with arbitration outside or inside the service.22 The Board was therefore forced into a piece of determined

21. Ibid.
subterfuge to get round arbitration and effect economies. The classification of the posts in the Commonwealth service into hundreds of narrow overlapping salary scales which resulted, was indeed the curious offspring of the satyr and the mermaid in an impossible embrace. It effected economies in the next decade, but succumbed ultimately in principle to arbitration and threw the promotion process of the service into endless confusion in the post-war period. In Victoria the tussle between arbitration and economy has been avoided by the Board itself having both an employee representative and arbitral powers since 1946. New South Wales escaped the worst effects of the tussle through limitations on arbitration and the extensive use of her agreement machinery.

Some more instances of the tussle between economy-cum-efficiency and employee satisfaction can be culled from our earlier pages. But the foregoing examples suffice to show its central importance and its great influence on administrative methods and the promotion process in Australia. We know that economy
and efficiency were supported by official authority. Who were the allies of employee satisfaction?

The demands for employee satisfaction and fairplay derived strength from two outside sources, namely the general trade union movement and the State and Federal Labour parties. Arbitration forged a strong link between service associations and outside unions, particularly between the tradesmen in the service and outside both of whom depended on the Arbitration Court for their standards. In the election campaign of 1929, service associations and unions alike rose against the Bruce-Page Ministry in defence of arbitration. Though many service associations have not cared to affiliate with outside unions in spite of freedom to do so, the general solidarity of the trade union movement has always been an argument in the background against invasions of staff privilege in the service in the interests of efficiency.

The State and Federal Labour parties have contributed directly and indirectly towards the same end. There has been little direct political interference with

public service under Labour governments but, because of their fundamental beliefs and platform, Labour Ministries extended arbitration and political rights to public servants. Owing to their general sympathies, they were glad to listen to and carry out other demands such as for promotion appeals or for a more independent and powerful public service board with employee representation. The non-Labour parties while not keen to grant such demands themselves, could not alter the status quo once the demands were conceded, for fear of political consequences. These "rights" once established, constituted the "ransom" paid by non-Labour.

We have shown that by and large the tug-of-war between economy and efficiency on one hand, and employee satisfaction and fairplay on the other was a central influence on classification and promotion practices. What shall be the verdict of the historian on it?

It would be mixed indeed. The victories of service associations have secured in the crucial field:

of promotion, rights of negotiation, appeal and independent review, regarding classification, salaries and promotion. These rights were secured earlier than elsewhere, are most extensively used and more strongly entrenched in Australia. On the whole, they have proved compatible with efficiency, notwithstanding prophets of disaster and current critics. That, indeed, is the most significant and refreshing conclusion to this writer, whose unashamed personal preferences would rather suffer minor deviations from a copybook concept of efficiency in order that the personality of the public servant might suffer least from the inhibitions of hierarchy and authority. He is unblushingly glad - that accidents of history, her resources, freedom from ruthless competition, and isolation have enabled Australian public services to put employee satisfaction above most things, naturally and smoothly.

Having said that, he can launch freely against a less desirable effect of the tug-of-war. Economy and efficiency have often been forced into hole and corner methods, against the strength of service associations.
To start with, the concept of economy in post-pastoral Australian society was a crude one of pinching pennies and balancing budgets. This immature concept, faced early with the power of arbitration, was completely bogged down and forced service authorities to devise such undignified ways of escape as the impossible classification of 1924-8 in the Commonwealth service.  

Secondly the authorities got into the habit of saying "No" when they could and "Yes" when they must, as for example when faced by the demand for promotion appeal committees in the Commonwealth. This robbed them of initiative and inventiveness, forced them to adopt hole and corner tactics and confined them to a policy of drift. Some tragic examples of this can be given.

Mere habit and suspicion have played a part when the authorities looked askance at such demands as for permission to look into the adverse side of his report by an officer or the demand to advertise all or more vacancies or even the demand to establish a research section. In the early forties an

27. Commissioner Thorpe was lukewarm when it was demanded by the Clerical Association in 1945.
administrative decision such as the appointment of the full complement of Commissioners to the Commonwealth Public Service Board was avoided for fear of getting an association nominee on the Board.  

There is a dull apathy in departments and the Board, militating against trying out a new technique merely because of anticipated association hostility. One example of this is the slowness of some departments to start talking about rating, because a Labour member of Parliament challenged secret reports in a different connection. A more tragic example is the recent tale of negotiations between the Board and the associations on a simpler classification where both sides sparred and neither side really came to the point.

The tendencies in the post-war Commonwealth service are too chaotic and vague to be characterized in any general terms. There is still mutual suspicion between the associations and the authorities but the Joint Council containing the representatives of both has worked fairly well; associations have realized

28. Based on interview with F.G. Thorpe, retired Commissioner.
29. Mr. Ward raised the question of "secret reports" in the Department of Labour and National Service in 1953, when retrenchment was feared. Some departments cite it even now as an excuse.
the high cost of arbitration and the Board has realized the wastefulness of narrow salary scales; and the unionist Fourth Division has slowly cut itself adrift from the administrative mainstream while the Third Division seems to be developing a vague professional consciousness. In the Victorian and New South Wales services there seems to be more cooperation and goodwill between associations and authorities than ever before.

It is doubtful whether these are passing tendencies or straws in the wind. But there is little doubt that promotion practices in Australia were originally shaped by the myths, mores, social and political conditions of Australian colonies in the eighteen sixties and seventies; that they were profoundly influenced by the struggle of economy and authority with employee demands for various rights and privileges; and that this struggle itself was strongly affected by the changing social and political conditions of the country. Indeed the most typical element of Australian promotion systems namely, promotion appeals
and the strongest influence on it, namely, public service arbitration are both as utterly Australian as the Koala and the Kangaroo.
We must now consider the implications of our enquiry and its results for public administration as a science. First of all, we shall see whether any general inferences can be drawn from the variegated Australian experience by itself and by comparison with other systems. At the same time we shall test the relevance to Australian conditions of principles of public administration developed (mainly in the United States) either from a priori assumptions of human behaviour and organisation or inductively from (American) experience. From both our attempts we may gain some new insights into the nature of administrative science and can make some practical suggestions regarding current problems of promotion and the teaching of public administration in Australia.

The framework of promotion - career, classification and control.

The three principles concerning the framework of promotion stressed frequently by American exponents of public administration need not detain us long.
Practically all of them refer to the close relation between promotion and the concept of a career service; many of their statements stress the importance for a proper promotion system of organizing various positions into a hierarchy (system) of classes; and all of them are agreed on the need to avoid political interference in promotions. These three are conditions precedent to establishing a proper system of promotion but they are not of topical interest in Australia since they were more or less established here about the turn of the century and their value is scarcely in dispute. We shall however, consider them briefly because of their basic importance before passing on to the more

1. For example; W.F. Willoughby, Principles of Public Administration, 1927, Chapter XV - "The Government service as a Career" - and also p. 302.
   Herbert A. Simon &c, Public Administration, 1956, Chapter XVI - "Selection of the Team: careers in Government".
   L.D. White, Introduction to the Study of Public Administration, 1955, Chapter XXII "Government career service" (see in particular p. 324 and p. 337.).

   and William E. Mosher &c, Public Personnel Administration, 1950, p. 163.

   L.D. White, Op. cit. chapter XXIV;

   and William E. Mosher &c, Op. cit. chapter IX.

It is indeed difficult to conceive of any promotion system without them. Even without laying the same stress as Weber on "a firmly ordered system of super- and subordination in which there is a supervision of the lower offices by the higher ones", we can see that any bureaucratic organisation implies different classes of work and many levels of responsibility. Again promotion, defined as the moving up from a position of less responsibility to one of greater responsibility automatically presupposes the arrangement of various positions in the order of importance and responsibility with appropriate salaries for each level - in a word, classification of positions. Any alternative to this is undesirable. For example an officer may go on getting considerable increases in salary without being moved up from his position and without any change in his work as was actually done through political pressures in the United States Federal services, in the early decades of this century. Its harmful effects have been noted by more than one American author. A limited increase in salary for the

same position is desirable as a recognition of good service and the value of experience but an indefinite increase in salary without being moved up to a more responsible position is wasteful, unscientific and improper. On the other hand, to expect an officer to accept greater responsibility without increased status and salary is patently absurd in normal circumstances.  

In the same way, a career service and a promotion system are mutually complementary. Assuming that a public service is past the stage of a spoils system and grants some security of tenure to its officers, it can be seen that it is harmful and demoralizing in many ways to keep all of them at the base grade level for years. On the other hand offering them the hope and incentive of promotion gets the best out of them. We have dealt with this point in greater detail in our Introduction. A little reflection shows that a career service automatically implies both reasonable security of tenure and opportunity for advancement.

Theoretically, one can conceive of a system of classified positions without having a career service.

6. It has been done in Victoria during the depression of the eighteen nineties with far from good effects. See Supra, p.8.
Employees may be recruited and discharged at any level in the classification with or without bringing in political considerations. This practice obtained to a certain extent in the American Federal service where the career concept is now gaining more ground. It may work smoothly in some technocratic society where the training appropriate to any level or class of work can be organised and imparted at short notice to carefully selected employees who can move from the same level in one bureaucracy to another. In practice it is wasteful to neglect the advantages to employer and employee alike of a career service described earlier. It is necessary to guard against the effect of long routine at lower levels; it may be necessary to recruit at slightly different levels men of different capacities and attainments; it may even be necessary to bring in from outside a few men of unusual ability at the top level; but these are adaptations and adjustments of the career system and not a denial of its general validity.

It is not necessary to labour the evils of political interference in promotions and the necessity
of non-political control of them. We have already referred to one of them in considering classification. To promote officers on political considerations or any consideration other than efficiency or length of service would encourage sycophancy and demoralization in the service and talented, self-respecting men would shun it like poison.

A career service, independent control of promotions and classification of positions were more or less established in Australia by the end of the last century. As we have pointed out more than once, the Australian concept of career service made a sacred cow of recruitment at one bottom level combined with promotion to the top from within and exclusion of outside talent from higher positions. This concept became the creed of the first Commonwealth Public Service Commissioner who referred ad nauseam to the marshals' batons in the knapsacks of young recruits and concerned himself with educating telegraph messengers to be future executives. Secondly, politicians themselves became sick of political patronage in

7. Supra, pp.28-29.
8. Supra, pp.87-88.
promotion and recruitment and sought to end it by the
device of extra-departmental agencies called public
service boards, a device which has largely achieved
this object. Lastly, classification of posts with
which the very first Royal Commission on civil services
and the very first public service Act were concerned\(^9\)
assumed urgency and importance as a phase of economy in
the nineties and later.\(^10\)

To sum up, public servants developed a vested
interest in a career service; independent control of
promotions resulted from the enlightened self-interest
of politicians and found support in the organised self-
interest of officers; classification was born again
out of the recognized need for economy and efficiency;
and thus all the three principles were well established
decades ago through their alliance with needs and
interests.

Hence their significance is rather historical
in Australia. On the other hand, their importance is
more vivid in the American context where some evils can

\(^9\) (Vic.) P.S.Act 1862, sections VI and VII. See also
Report of the Royal Commission on the Civil Services of Victoria, 1859, pp.11-12.
\(^10\) Supra, pp.58-65 (on work value and classification).
be directly traced to their absence. American theorists can still refer back to the lack of comprehensive classification in the Federal services as late as 1923, can still point to gaps in career opportunities in the Federal and State services and can still often feel the effect of political considerations in promotion systems. But the course of Australian public service history has denied their counterparts in Australia the excitement of crusading for these principles with simple zeal. They have to seek the lurking Paynim in the less obvious inadequacies of the promotion system and in the overworking of the career and classification principles.

We will go on to deal with three live issues in the Australian promotion systems we have studied namely, (a) who shall control promotions (b) what are the components of efficiency and (c) how can these be evaluated. The first of these was an important issue in this century till recently and the other two are live questions even today.

11. An unkind quip would be that a bad administrative context breeds sound administrative theory.
Promoting authority

Who should have the power of promotion and how should that power be exercised have been questions most keenly debated in Australian public service history and the answers and experiments have been quite varied. Let us sum them up briefly from our earlier pages.

The colonial public service Acts, after the first phase of half-hearted reform, vested promoting power in independent Public Service Boards as the best safeguard against patronage. Victoria began to restore an important role to the permanent head before the turn of the century.

The Commonwealth service started with the strongest known central control of promotions in Australian history under a single Commissioner. The experiment went through many vicissitudes; the control was made smoother by delegation and consultation but the permanent head and Chief Officers of the Postmaster-General's Department rebelled; in the second decade exhausting arbitration work rendered Commissioner control unworkable, while public service associations

demanded appeal rights; and at last McLachlan recommended the transfer of the power of provisional promotion to departmental heads with the Board (Commissioner) retaining authority to decide appeals by dissatisfied officers against provisional promotions.\textsuperscript{15} This scheme implemented by the C.P.S. Act of 1922-24 is still current except for the change from Inspectorial appeal enquiries to investigation by Appeal Committees.\textsuperscript{16}

In New South Wales, the Public Service Board was vested with full promotion power in 1895; when they let it slip into departmental hands they were castigated into holding it tight;\textsuperscript{17} and in the current system the Board control promotions with departmental cooperation.\textsuperscript{18}

In Victoria, though the Public Service Act of 1946 established an independent and powerful Board, the initiative in recommending for promotion rests with the departmental heads with no part in it for Inspectors but the Board themselves enquire into and decide all appeals against promotion.\textsuperscript{19}

\textsuperscript{15} See Chapter V.  
\textsuperscript{16} See Chapter X, section on Bailey Committee.  
\textsuperscript{17} Supra, pp.175-77.  
\textsuperscript{18} Supra, p. 442.  
\textsuperscript{19} Supra, pp. 414-19.
Can any principle about the proper promoting authority be inferred from such a varied mass of experiments extending over three score years and ten?

As a preliminary to answering the question, let us summarize the arguments used in Australia for different forms of promotion control.

(i) The earliest argument for vesting promotion in an independent Board was that it was the only way to end patronage and for Ministers to escape importunate officers; the departmental heads were too close to them to be vested with such power without rousing suspicions of personal or political favouritism; moreover, departmental staff control had been discredited as inefficient and independent board control was expected to be businesslike. This argument associating departmental staff control with patronage, favouritism, and inefficiency was repeated in the debates on the Commonwealth Public Service Bill in 1901-2,20 by McLachlan in 1910 during the Postal Commission hearings21 and against their Report,22 and by members of Parliament during the debates on the

20. Supra, pp.35-38.
22. Supra, p.115.
Public Service Bill in 1922.

(ii) The argument that effective Ministerial responsibility to Parliament needed departmental staff control was used by some Senators in the debates on the Public Service Bill in 1901-2. 23

(iii) The intimate knowledge of a departmental head and his senior colleagues of the merits of their staff was cited in support of departmental control in the Victorian Parliament in 1893, 24 in the Commonwealth Parliament in 1901, 25 and during the Postal Commission hearings. 26

(iv) On the same side, it was also argued that the departmental head as the immediate manager must have the power to reward and punish. 27 This crude assertion was given a face-lift by the Economies Commission who said that departmental heads if they were to be held accountable for their failures must have greater staff control. 28

(v) On the side of board control, were mentioned their broader outlook and capacity to treat the service as a unified whole. 29

27. Ibid.
29. Supra, pp.21-22.
Let us examine these arguments more closely. The first argument was valid under certain historical conditions and gave rise to the tradition of extra-departmental Board control of promotions. It would seem to have progressively lost much of its force. In my opinion, a relapse into blatant Ministerial patronage is less likely now after the demonstration of the virtues of a non-political merit-promotion system, even if departments were to gain greater control over promotions. This consideration obliquely influenced McLachlan when he recommended the transfer of the power of (provisional) promotion to departmental heads in his Royal Commission Report \(^{30}\) and a return to patronage has not been one of the results of such transfer in 1924. This does not imply that the New South Wales Board should arrange an early transfer of promotion power to the departments upsetting a smoothly working system. It does imply that the various Public Service Boards can no more rest on their old laurels as the guardians against patronage but have to prove their worth through imaginative personnel policies.

The second argument connected with Ministerial

30. Supra, Chapter V.
responsibility is a lawyer's argument not taken seriously in Australia and is discussed here mainly to distinguish the Australian position from traditional British doctrines. The orthodox doctrine of Ministerial responsibility is that a Minister is responsible for every action of his department; in the name of the Crown he appoints candidates certified eligible by the Civil Service Commission and promotes in theory officers in his department, though the power is delegated to departmental officers. Early Australian Public Service Acts followed a similar legal fiction by making public service boards recommend appointments, promotions et cetera to the Governor-in-Council (which in practice meant the Ministers), though in fact the Ministers were expected to heed these recommendations just as regularly as the Governor was expected to follow Ministerial advice. Later Acts have shed this fiction and vested various powers including that of promotion directly in the boards. The Commonwealth Public Service Act of 1922-24 did this and brought the Act more in line

31. S.E.Finer, A Primer of Public Administration, 1950, p.60.
32. For a statement of the orthodox position, see Sir Ivor Jennings, The Constitution of Ceylon, (3rd.ed.) p.133. Sir Ivor was critical of the Ceylon Public Service Commission being vested with final powers in all staff matters. In contrast to this a committee presided over by an eminent constitutional lawyer in Australia did not take this argument seriously. See Bailey Report, paras I29-33.
with actual practice. The Victorian Public Service Act of 1946 vested control of appointments and promotions more deliberately in the Board—coming as it did after a bitter fight against Ministerial interference. Later Australian law is more in accordance with reality; particularly in the Commonwealth, Ministers frankly acknowledge their lack of interest in, and ignorance of, staff control in their departments.

The two arguments we have discussed are relevant only in a democracy but the three other arguments relate more or less to any political context. Among the latter, the argument that the manager or the immediate supervisor (i.e. in practice the departmental head and his top colleagues) should have the power to reward has always been resisted tooth and nail by public service associations. They have always insisted on a second review of departmental decisions by a Commissioner or a Board irrespective of the question of political patronage and have established the right to appeal against the first selection by a permanent head to the Public Service Board as in Victoria or to an Appeal Committee as

in the Commonwealth or for that matter even from the Public Service Board to an open Court as in New South Wales. We have traced the history of the fight for appeal rights and dealt with it as part of the larger tussle between economy and authority on one side and employee satisfaction on the other. From all this it is clear that final authority for promotion cannot be vested in the manager i.e. the departmental head in Australia without serious discontent in the public services - quite apart from the problem of political patronage.

What emerges from this discussion and from the long history of staff control legislation in Australia is that the choice of the statutory promoting authority was never a purely administrative decision and was governed more by the accidents and essentials of political and social history. In short, revulsion against patronage gave statutory staff control to Boards, and Australian egalitarian sentiments against the tyranny of the immediate superior have lent support to it. Thus the statutory promoting authority is three-fourths a product of a particular stage in political and social development.

34. Supra, pp.481-83.
This conclusion seems to find support in the history of some other countries. The decision to have a Civil Service Commission was taken in Britain when enlightened aristocrats still ran Parliament, when many decisions could be taken away from the vulgar gaze, when the Ministerial department was getting entrenched as an institution, and there was little popular or Parliamentary outcry against Ministerial patronage. The Commission was therefore vested with the minimum functions of examining candidates and certifying their eligibility. In India, Ceylon and Malaya, the British bureaucracy, so long as it had both political and administrative power was not keen to have it curtailed by independent Commissions. They began to think of them in India only on the eve of the transfer of political power to popular Ministers under the scheme of dyarchy, round about 1919. While a Central Public Service Commission was appointed in 1926, provincial commissions were not appointed till the early forties. Just as the British bureaucrats were earlier suspicious of having independent

35. The conclusions expressed here on the Public Service Commissions in India are based on my Haldane essay of 1955 (awarded a prize) entitled "An Indo-British Institution". It is being revised for publication.
Commissions about as an interference with their unified hierarchy of authority, so the Indian politicians too were later suspicious of them as taking away power from popular Ministers just when they were stepping into office. Departments had a very long tradition of staff control so that detailed control of promotion never passed on to the Commissions. Even though the Indian constitution vests them with the duty of advising on promotions, the Commissions' control is never detailed in the matter because they have no Inspectors and have to rely on departmental reports. Ceylon which had no full-time Public Service Commission till she became a Dominion in 1948, was almost by accident provided with a completely independent Commission with mandatory powers but in practice, the Commission have delegated their promotion powers up to a level to the departments with their long experience of staff control.

Let us now go into the two remaining arguments about the departmental head's intimate knowledge of his officers versus a central independent board's broader impartial vision of a whole service. This can be discussed as part of the larger question of the
advantages of centralized or decentralized control of promotion. A departmental head also has this unified view of the whole department vis a vis a branch head's possible parochialism regarding his branch. The problem of the practical administrator is to combine detailed knowledge with a broader outlook.

All the three services studied are working compromises between these two tendencies, though not ideal combinations of them. The New South Wales Board is statutorily in full control of promotions but it works, as we saw earlier, through departmental cooperation with an ample team of Inspectors. On the other hand the smaller Victorian service, which can a priori successfully employ Inspectorial control of promotions, leaves the initiative entirely to departmental heads, reserving to itself only appellate functions. This is the result of years of tradition. The Commonwealth service even under strong Commissioner control of promotions could not do without departmental cooperation and when it was achieving this by delegation and consultation, public service arbitration undermined Commissioner control from below, and a new system with
departmental initiative in promotions was recommended by McLachlan and accepted in 1924. In my opinion, but for the complications of arbitration, central control with more Inspectors and better delegation could have worked for another decade or two, though ultimately it was bound to be replaced in the rapidly growing continent-wide Commonwealth service. The present system is one where initiative is left to the departments not only in making provisional promotions but also as regards methods and mechanism of choosing the best men, and appeal decisions are left in the majority of cases to Appeal Committees, the Board being concerned only with those in inter-state appeals and appeals for higher positions. The departments themselves delegate much to their State branches. It is thus a system with very wide decentralization.

To sum up, whatever be the statutory promoting authority, the work has always been divided between the departments and a Commissioner or a board in different ways. Even this division does not seem to be based on purely a priori administrative considerations. There is

36. See Chapter V. 37. See Chapter XI.
no administrative reason why the smaller Victorian service should not have Inspectorial control of promotions when the comparatively larger New South Wales service can work it. Both practices are partly accidents of history. But by the same token, a disturbance of either on _a priori_ considerations can lead to much dislocation and confusion.

Let us now see what American exponents of public administration have to say on this subject.

Regarding the proper promoting authority Professor White approvingly quotes President Hoover's words: "Of course the promotions must be left to the departmental heads. The Civil Service Commission can't go around and determine that. If it did there would be no discipline at all", and White himself adds: "The function of the Commission is primarily to see that the procedure required by law or regulation is observed; to lend assistance, formal or informal, in the search for qualified applicants; and where the law so specified to hold an examination to weed out the less well-qualified."38

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history of the United States with his own experience as a Civil Service Commissioner, and his conclusions in the matter are probably the most valid in the American context. Willoughby deals with the general problem of central agency control versus control by operative services in a somewhat a priori fashion. He describes three possible levels of central agency control, the first where it prescribes general orders, the second where it goes further and prescribes in detail the procedure and the relative weight of various factors in promotion (such as a rating system or an examination) and the third where it acts as an appeal board. He feels that the first is the form that should be employed at the outset for "the function of a central agency, in a word, should be merely one of general supervision; that is, taking action that will insure that the operating services observe certain fundamental principles ..." Any attempt to go beyond this, he feels, would transfer responsibility to the central agency.

Each of the three Australian services studied goes beyond the limits set for central control by either White or Willoughby and differs considerably in detail.

from each type of central control described by the latter. The New South Wales Board goes the furthest but even the Commonwealth Board which keeps the least central control to itself is vested with appellate authority.

The explanation is that American exponents are strongly concerned with the American context even when they seem to deal with general principles from a priori assumptions. They cannot but assume the present stage of political and bureaucratic development in America. When talking about the limitations of central control they have at the back of their minds their Federal civil service which "is not one organization but an aggregation of over sixty vast enterprises, each with its own peculiar problems and requirements; a group of two million employees distributed throughout the world, the largest civilian group in the peacetime history of any government".\(^{40}\) The absurdity of centralized control is too patent under such conditions; even earlier to such proliferation, the Civil Service Commission began with limited tasks and had encountered departmental resistance.

\(^{40}\) Quoted in Dimock and Dimock, *Public Administration*, 1954, p.172.
to all their efforts at detailed staff control; and so the stress on decentralization is natural in American writing.

Such writing may be an indication of the shape of things to come or a warning against further bureaucratic proliferation, but it is of little immediate help in interpreting Australian administrative practice. It is no mistake of American theorists if they are the products of their country's phase of bureaucratic evolution and talk in terms of their national context, but it would be a bad mistake for teachers of public administration in Australia to forget this when using American books.

Our purpose in this section is not to discredit all attempts to find general principles of public administration. Rather it is to warn against accepting slick generalizations divorced from their political, social and national context. On the other hand, this writer believes that administrative practices can be related to levels of social, political, and economic development though the task would require a good deal of

41. There are frequent references to this departmental resistance in L.D. White's four volumes The Federalists, The Jeffersonians, The Jacksonians, and The Republican era.
deal of research in comparative administrative 

history.

As an illustration of this view, it may be 
pointed out that the administrative history of 
Commonwealth promotion set out in this thesis, and the 
historical considerations summarised in this section, 
do not leave the present writer satisfied that the 
Commonwealth system is incapable of improvement by way 
of better co-ordination of promotion in accordance with 
general principles. We have earlier described the 
"flowering of departmental initiative" in installing 
new promotion mechanisms such as staff committees and 
new techniques such as staff reporting. These 
indeed are the good products of decentralized 
departmental staff control. Departmental needs differ 
very much in the Commonwealth service and it is right 
that the small policy departments and the large utility 
departments be left to develop their own selection 
methods and criteria of efficiency or potential. But 
to an outside observer who has studied the history of 

42. Final year honors students in Public Administration 
may be encouraged to take up some topic in 
administrative history for their honors thesis as a 
corrective against too many a priori principles.
43. Supra, p. 360 and p. 386.
the service and compared it with other services, the Board seem to be much less interested in coordinating than they should be. Following on their staff shortages during and after the second world war and the increase in their routine work, the Board have slowly withdrawn from fields where they should either initiate or coordinate. One instance of this was their apathy in discussing staff reporting.44 A second instance was their hand-washing attitude on the question of considering potential in promotions.45 Then there are quite a few fields into which they could have ventured long ago, but which they have entered only recently and rather hesitantly—such as promotion sample research, or research into departmental variations in the criteria of promotion. They have not revised their 1926 circular on elements of efficiency nor have they cared to take note of the case law on the subject built up elsewhere. This writer definitely feels that at present lack of coordination is a greater evil than lack of delegation. Something more than circulars and

annual permanent heads' conferences is needed in the matter. It may be added that coordination at the State level in the Commonwealth service is even weaker than in Canberra. A periodical State Chief Officers' Conference in each State Capital, presided over by the State Inspector, may be a first step in that direction to explore further possibilities of coordination.

The changing concept of efficiency

Most writers on public administration are agreed that efficiency should be the basis of promotions. But some refer to the risk of disturbing staff morale and arousing suspicions of favouritism by altogether ignoring length of service, and they also stress the importance of fairplay in fact and appearance to inspire staff confidence.46 We have dealt with the latter in detail in more than one place. We shall therefore set out to discover the varying connotations and components of the term efficiency through all these years of Australian public service history. This quest is important since most authors are more concerned to discuss methods of measuring efficiency

46. W.J.M. McKenzie and J.W.Grove, Central Administration in Britain, 1951, p.121.
than to examine its meaning, and so little work has been
done on concepts of efficiency. We are concerned in
this quest, of course, solely with the personal
efficiency of the individual officer and not with the
organizational efficiency of a department or branch.

We have referred to the pragmatist origin of
the Australian concept of efficiency (or fitness), which
was by statutory definition related to the duties of a
particular vacant position. It suited admirably the
early days of development, of simple egalitarianism and
budding service unionism. Consideration for mere
seniority spelt the doom of development; fitness was
necessary but it had to be defined precisely to avoid
suspicions of favouritism, which otherwise led merely to
a pathetic insistence on seniority; a definition
relating efficiency to the duties of a particular
position was reasonably precise; it was the main need
in early development which did not as yet require much
higher administrative talent; and at the same time it
gave a chance to the hardworking senior while it
eliminated the sluggard and the clockwatcher from the
race.

47. Supra, p.29 and p.79.
In the first place this concept placed a high value on experience in a particular line, for that was the best assurance of fitness for a higher post in that line when the higher posts were different mostly in degree and not in kind from lower posts. This meant that there was little need of outside talent at higher levels. This conclusion was so fully in accord with the vested interests of insiders in the service that the safeguard against outside recruitment at higher levels, brought in partly against introducing favourites, became an argument against all outside differential recruitment except that of professionals. It also came to acquire the sanctity of a dogma that "it (was) in the struggling days of routine work that an officer (developed) the best that was within him".\(^{48}\)

In the second place, the concept suited the state of educational development in the country. Owing to poor school facilities, public services had to recruit youths through their own examinations and train them for various specific tasks within the service.\(^{49}\) Specific efficiency was understandable in that context. It also

\(^{48}\) F.P.S.J. Vol.20, No.9.
\(^{49}\) Supra, pp.86-87.
followed that the service depended almost entirely on the promotion system for its future administrators.

In the third place the relation of fitness to a specific post in many cases, favoured its measurement by an examination related to the duties of the post. The success of in-service examinations in New South Wales and in the years of Commissioner control in the Commonwealth service is thus explained. Their usefulness in weeding out the unfit recommended them to the authorities and their obvious fairness made them acceptable to the service in the long run. But any attempt to institute general examinations to test administrative potential was premature at that stage and it is no wonder that such an attempt failed in New South Wales.

In the same way questionnaires and reports relating to specific work situations were successful in the Postmaster-General's Department. But the time was not ripe to evaluate intangible qualities. Early attempts at such rating in New South Wales and in the Commonwealth started with this initial handicap and the
hostility of associations added another. The result was a long-standing reluctance to rate supervisory qualities.

This concept of efficiency and these ways of measuring it were well attuned to prevailing conditions round the turn of the century and so they became established as a harmonious system. Like all such systems it was not quick to change.

But a number of developments starting in the twenties was slowly rendering the system inadequate - particularly in the Commonwealth service. Let us summarize them briefly.

First of these was the continuous growth of the service in size, and in the number and complexity of its tasks. This called for a new combination of qualities in its supervisors and managers different from those required in smaller organizations. As pointed out by many writers on administration, in a small organization with say half a dozen different types of work, a supervisor of a group needs to know a lot of the technical work of his group and even a top manager of all groups would be involved in many routine technical
decisions. In those circumstances, the older concept of efficiency as related to the job can throw up competent supervisors and managers. But the larger organization with many different tasks demands two combinations of qualities not strictly related to any specific skill or work, namely; (a) the capacity to interpret general policies in terms of specific tasks and execute them through the medium of different work groups; and (b) the ability to focus on broad issues from a mass of detailed and technical information and formulate and advise on new policies. The first which we may call managerial or executive capacity was needed more and more as the Commonwealth service grew and diversified, and the second policy-advising ability was also becoming important albeit more slowly. It was however, possible for some time to grow some executives under the old concept of efficiency by applying different standards in practice to higher and lower promotions. At the same time, owing to restricted educational facilities in the past a good proportion of bright youths with executive potential came into the service early, and many of these developed into good executives more or less naturally if they escaped from
routine early. But it was not possible to depend for long on makeshift and chance within the old system.

Developments in the twenties and after hastened the recognition of this fact. In the first instance, by stopping youth recruitment and taking in a large number of middle-aged and poorly qualified soldiers, the Commonwealth service forfeited all chance of breeding enough executives from within for even its peace-time needs. Partly to make up this gap graduates were let in slowly and they proved their worth in both higher executive and policy work quite soon. At the same time the depression highlighted the need for first-rate policy advice to the Government on economic controls, starting a trickle of economists into the service. Finally, when the second world war came it thrust on the service many new tasks wherein inventiveness and innate executive or policy-advising potential was more important than experience. In sheer self-preservation the service had to recruit talent from the business, academic and the professional world. While the old leaven in the service acquitted

52. Supra, pp.296-97.
themselves fairly well the newcomers had established the indispensability of their different skill, talent and training and many of them were eagerly retained in the service in the early post-war years. All in all the old concept of efficiency had been shown to be wholly inadequate.

In the meanwhile the Fourth Division manipulative workers were drifting away from the Third Division in demanding promotion on the basis of seniority and bare capacity to do the work, in the place of relative efficiency. 53 This development pointed up the need of a new concept for the higher Divisions of the service.

Faced with this problem during the hectic transition days at the end of the second world war, the Bailey Committee accepted the demand of manipulative workers, but made a guarded and halting recommendation about considering ability to fill still higher positions in certain promotions at the "senior executive" level. 54 This came to nothing in practice and the service was

faced in the post-war years with the need for a new concept of efficiency which the Act and Regulations did not provide and the classification scheme positively hindered.

Such a concept was even more important in post-war years than during the stress of war. The tasks of the Commonwealth service have become more varied, complicated and vital to the nation than ever before. An imaginative foreign policy, a vigorous immigration programme, the need to expand exports, the new methods of budgeting and economic control, the Commonwealth Government's greater responsibility for development and planning, (to mention only a few) all these need more and better executives and policy-advisers.

The need can be more dramatically illustrated from the increasing proportion of the upper echelons in the service mainly as a result of the new tasks. It was enough in the first decade of this century to choose 12 executives from a hundred officers but it is now necessary to get about thrice that number of executives from the same hundred officers. It cannot be left to
chance and needs a planned search.

We have shown in chapter XI that many departments know that they must think of future executive potential even when making middle-range promotions, and that different departments build up their reservoir of future executives by different extra-legal means without much central direction and coordination. Such an effort to achieve new ends within the old legal and conceptual framework has definitely imposed much strain and led to much irregularity and polite hypocrisy. The need for a common plan is again evident.

It has been also shown that the present higher administrative group in the Commonwealth service derives proportionately fewer members from the traditional recruitment sources and proportionately more from special sources such as section 47 of the Act. This definitely casts doubts on the adequacy of the old system of recruiting school-leaving youths and messenger boys at the bottom and promoting them step by step on the basis of efficiency related to specific duties. It also points to the need for a new planned system of finding and growing future executives.

It is to the credit of the Recruitment Committee that they make a frontal attack on this problem. In an important chapter of their Report, they discuss the growing importance of "policy-advising" functions in the Commonwealth service, the danger of a few talented individuals dominating it and the need to avoid this by "increasing the supply and range of available talent in the service." They refer to the inadequacies of the old system in this respect, particularly during the inter-war years, the more favourable atmosphere of the post-war service, and also the unplanned nature of existing methods of developing talent therein. They believe that the best way to get an increasing supply of talent is to recruit intelligent and cultivated men and put them through a varied training, avoiding undue routine. After briefly discussing the British administrative class, they suggest a wider Second Division embracing many junior policy-advising and administrative positions in the Third Division together with a training grade at £1533-1723 salary level. They recommend recruitment to this new Second Division by an examination on the British "house party" system open

57. Recruitment Committee Report, chapter VI.
to outsiders as well officers in the service. Recruitment to this new policy-advising Second Division would be thus specifically on the basis of general potential for policy-advising work and not specific efficiency for any immediate vacancy.

This recommendation has the twin virtues of realizing the need of a new concept in the changed conditions and of not bodily applying the British solution to the problem. Realizing the different content of policy-work from routine or executive work, it provides for it a separate mode of recruitment, and training. But it does not isolate this group from the rest of the service; not only can officers in the service compete for entrance into it but some members of the Third Division can also be directly promoted into it.

The Committee have recommended that promotions to and in the proposed Second Division be based on general potential for higher positions through a suitable amendment of section 50 (4A) of the Commonwealth Public Service Act to include all Second Division positions.\(^58\) This seems to be the best way.

\(^{58}\) Recruitment Committee Report, p.33.
out of the legal difficulties which have made that section inoperative so far.

The Committee have suggested measures to make the proposed Second Division a policy-advising corps by including all policy-advising posts from the Third Division in it and progressively removing higher executive posts from it into the Third Division. But they have not considered the extension of the new concept of efficiency to the higher executive group. This is rather a serious omission since this group is nearly as important as the policy group in a widespread service like that of the Commonwealth.

A changed concept of efficiency points to the need of a change in the classification structure. We have shown earlier how the classification since 1924 has been based on a strict interpretation of work value, a principle closely allied to the concept of efficiency related to a specific post. Since promotion in the proposed Second Division would be based on general potential, a narrow classification of posts therein would be pointless and the Committee rightly urges the

provision of wider salary scales in the proposed Second Division.\textsuperscript{60}

At the same time the narrow salary scales in the Third Division should be replaced by suitable wider scales since the disadvantages of the former have been realized by most authorities in the service.\textsuperscript{61} This requires negotiations with associations and convincing the Arbitrator but this writer can offer no easy solution to the maze of legal and practical difficulties.

The need for a new concept of efficiency has been less apparent in the State services. First of all, they were less affected by returned soldier preference in the inter-war years and the strain of the second world war than the Commonwealth service. Secondly, the increase in their higher executive content has been much more in the professional ranks. Thirdly the work of many departments in the State services is "development" in the old sense with its tradition of the practical approach, while at the same time the Commonwealth has taken up more and more of the planning element. Lastly the Public Service Boards of New South

\textsuperscript{60} Recruitment Committee Report, p.35.
\textsuperscript{61} Supra, pp.331-34.
Wales and Victoria are somewhat allergic to associating higher public servants with policy. All this is not to say that the State services are not changing their concepts of efficiency and not considering general administrative potential, but to stress the slowness of the change and its causes.

**Evaluation of efficiency**

There was no pressing need for any formal or special methods of measuring efficiency in the early years of the Commonwealth service and for years later in the State services. We have already pointed out how the old concept placed stress on experience in the lower position and how this was a good measure of efficiency for the higher position which in many cases was different only in degree from the lower.\(^{62}\) Performance in the lower position could be reliably measured through personal observation by a supervisor in the small services of those days, and the Public Service Inspector in the early years of the Commonwealth service could supplement this by his own observation as well cross-checking the opinions of different supervisors.\(^{63}\)

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\(^{62}\) Supra, p.521.  \(^{63}\) Supra, pp.97-98.
The various promotion examinations provided another suitable measure of efficiency for the job, and at the same time were acceptable to the officers of the service as an impartial method of ascertaining efficiency.

These two methods could cope with the small services of those days with their comparatively small higher executive content. As we have shown earlier, the vast majority of promotions in the Commonwealth service in the days of Commissioner control were in the General Division or from there into the Clerical Division with a few promotions in the lower classes of the latter. The first two types of promotions were governed largely by examinations and the few promotions in the last category were based on personal assessment of performance in the lower post. This applied even more to the smaller State services.

The problems of efficiency measurement in the Commonwealth service of today are vastly different for three reasons. In the first place, the mere size of the permanent service (more than ten times its size in 1901) has made it impossible for the promotion recommending

64. Supra, pp.89-90.
authority to observe personally the work of anything more than a fraction of officers under him. Consultation has assumed great importance and to be successful it has to be properly organized. Secondly, the higher echelons of the service have increased proportionately vis-a-vis the lower and thirdly the work of the former is not different merely in degree from the latter but in basic content. Hence proper efficiency measurement becomes enormously more important and the qualities to be measured are not to be simply related to a specific post.

These problems were realized much earlier in the growing American Federal and State services and business bureaucracies and a large part of the American literature on personnel administration is devoted to methods of measuring efficiency and potential and developing them. This writer generally agrees with their stress on devising proper methods of evaluation and on regular periodical staff reporting. The actual reporting forms and Committee procedures used in various American bureaucracies which are suitable to their stage
of development cannot as such be transplanted here but a study of American experience will help in avoiding some mistakes.

Organized consultation through staff committees has been accepted by many Commonwealth departments out of sheer necessity though departments differ as to whether the officer being considered should be interviewed. Secondly, some departments have already instituted staff reporting schemes as the best way of getting continuous and reliable information about officers. In both of these practices Australian Services can avoid American mistakes flowing from excessive faith, leading to a corresponding scepticism.

Thirdly, Australian public services have a valuable guide to future fitness or potential in the higher duty experience of various officers. While other methods of measuring efficiency try to forecast an officer's future performance from his qualifications and experience, higher duty experience gives a direct indication of his success or failure in the actual job - provided it is studied carefully. While most authorities in the Commonwealth and New South Wales
services are agreed on this, little provision is made in practice to plan the filling up of acting vacancies and study acting performance. In the Commonwealth service with its present unlimited opportunities for acting experience it is possible to so plan it that every officer who gets an above-average staff rating (or is considered above average) is asked to act in more than one post and his higher duty performance is rated separately.

By and large Australian public services have not become as fully alive to the importance of promotion as warranted by the proportionate increase of their higher echelons and the changed nature of their work. Two attitudes still prevalent in the Commonwealth service illustrate this. In the first place, some promoting authorities still consider promotion as an ad hoc process. Secondly, even the members of the Commonwealth Public Service Board take for granted "promotion cycles" i.e. more and quicker promotion for young officers during a time of service expansion and fewer promotions at other times.

66. C.P.S.B. Reply to Recruitment Committee questionnaire.
This writer feels that apart from new methods and experiments in measuring efficiency, a new, non-fatalistic, planned approach is needed to the process of promotion itself. Just as modern planning for a country's development takes full account of all material resources and allocates them in advance, so also we need a formal annual personnel budget matching the ages, qualities and qualifications of officers above a certain level against forecasted vacancies so as to anticipate and provide for promotions a few years ahead.

Administrative principles and administrative history

We do not claim to have found out any general principles of administrative science. Let us however, briefly sum up the analysis in these two chapters.

(a) We saw in the last chapter how much the promotion system in Australian colonies was originally influenced by the myths, mores and political conditions of the early days of responsible government and how it continued to be affected later by the changing economic and political atmosphere. We have found again in this chapter that even purely administrative decisions were governed to some extent by non-administrative
considerations.

(b) We saw many instances in this chapter of how much the stage of political or economic development in the country and the stage of bureaucratic maturity of the public service determine administrative methods and in particular the promotion system. Thus the choice of the statutory promoting authority has depended very much on the stage of political evolution not only in Australia but in other countries too. The old concept of efficiency was a typical product of an early stage of bureaucratic development with less need of managers, whereas the present stage of bureaucratic development with an increasing managerial element calls for a new concept. The crusading zeal of American exponents of public administration for the career principle or for non-political control of administration is characteristic of a stage which has not fully achieved them.

(c) Two more conclusions seem to follow from the last one. In the first place, some "principles" appropriate to one country in one stage of development may not be very useful in another country in a different stage. For example, American concern for the career principle is no longer relevant in Australia and American
preferences regarding promoting authorities are positively misleading in the Australian context.

Secondly, if a stage of development lasts long enough its practices continue years after that stage has disappeared, resisting change. This is partly due to the products of the old system occupying high positions in a service long after the conditions which produced that system have changed. It is also due to the characteristic inertia which tries to meet changed circumstances by makeshifts for as long as possible. This "projection effect" of a stage of development is quite harmful in some cases as in the long continuance of the old concept of efficiency in Australia. It is harmless in other cases as in the case of extra-departmental board control of promotions which works well though its original justification as a safeguard against patronage is less valid now.

On the face of it, this summary makes one pessimistic about the scientific status of public administration and about the possibility of achieving any quick results from administrative improvement or adaptation based on "scientific" principles. If
administrative decisions are influenced so much by local social and political conditions, it might appear that the validity of "universal" administrative principles is doubtful and the student of public administration might then accept that it is merely an art. If the decisions are conditioned so much by the stage of development, there is nothing for the far-sighted administrative reformer to do except pray to be born again at the right time or pray for a long life till the conditions change.

Such pessimism is not warranted on a more careful examination. Many administrative principles have been so far derived against the background of a highly industrialized and organized society dominated by economic considerations and a Montesquiean concept of government. They require heavy modifications even with regard to the Australian context and are probably quite out of place in the context of Asian or African underdeveloped countries. The conclusion is that such principles must be more closely related to the stage of development of a society. Thorough research into the administrative development of various colonies
and a careful study of the social background of administration even in advanced countries may give us more of these principles properly related to their context. They may not sound as general as one would like, but what they lose in generality and verbal finish, they may gain in being more useful and closer to practice.

It is worth pointing out that a study of the administrative history of a different country or society has its own immediate rewards even without a search for principles. For example, the disastrous results of returned soldier preference in the Commonwealth service in the inter-war years could have been foreseen if the Commonwealth administrators had cared to learn about the prolonged evil effects of stopping youth recruitment for a few years after 1902 in the New South Wales service. 67

Administrators and research workers who are keen to build an administrative science can use many "principles" already stated in an experimental way and at the same time deduce "principles" of limited validity from their experience and research, making their context explicit. The continuous interaction between these two

67. Supra, p.178.
processes will build up an administrative science of increasing practical value as well as theoretical exactitude.
Salary scales and the number of officers in each scale in the Third Division as at 30th June 1930

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N.B: The total number of scales was **140** for a total of 7130 officers in the Third Division.

The more common scales embracing more than 20 officers are asterisked on the right and these are 43 covering 6538 officers.

Scales covering more than a 100 officers are asterisked on the left also and these are 17 for 5310 officers.
## Salary scales and the number of officers in each scale in the Third Division as at 30th June 1940

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<td></td>
</tr>
<tr>
<td>87</td>
<td>636-660</td>
<td>10</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>88</td>
<td>x636-708x</td>
<td>151</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>89</td>
<td>684-708</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>9262</strong></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

N.B: The total number of scales was 108 for a total of 9262 officers in the Third Division. The more common scales rearing more than 20 officers are asterisked on the right and these are 35 covering 8911 officers. Scales covering more than a 100 officers are asterisked on the left also and these are 19 for 7960 officers. It is clear from Appendix A1 and A2 that the large bulk of officers were covered by 17 or 18 scales but a very large number of "fancy scales" were kept up for a minority of positions even after the award of 1937.
APPENDIX B

QUESTIONNAIRE

TO PERMANENT HEADS, CHIEF OFFICERS AND PERSONNEL OFFICERS

1. In considering the efficiency of an officer for promotion, in what order of importance would you place the following factors? Kindly place a number opposite each factor to indicate its order of importance.

   (a) Oral opinion of his immediate superior officer
   (b) Written opinion of his immediate superior officer
   (c) Acting experience in the vacant position or a similar position
   (d) An examination qualification relevant to the duties of the position
   (e) A general examination qualification not immediately relevant to the duties of the position
   (f) An Honours degree in subjects not immediately relevant to the duties of the position
   (g) A series of regular periodical rating reports on the officer by one or more superior officers
   (h) The opinion or recommendation of a staff committee in the department

Instead of numbers indicating order of importance, you may if you wish place a percentage opposite the various items.

You may if you wish make any additional remarks in the following space.
II.

1. Do you have any promotion boards or committees in your Department? Yes/No

2. Do you have a system of periodical rating/narrative reports on all/a group of officers in your department? Yes/No

3. If you do not have a system of periodical reports is it due to any one or more of the following reasons? Please strike off whichever is not applicable.

(a) There are no trained rating officers in the department. Yes/No

(b) The system was tried experimentally and found useless. Yes/No

(c) The system is too costly to institute. Yes/No

(d) It is not the main responsibility of the department but that of the Public Service Board. Yes/No

(e) We do not believe in the system. It merely puts on the cloak of scientific objectivity when it is no better than any oral or written opinion. Yes/No

(f) We do not really need it. Our department is small and officers know one another personally. Yes/No

(g) It will destroy morale in our department and evoke suspicion. Yes/No

(h) We have got on very well without it and we are not crazy about every new 'gimmick'. Yes/No

You may, if you wish, add any further comments in the following space.
III. In what order of importance would you place the following types of personal opinions regarding an officer's efficiency. Kindly place a number opposite each item.

(a) The opinion of the present superior officer unsupported by any specific instances of efficient performance or otherwise. 

(b) The opinion of the present officer supported by specific instances of efficient performance or otherwise. 

(c) The opinion of more than one officer unsupported by specific instances of efficient performance. 

(d) Your own personal knowledge of the officer's work.

In the case of (c) would there be enough opportunity to do this normally? You may, if you wish, mark opposite each item percentages to indicate importance. You may, if you wish, make any additional comments in the following space.
IV. At what particular salary grade among the following would you like to give greater importance to administrative potential for still higher posts instead of mere efficiency for the duties of the immediately vacant position?

You may draw a line across the salary grade at and above which you think the former is more important than the latter. Or, you may if you wish, place percentages against each of these opposite each salary grade to indicate their relative weight.

<table>
<thead>
<tr>
<th>Salary grades</th>
<th>Administrative potential for still higher posts.</th>
<th>Efficiency with regard to the immediate vacancy.</th>
</tr>
</thead>
<tbody>
<tr>
<td>903-1083</td>
<td></td>
<td></td>
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<tr>
<td>993-1173</td>
<td></td>
<td></td>
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<tr>
<td>1083-1263</td>
<td></td>
<td></td>
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<tr>
<td>1173-1353</td>
<td></td>
<td></td>
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<tr>
<td>1263-1443</td>
<td></td>
<td></td>
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<tr>
<td>1353-1533</td>
<td></td>
<td></td>
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<tr>
<td>1443-1623</td>
<td></td>
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<td>1533-1723</td>
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<tr>
<td>1668-1833</td>
<td></td>
<td></td>
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<tr>
<td>1778-1945</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1888-2053</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1988-2163</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2108-2273</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2163-2383</td>
<td></td>
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<tr>
<td>2218-2493</td>
<td></td>
<td></td>
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<tr>
<td>2278-2603</td>
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<td></td>
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<td>2383-2713</td>
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<td>2493-2823</td>
<td></td>
<td></td>
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<tr>
<td>2603-2933</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2713-3043</td>
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</tbody>
</table>
V.

(a) Do you think that the possibility of appeals influences promoting officers in your department to consider the claims of senior officers more carefully? Yes/No

(b) Do you think that it would help in convincing appeal committees of the efficiency of the departmental promotee if you had regular periodical reports on him? Yes/No

(c) Do you think you can cut down the number of appeals in your department if you circularize most of your vacancies? Yes/No

Please strike off whichever is not applicable.

VI.

(a) Would you prefer to have fewer and wider salary grades for most positions in your department than now obtains? Yes/No

(b) Would you prefer to have the grades overlapping? Yes/No

(c) Do you think recommending officers in your department will exercise greater care about a promotion if it were to a position with a wider salary range and higher maximum than if it were narrow with only two increments above the present range of the officer? Yes/No

(d) If you are in favour of wider and fewer salary grades, by which of the following ways would you like to bring it about.

1. A classification Act of Parliament
2. Through the action of the Joint Classification Committee
3. Through a plaint or consent award before the P.S.Arbitrator
4. Through the gradual action of the Board abolishing positions with narrow grades, to create all future positions with wider ranges, and also consultative action with the Jt Classification Committee.

Please place a cross against the method you prefer.

You may, if you wish, sign your name. In all cases it would be appreciated if you can indicate your designation and the approximate number and grades of officers you normally deal with in making or recommending promotions.
N.B.

This questionnaire was answered by 51 promoting authorities in the Commonwealth Public Service. The table of preferences in chapter XI was compiled out of the answers.

27 authorities concerned with recommending promotions (departmental Inspectors and permanent heads) in the New South Wales Public Service also answered this questionnaire (with some modifications i.e. without question VI and minor changes in others). The table of preferences in chapter XII was compiled out of their answers.
APPENDIX C

SAMPLE SURVEY OF THIRD DIVISION PROMOTIONS IN THE COMMONWEALTH PUBLIC SERVICE IN 1956

This survey was undertaken to get a balanced statistical picture of the actual promotion criteria in the Commonwealth service and to discover the dominant trends if any. This writer had already gone through a large number of promotion files in various departments in recent years and formed an idea of the general trends. The survey helped him to put his impressions into a proper statistical perspective.

The bound files of Gazette slips announcing provisional promotions in 1956 were used for the sampling. Since promotions are not serially numbered they could not be sampled with random number tables. Instead the first Third Division promotion on every alternate folio of the bound files was noted down, giving a sample of 177 promotions. The sample was prima facie random and contained promotions from all departments and all salary groups.

A search was made for full details concerning each promotion and promotee (a) in the departmental files in which the provisional promotion was dealt with, (b) in the appeal files concerned if there were any appeals
against it and (c) in the history card of the promotee or successful appellant. Additional information was also obtained whenever possible by interviewing the promoting officers concerned.

In this manner most details were gathered regarding 120 promotions. The promotions for which details could not be obtained were mostly those within the State delegations in Queensland, South Australia, Tasmania and Western Australia, because the concerned files were kept in the respective State capitals. Details of a few such promotions (which were appealed against) were obtained through appeal files. Details of most promotions (within or above the State delegation) in New South Wales and Victoria were obtained from visits to Sydney and Melbourne. The final sample of 120 was quite representative of the Third Division of the Commonwealth Public Service.

The details were carefully studied to find out the crucial factor which favoured the promotee against his rivals in each promotion. In many cases one factor stood out clearly, in others it was a combination of factors, while in some others, the promotee had no real competition, being the only qualified person. The promotions were finally listed under the following heads on the basis of the chief determining factor.
Promotions

1. Based upon acting experience alone or with some other factors \[* 23 + 25\]

2. Based upon wide experience alone or with some other factors \[* 14 + 7\]

3. Based upon superior qualifications and potential \[13\]

4. Based upon other personal characteristics and/or seniority \[29\]

5. Where there was no choice, the promotee being the only qualified person \[9\]

Total \[120\]

The starred figures are cases where the factor was the sole or overwhelming factor.

The standard error does not exceed 6% in any category above.
APPENDIX D

The actual rating form used in the Taxation Branch of the Department of the Treasury for their Assessors and Investigation Officers is reproduced below. It is among the shorter rating forms in the service. Most other forms in the service are of the same descriptive rating type though the qualities rated and the descriptions differ very much.

The rating officer puts a cross inside the bracket opposite a suitable description of each trait rated. The Central Office converts the descriptive ratings into numerical ratings and weights them also.

MERIT RATING - BASIC REPORT

Name of Officer being rated: .............................................................
Designation and classification: ......................................................
Section and Sub-section: .................................................................
Duties performed during the period: ..............................................

1. KNOWLEDGE

Consider his knowledge of his work and of the relevant provisions of the Act.

( ) Exceptional knowledge.

( ) Sound knowledge; competent to deal with most matters.

( ) Sufficient knowledge to deal with the general run of matters he encounters, but not with the more unusual.

( ) Knowledge rather limited; sometimes needs assistance on fairly common matters.

Comments: .................................................................
2. DILIGENCE

Consider application to work day in and day out.

\{\} Unusually keen; a consistently diligent worker.
\{\} Applies himself steadily and attentively to his work.
\{\} Not always diligent and attentive.
\{\} Half-hearted and indifferent; does no more than he has to.

Comments: ................................................

3. POWER OF EXPRESSION

Consider his ability to present the relevant facts clearly in submissions and discussions; the clarity of his advices and questionnaires.

\(\) Highly developed power of expression; unusually clear and concise.
\(\) Expresses himself will; is normally clear and concise.
\(\) Reasonably effective in expression.
\(\) Weak in expression; has difficulty in presenting facts and conclusions clearly and concisely.

Comments: ................................................

4. MENTAL ALERTNESS

Consider self-reliance and resourcefulness, speed in understanding explanations and ability in analysing problems.

\(\) Very quick in grasping essential points; a distinct flair for analysing and dealing with all problems; very self reliant.
\(\) Quick in understanding; effective in analysing and finding solutions to most problems. Fairly self-reliant.
\(\) Follows only less involved explanations; some ability in analysing problems and finding solutions.
\(\) Usually requires a longer time and fuller explanation than most officers to learn a new task or see the point; not an analytical mind.

Comments: ................................................
5. ACCURACY

Consider accuracy including errors of omission and transposition but not including errors of principle or procedure.

( ) Exceedingly accurate.
( ) Seldom makes errors.
( ) Although makes some errors, is reasonably accurate.
( ) Frequently makes errors.

Comments: .................................................................

6. OUTPUT

Consider the officer in relation to the class of work in which he is engaged.

Part A

(I) Average output of this person per week over the period.............................

(II) Average output of all persons doing the same type of work per week over the period.....

(III) Number of persons on which average (II) above is calculated..............................

Comments: .................................................................

Part B

( ) Very fast worker - consistently produces exceptional volume of work.
( ) Quick worker; output is greater than the usual run of officers.
( ) Normal output of work; able to keep up with a normal flow of work.
( ) Not a fast worker - does not keep up with normal flow of work.

Comments: .................................................................
7. INTERROGATION

Consider his ability to obtain facts and information from others clearly and concisely and his ability to analyse answers and to determine when the interrogation is complete.

( ) Adept at interrogation. Questioning is clear and concise. Is forceful and persuasive.

( ) Handles most interrogations effectively.

( ) Tends to miss points in interrogation or fails to follow leads in conversation.

( ) Has difficulty in interrogation; lacks clarity and conciseness of questioning.

Comments: ..............................................................................................................................

GENERAL COMMENTS

Include amongst any other comments you desire to make a statement of any outstandingly good or bad characteristics and some indication of promised future development.

.................................................................

.................................................................

Rater's name: ........................................... Signature: ...........................................

Designation: ........................................... Date: ...........................................

SUPERVISOR'S COMMENTS

.................................................................

.................................................................

Supervisor's name: ........................................... Signature: ...........................................

Designation: ........................................... Date: ...........................................

--- o o o ---
Mr. S.C. Encel, Senior Lecturer in Political Science, Canberra University College, conducted a survey of senior Commonwealth Officials in 1956. It was conducted through a questionnaire covering a number of matters, such as their social origin (as revealed by father's occupation), education (schools and Universities attended, type of tertiary qualification obtained), career details in the service, age, method of recruitment et cetera.

Questionnaires were despatched to 340 senior Commonwealth Officials, including all members of the First Division, all but a few of the Second Division, a few senior members of the Third Division and some holders of statutory posts. As a result of the questionnaire and follow-up work full details of about 280 senior administrators (as at 31st January, 1956) were available.

A complete report of the survey has not yet been published (at the time of writing i.e. early 1959) though articles based upon it have appeared in the daily and periodical press. The figures used in Chapter XI are based upon the tables kindly supplied by Mr. S.C. Encel to this writer. They are drawn largely from a copy of Encel's evidence to the Recruitment Committee in 1958.

--- o 0 o ---
APPENDIX F

PROGRESSION SURVEY OF RECRUITS TO THE ADMINISTRATIVE AND PROFESSIONAL DIVISIONS OF THE VICTORIAN PUBLIC SERVICE in 1948

This survey was undertaken by the writer to obtain an idea of the rate of promotion in recent years of recruits to the Victorian Service in the Administrative and Professional Divisions. The recruits of 1948 were chosen for the study (a) first because the decade 1948-58 is typical of post-war economic expansion and free from the complications of the immediate aftermath of the war and (b) secondly because the progression study of Commonwealth clerical recruits covers this decade and comparative results can be obtained by choosing the same decade for study in the Victorian Service.

From the Public Service List of Victoria, 1958, the names of all those who were recruited to the Professional or Administrative Division in 1948 and who continued in the service in 1958 were obtained. The details of their career in the service were taken from their history cards in the Victorian Public Service Board's office and this was supplemented in some cases by information from relevant files. They were tabulated as follows, against the name of each recruit.
Name: ................


Under each year the class he was in was marked and promotions were marked together with the month in which it was made.

The results are quoted in Chapter XII to illustrate the effects of Australia's economic expansion on the Victorian Service.

--- o o o ---
APPENDIX G

SAMPLE SURVEY OF PROMOTIONS IN THE VICTORIAN SERVICE IN 1956

For this survey, every promotion to a vacancy in the Administrative or Professional Division during the first half of 1956 was noted from the Register of promotions and transfers kept in the Victorian Public Service Board's office. Reclassifications were excluded from the study since they were obviously based on either (a) the need to retain a professional or (b) were owing to the post and its occupants growing together in importance.

Information about each (vacancy) promotion was obtained from a study of the file concerning the promotion and in some cases from history cards and interviews also. Details of 118 promotions were thus gathered with a view to locate the determining factor or factors in each case.

The results were tabulated as follows.

1. Promotions based on acting experience in the job or experience in the field concerned 20
2. Promotions of simply "the most suitable applicant" or of a senior officer 24
3. Promotions based on professional qualifications or high personal qualities 32
4. Automatic and semi-automatic promotions in classes in E and D. 42

Total 118
Group 3 consisted mostly of professional promotions to classes above C. Excluding groups 3 and 4, the value of experience as a deciding factor is evident. In fact even in group 2, some promotions may be based on experience prescribed in the advertisement and therefore not mentioned in the promotion recommendation.

Thirty of the 118 promotions were appealed against of which 23 related to promotions in classes C₁ and C₂ and seven to classes above them. Of the four successful appeals three were in classes C₁ and C₂ and one was in the classes above.

--- o O o ---
APPENDIX H

PROGRESSION SURVEY OF RECRUITS TO THE CLERICAL DIVISION OF THE NEW SOUTH WALES PUBLIC SERVICE IN 1948

The survey was undertaken to find out the rate of promotion in recent years of recruits to the Clerical Division of the New South Wales Public Service. The recruits of 1948 were chosen for study for the same reasons as in Victoria (see Appendix F). The recruits to the Professional Division were not studied since each group of professionals was covered by a different agreement and there was no common set of grades and no common rules of progression.

The names of all clerical recruits of 1948 who continued in the service in 1956 were obtained from the latest available Public Service List of the same year. On examination, it was found that all but a few of them continued in the service in 1958.

The details of their career in the service were obtained from their history cards and in some cases by a reference to the relevant files. The results were tabulated as follows.

Name: ................

Under each year the current grade of the recruit was noted and promotions were noted with the month of promotion.

The final results are quoted in Chapter XII to illustrate the effects of the country's expanding economy on the New South Wales Public Service.

--- o 0 o ---
APPENDIX I

SURVEY OF PROMOTIONS IN THE NEW SOUTH WALES PUBLIC SERVICE IN 1956

This survey was made necessary due to the absence of any simple central record of promotions in New South Wales as the Victorian Register of Promotions and transfers or the Commonwealth Gazette.

From the list of incoming files in the Records section, the reference numbers of all files dealing with a promotion or promotions were noted and every such file was examined for details about the promotions it dealt with. Since about a thousand files had to be gone through, no effort was made to note in detail the criteria employed in each recommendation and obtain a statistical picture. However, a general non-statistical idea of promotion criteria was gained. Such details as the department in which, and the grade to which, the promotion was made and the details of promotion committee or other appeal action were noted in each case. These were processed and are given in the table of departmental promotions in Chapter XII.

Vacancies which are circularized throughout the service are dealt with in the bound volume of the Reports of the (standing) Selection Committee. From
them the details of promotions recommended by the committee in 1956 were obtained and processed. These are included in the table of Promotions recommended by the Selection Committee in 1956 in Chapter XII.

--- o O o ---
APPENDIX J

SAMPLE SURVEY OF THE CAREER OF SENIOR OFFICERS IN THE NEW SOUTH WALES PUBLIC SERVICE

A complete study was made of the career of 13 permanent heads and 40 branch heads (chosen at random) in the New South Wales Public Service from their history cards and all the files concerning them. The details were arranged against the name of each officer.

Three chief characteristics were noted namely that (a) most permanent heads got into the higher grades by the age of 35, (b) that most of them have acted in different capacities in various posts of the department or even other departments and (c) that most professional permanent heads and branch heads are academically highly qualified and have a high professional standing.

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BIBLIOGRAPHY,

Note.

The best part of the information for this thesis had to be, and was, obtained from primary sources, chief among which are the original files dealing with particular promotions or promotion policy. In addition, use was made of various annual reports, reports of Royal Commissions and Committees, newspapers, public service journals and Parliamentary debates.

There is a comparative dearth of secondary sources on public administration in Australia. There are less than a dozen books on the subject some of which refer to promotion incidentally and there are a few articles in Public Administration (Sydney) dealing with some aspects of promotion. Most of the books cited were mainly used either to provide the background of Australian social, economic and political development or to consider general principles of public administration and its practice in other countries.

PRIMARY SOURCES

I. ORIGINAL FILES AND REGISTERS (Access to which is subject to prior official approval)

Commonwealth Public Service

The official files for periods earlier than 1945 are mostly kept in the Commonwealth of Australia Archives (referred to as C.A.A. in footnotes), housed in an annexe to the National Library, Canberra. They are classified under different accession numbers beginning with the prefix C.P. Each file has its own registration number by which it is identified and a number of files are bundled together with a bundle number not officially recognized in the catalogue. But since the file numbers of many earlier files in the C.P. 121 accession have been obliterated or are otherwise unidentified, the bundle numbers have
been supplied by me (for this accession) within brackets in footnotes. There is no need of this aid in the case of other accessions.

No further precise identification other than the file number is given since the folios of files are not numbered officially. But most files are small and deal with a single question, and the reference can be located in the file without much difficulty. Difficulty arises with a few big files such as G24/96 in the C.P.408 accession with over 100 folios. A useful hint in this case is that the earlier memos are at the bottom and the later ones accumulate above them.

References to a particular memo or minute are given where necessary but when a paragraph summarises the story from a file (or group of files) this is not done but the file is referred to as a whole.

The main accessions used for this thesis are listed below with some details.

C.P.121. This accession contains all the files relating to the period of Commissioner control and many files of the period of Public Service Board control. There are three series in this besides a series of transcripts. The first series contains the general correspondence files from 1902 to 1939. The files up to 1925 have no prefix but the later files fall into two groups. The first group with prefix B contains the files relating to individual promotions, punishments et cetera in the P.M.G's Department and the departments of the Attorney-General, Army, Navy and Air and the second group of files with prefix A relate to all the other departments. The next series called the D series relates to dismissals and the third series called G series contains files relating to general policy. The series of transcripts is a complete day to day record of the hearings of important public service arbitration cases in the Arbitration Court or before the Public Service Arbitrator.

The total volume of files in this accession is 251 running feet or approximately 220 cubic feet.

C.P.408. This accession has two series. The first series contains all policy decisions made generally or in individual cases and is a most valuable series indeed. All the files are serially numbered with the prefix G followed by the calendar year, followed by the file number eg. G.(19)24/96.
The total volume of this series is 110 running feet or approximately 96 cubic feet.

The second series contains registers relating to the above files.

**C.P.22.** is an accession with a few bundles containing accounts of various deputations to the Public Service Board.

**C.P.114 and C.P.572.** These two accessions contain the Customs Department staff files mostly relating to provisional promotions, reclassifications and discipline. The files therein generally have a prefix T & C-S. (meaning Trade and Customs - Staff) followed by a number. The volumes of the two accessions are respectively 12 and 17 running feet.

Other Customs accessions of some interest are C.P.543, C.P.555, C.T.109, C.T.110, and C.T.111.

The staff policy files of the Postmaster-General's Department are not housed at present in the National Library, Archives section, but at the departmental head-quarters in Treasury Place, Melbourne. The main group of files consulted are classed under the reference number P.B. 45/4280 - Provisional Promotions.

**Current files.** A large number of current files of the Public Service Board and various departments were consulted but not all of them are referred to individually in footnotes. When so referred to, the Board's files are cited as (current) followed by the file registration number which consists of a calendar year (19) 52, or (19) 48, followed by a second number; e.g. 53/5706. The departmental files have each their own prefix, for example the promotion files of the P.M.G's Department bear the prefix C.R.

The appeal files (containing the reports of Promotion Appeal Committees) in the Board's office have a prefix P. followed by a number referring to the calendar year and then the file's registration or serial number. The temporary transfer appeal files bear the prefix TP.

Other current files and material (in various departments) consulted and not referred to individually include:
(a) Provisional promotion files in each department; (These vary considerably from one to another. In one there may be a thin file for each promotion e.g. Health Department and in another a series of promotions may be dealt with together, e.g. P.M.G's Department).
(b) Delegation files containing details of powers delegated to Chief Officers from time to time.
(c) Organization and methods files.
(d) Organization charts.
(e) Files dealing with Staff reporting in some departments, including original suggestions, negotiations with associations, validation tests et cetera.
(f) Files dealing with Staff Committee organization.

Registers and card indexes. The more important material in this category is listed below.

(i) Permanent Staff List. This is a huge register containing the names and positions of all permanent officers in which their transfers and promotions during the year are marked. It was maintained from 1904 to the end of June 1948, by the Public Service Commissioner and later by the Board. No central service list is maintained now.
(ii) Staff list summaries; these give the number of officers in each salary scale and have been discontinued after 1948.
(iii) Record of appointments made without examination. This contains among other things a full list of section 47 appointments.
(iv) Temporary Transfer Register. This lists details of all acting promotions under Regulation 116.
(v) Bound files of Gazette slips of provisional promotions in the Board's office. These contain marginal notes of later appeals and their results.
(vi) History cards of officers kept in various departments.
(vii) Higher duty cards of officers kept in various departments.

New South Wales Public Service

Original files. As in Victoria, the older files are not distinguished from current ones by any accession number though they are kept in the official archives at Shea's Creek. Files both old and current have the number of the calendar year e.g., (19) 37 or (19) 48, followed by their individual registration number. The file numbers are preceded by the prefix (N.S.W.) in the footnotes.
Registers, card indexes et cetera. The following were consulted.

(i) Selection Committee Reports. The loose-leaf reports of the standing Selection Committee are bound every six months. The volumes for 1956 were completely analysed for the survey of the year's promotions.

(ii) Registers of Agreements. These are loose-leaf volumes of copies of the various agreements between the N.S.W. Public Service Board and officers' associations.

(iii) Crown Employees Appeal Board Reports. These are bound volumes of the decisions of the Crown Employees Appeal Board relating to the New South Wales Public Service compiled by, and kept in, the Public Service Board's Office, Sydney. There are four volumes at present but the decisions are serially numbered from the beginning of the first volume, continuously on to later volumes. They are cited in footnotes as C.E.A.B.R. followed by the decision number without the volume number.

(iv) Official history cards.

(v) Qualification cards of officers which record their academic or professional qualifications.

(vi) Examination cards of officers which record their passes in the in-service examinations such as Reg.116 or Reg.119 test or the Higher Grades examination.

The Victorian Public Service

Original files. The older files are not distinguished from current ones by an accession number or in any other way. Files both old and current are kept in the Victorian Public Service Board's Office, Treasury Place, Melbourne. The number of each file consists of the number of the calendar year e.g., (19) 37 or (19) 58, followed by its registration number. Victorian files are cited in the footnotes with the prefix (Vic).

Registers and Card indexes. The following were consulted.

(i) The Register of Promotions (and Transfers). This register records every promotion and classification with the name of the officer, class promoted to, date of promotion and a reference to the original promotion file. It was most invaluable in getting facts and figures more quickly than in the other two services.
(ii) Official history cards. These were particularly useful in making progression studies.

II. PRINTED SOURCES
(Access to which is not restricted)

Commonwealth Public Service

Statutes

<table>
<thead>
<tr>
<th>Statute</th>
<th>Date</th>
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</thead>
<tbody>
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<td>Commonwealth Public Service Act</td>
<td>1902</td>
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<td>&quot;</td>
<td>1902-1920</td>
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<td>&quot;</td>
<td>1922</td>
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<td>1922-24</td>
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<td>&quot;</td>
<td>1922-54</td>
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<tr>
<td>Commonwealth Public Service (Amendment) Act</td>
<td>1917</td>
</tr>
<tr>
<td>&quot;</td>
<td>1945</td>
</tr>
<tr>
<td>Arbitration (Public Service) Act</td>
<td>1911</td>
</tr>
<tr>
<td>Public Service (Prohibition) Act</td>
<td>1920</td>
</tr>
<tr>
<td>&quot;</td>
<td>1922</td>
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<tr>
<td>Re-establishment &amp; Employment Act</td>
<td>1945</td>
</tr>
<tr>
<td>Income Tax (Salaries) Act</td>
<td>1930</td>
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<tr>
<td>Financial Emergency Act</td>
<td>1931</td>
</tr>
<tr>
<td>Financial Relief Act</td>
<td>1935</td>
</tr>
</tbody>
</table>

N.B. The Commonwealth Public Service Act was amended almost every year, giving rise to many C.P.S. (Amendment) Acts. We are including only two of these Amendment Acts directly considered in the text. Otherwise we generally refer to either the original Act or the amended Act brought up to date.

Regulations

<table>
<thead>
<tr>
<th>Regulations</th>
<th>Date</th>
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<tbody>
<tr>
<td>Commonwealth Public Service Regulations</td>
<td>1902</td>
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<tr>
<td>&quot;</td>
<td>1912</td>
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<td>&quot;</td>
<td>1922</td>
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<td>&quot;</td>
<td>1935</td>
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<tr>
<td>Loose-leaf volume of the Public Service Act and Regulations</td>
<td>1955</td>
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Determinations of the Public Service Board, in pursuance of sections 32, 53 and 58 of the Public Service Act 1922-57, as at 1st September, 1958.

Annual Reports

<table>
<thead>
<tr>
<th>Interim Report</th>
<th>Date</th>
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<tr>
<td>Commonwealth Public Service Commissioner's Reports. (1st to the 18th i.e. 1904 to 1921).</td>
<td></td>
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<tr>
<td>Commonwealth Public Service Board, Reports. (1st to the 34th i.e. 1923-4 to 1957-8).</td>
<td></td>
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<tr>
<td>Commonwealth Arbitration Reports (1912 to 1958).</td>
<td></td>
</tr>
</tbody>
</table>
Commonwealth Public Service Arbitrator's Reports (1921-1956).

* N.B. The official title is somewhat longer and seems to vary slightly from year to year. The full title of the latest report is Thirty fourth Report on the Public Service of the Commonwealth by the Public Service Board.

Royal Commission Reports

Royal Commission on the Postal Services, Minutes of evidence, 1910.

First Progress Report of the Royal Commission appointed to consider and report upon the Public Expenditure of the Commonwealth of Australia with a view to effecting economies, 1919. (briefly called the Economies Commission).

Final Report of the Royal Commission appointed to consider and report upon the Public expenditure of the Commonwealth of Australia with a view to effecting economies, 1921.


(Commonwealth) Classification Report, 1904.
Other Official Publications


Classification of selected designations in the Commonwealth Public Service, May 1958.

Commonwealth Public Service - Statistics of Permanent Staff and Establishment - All Divisions, as at 30th June, 1957.


Commonwealth Public Service Survey of Permanent Staff and Establishment, 30th June 1957 (published May, 1958)

The Pattern of Recruitment of Clerks in the years 1948, 1951 and 1954 and their Progression in the Commonwealth Public Service from date of Recruitment to 1957 (published May, 1958).

Notes on Recruitment for Committee of Inquiry into Public Service Recruitment.

* Asterisked publications are those brought out by the Research Section of the Commonwealth Public Service Board.

Commonwealth of Australia Gazette (weekly). (1901-58)

Commonwealth Parliamentary Debates. (referred to as C.P.D.)(1901-58)

Commonwealth Parliamentary Papers. (1901-58)

Association Journals

Transmitter (organ of Postal workers in the early years of the century).


The new series begins from March 1922. All our references are to the new series.
### NEW SOUTH WALES

#### Statutes
- Civil Service Act 1884.
- Public Service Act 1895.
- Public Service (Amendment) Act 1922.
- Public Service Act 1902.
- Public Service (Amendment) Act 1922.
- Public Service Act 1929.
- Public Service Act 1902.
- (as consolidated and certified, 27th May, 1955)
- Crown Employees Appeal Board Act 1944.
- Public Service (Salaries Reduction) Act, 1930.
- Public Service (Salaries Reduction) Act, 1931.
- Industrial Arbitration (Amendment) Act, 1926.

#### Regulations
- N.S.W. Public Service Regulations 1917.
- " " " " " " 1932.
- " " " " " " 1938.
- " " " " " " 1956.
- (Loose-leaf volume)

#### Annual Reports
- (N.S.W.) Public Service Board Report, (1st to the 62nd) (The first Report was published in 1896. These are referred to briefly as N.S.W.P.S.B. Reports)

#### Royal Commission Reports
- First Sectional Report of the Royal Commission, to inquire into the Public Service of New South Wales, 1918.
- (briefly called Mason Allard Report).

#### Official Publications
- Public Service List, 1956.
- (N.S.W.) Government Gazette (weekly) (1884-1956)
- N.S.W. Parliamentary Debates. (1884-1956) (1st and 2nd series)
- N.S.W. Parliamentary papers. (1884-1956)

#### Association Journals
- Red Tape. (Organ of the N.S.W. Public Service Association), Sydney. (1901-58).
VICTORIA

Statutes

An Act to regulate the Civil Service 1862.
Public Service Act 1883.
" " " 1890.
" " " 1893.
Public Service Retrenchment Act 1896.
Public Service Act 1901.
Public Service (Amendment) Act 1915.
" " " 1919.
Public Service Act 1928.
Public Service Payments Reduction Act 1930.
" " " 1934.
Public Service Act 1940.
" " " 1946.
" " " 1946 - 58.
Discharged Servicemen's Preference Act 1943.

Regulations

Public Service Regulations 1909.
" " " 1915.
" " " 1922.
" " " 1931.

Annual Reports

Vic. Public Service Board Reports (referred to simply as V.P.S. Reports with the year of publication with the word Report.)

Royal Commission Reports

Report of J.W. Ross, Esq., who was appointed as Board of Enquiry to inquire into the methods in the Public Service, 1927. (Briefly referred to as the Ross Report).
Other Publications

Public Service List, 1958.

Association Journals
Public Service Journal of Victoria,
(1940 to 1958)

N.B.
Besides these official reports and publications a number of roneoed pamphlets and papers used in the Commonwealth service and N.S.W. Service as training documents were also consulted. All the official reports and other publications listed are published by the respective Government Printers at the respective Capital Cities. All of them are available separately in the libraries of the respective Public Service Boards. They can also be referred to in the Parliamentary Papers of the respective Governments for the year given. The Newspaper files consulted were those of the Age and Argus, Melbourne and Sydney Morning Herald, Sydney.

A printed note circulated by the Victorian Ministry among members of Parliament in support of their Public Service Bill of 1893 is not found among Parliamentary Papers but a copy is available at the Victorian Public Service Board's library.

The Year Books published by the Commonwealth Government and the Governments of Victoria and New South Wales were useful in many respects. The Commonwealth & Argus Law Reports were consulted for a few relevant cases.
SECONDARY SOURCES

(Booksin articles et cetera)

I. Books on Australian History and Politics


Moore, Harrison, Commonwealth of Australia, (2nd ed), 1910.


Scott, Ernest, Australia during the War, Vol.XI. in the Official History of Australia in the war of 1914-18, Angus and Robertson, Sydney, 1937.


II. Books on principles of Public Administration


Barker, Ernest, *The Development of Public Services in Western Europe,* Cambridge U.P., 1944.


Collins, Sir Charles, *Public Administration in Ceylon,* Royal Institute of International Affairs, 1951.


III. Books on Public Administration in Australia


Knight, Kenneth W., The Development of the Public Service of New South Wales from Responsible Government (1856) to the establishment of the Public Service Board, unpublished thesis, Sydney University Library.

Parker, Robert S., Public Service Recruitment in Australia, Melbourne U.P., 1942.


IV. Journal Articles consulted

i. The Australian Journal of Politics and History, (Brisbane).

ii. Historical Studies of Australia and New Zealand.

Public Administration, (London).

Gladden, E.N., "Administration of the Ottoman Empire under Suleiman" Vol. XV. p. 187-.


Subramaniam, V., "Graduates in the Public Services - A Comparative Study of Attitudes", Vol. XXV, p.373-.

Public Administration (Sydney).
Encel, S., "Recruitment of University Graduates to the Commonwealth Public Service," Vol. XII, pp. 222-231.
Parker, R.S., "Executive Development in the Commonwealth Public Service," Vol. XV, pp. 177-198.
Subramaniam, V., "Evaluating Personnel Efficiency in the Commonwealth Public Service", Vol. XVI, p.182-.

Public Administration Review (Chicago).
Herson, Lawrence J.R., "China's Imperial Bureaucracy - Its direction and control," Vol XVII, p. 47-.
The following periodicals were also generally consulted.

New Zealand Journal of Public Administration, Wellington.
Revue Internationale des Sciences Administratives, Brussels.

Miscellaneous

Gogol's three works namely, The Government Inspector (play), Dead Souls (novel) and The Cloak (short story) provided some food for thought as did C.P. Snow's Home Comings and Anthony Trollope's Three Clerks.
Some Criticisms of the Commonwealth Public Service Board

The Commonwealth Public Service Board, while generally appreciative of the thesis, took exception to some of the criticisms in part III of it with regard to their policy or inaction in various fields.

In general they felt that this writer has not appreciated the need for the Board (a) to hasten slowly as regards many desirable changes (b) to educate both service and public opinion in these matters and (c) to keep Public Service Legislation out of range of Party Politics by means of (a) and (b); enough credit was not given to the Board's efforts as regards (b) through the training classes for supervisors in the service; the writer, relying too much on written files has not taken full account of attitudes and atmosphere which are hard to define on paper. In fact, the Board had unobtrusively taken an initiative in many things such as Staff Reporting and they had urged on the Cabinet the appointment of the Boyer Recruitment Committee - mainly to prepare public opinion for desirable changes in recruitment policies. In particular, the writer's criticisms of the Board's action or inaction in the following cases did not take all the Board's difficulties into account.

(i) Considerable criticism is made of the Board's failure in the classification negotiation of 1953-4 with the associations (pp. 337-8). The Board pointed out that (a) the approach of the associations was not genuine and that they were interested only in increased remuneration and not classification reform; (b) that the Board were not the sole nor final authority in classification matters, while the Public Service Arbitrator was acting as a court of first instance as regards salary classification; that (c) they could not proceed with the simplified classification formula after the 1954 award had nearly doubled the cost of
its implementation (against a political background seeking reduction in Public Service costs); and (d) that they were always trying to condition service executives towards a move for simplified classification.

(ii) The Board have for a long time urged the greater need for managers in the service particularly in view of new and widening tasks. In this as in other matters, the Board have tried slowly to educate supervisors on the changing needs of the service and also pressed for the appointment of the Boyer Recruitment Committee to crystallise the issues and to draw the attention of the politicians and the public.

(iii) Similarly in the matter of staff reporting, while the Board have their reservations about the use of standard forms, and particularly numerical ratings which may receive dangerous sanctity, they urged departments to adopt some form of reporting and use training classes to create enthusiasm for it.

(iv) In these cases and in general, charges have been levelled against the Board of inaction, apathy and giving up of some of the co-ordinating functions. The Board have in practice to reconcile their own co-ordinating and supervisory functions under section 17 of the Act, with the Departmental Head's responsibility for running his department under section 25 of the C.P.S. Act so that their co-ordinating has to be carried on unobtrusively. This was the method followed with respect to the introduction of O & M in departments, staff reporting, classification negotiations and new concepts of managing ability. Most of the Board's work in this respect consists in attitude conditioning, indirect persuasion etc., carried
on silently and not written about. Again, much of their desirable co-ordination or initiating work cannot be undertaken for want of staff.

The Writer's Reply

Part of the writer's strong criticism or at least, the tone of it was almost unintentional and incidental. For example the word apathy was not certainly used by him in the sense of mental indolence (as the Board infers and properly objects to) but rather in the sense of want of enthusiasm. Secondly, the writer, being basically in favour of more powers for, and more co-ordination by, a central personnel agency - was rather inclined to be harsher than need be in his criticisms when co-ordination and initiative were not apparent. These criticisms would be suitably modified in revision and publication.

But he was not relying solely or largely on files, confidential and otherwise. He was quite aware of the atmosphere and background mentioned by the Board and the Board's anxiety to modify it before attempting changes. But he did not attach as much importance to this factor as the Board would. Maybe because, being temperamentally in favour of certain things he was more inclined to equate caution with lack of enthusiasm. But his general attitude flowed from his views regarding the position of the academic research-worker in Public Administration vis à vis the Administrator himself.

He takes much the same position as The Times did in its famous historic editorial in reply to Prime Minister Lord Derby's statement that as the Press aspires to share power with the statesmen it must also share their responsibilities. The Times' reply (to sum it up briefly) was that the functions of the Press and Statesmen were
divergent and often antagonistic; the duty of the
Press was to publish all the news and make its criticism
irrespective of its impact on the statesmen; and it was
none of its business to share the statesman's responsibilities.
Similarly, the academic research-worker, while making every
try to be fair, should not be weighed down by the
difficulties and responsibilities of the actual administrator
in making his criticisms; if he should, they become pale
duplicates of intelligent departmental discussion without
its virtues and at the same time lose all the punch and
point that flow from an academic's position - free from the
thraldom of immediate administrative needs. In the long run
it is better for both the administrator and the academic
if each sticks to his separate role. This writer is glad
that this position obtains almost instinctively in the
Australian Public Services.

He has nothing but unstinted praise for the
generosity of the Commonwealth Public Service Board in
letting him gather information from all possible sources,
their most careful consideration of his criticisms and
their detailed reply. He wishes and prays that this
generosity would become a permanent feature of Australian
Public Service Boards in spite of some irritations and
that this would lead to research of high quality
strengthening the hands of administrators.