

1886.
NEW ZEALAND.

GOVERNMENT INSURANCE ASSOCIATION COMMITTEE

(REPORT OF), TOGETHER WITH MINUTES OF PROCEEDINGS AND EVIDENCE.

Brought up 23rd July, 1886, and ordered to be printed.

ORDERS OF REFERENCE.

Extracts from the Journals of the House of Representatives.

WEDNESDAY, THE 9TH DAY OF JUNE, 1886.

Ordered, "That a Select Committee be appointed to inquire into and report on the subject of the investments made by the Government Insurance Association in land purchases, and also to report generally on the working of the institution; with power to call for persons and papers. Such Committee to consist of Mr. Montgomery, Mr. Gore, Mr. M. J. S. Mackenzie, Mr. Macandrew, Mr. Holmes, Mr. G. F. Richardson, Mr. W. D. Stewart, Mr. Levestam, Colonel Fraser, and the mover; four to be the quorum. To report within a month."—(*Mr. Ormond*.)

THURSDAY, THE 15TH DAY OF JULY, 1886.

Ordered, "That the Government Insurance Committee have leave to postpone making their report until Tuesday week."—(*Mr. Ormond*.)

REPORT.

YOUR Committee has inquired into and taken evidence at considerable length on the subjects referred to them, both as to purchase of building sites and the general working of the Government Insurance Association under the present Board.

As regards the purchase of building sites, the Committee finds that properties were purchased at Wellington and Dunedin prior to the Board coming into office, and that a purchase at Christchurch had been under negotiation, and was completed by authority of the Board; also that a site at Auckland was purchased by the Board.

It appears from the evidence that all these purchases were made with the object of securing sites for the erection of imposing buildings, on the ground that such were necessary to influence and promote business.

The Wellington purchase was made from the Government, the price paid being £18,000. The business of the association at Wellington is conducted in a portion of the building, the remainder of the space being let as offices to other Government departments. The results are estimated to represent 6 per cent. on the purchase. The Committee learns it is in contemplation to pull down the present building, and erect in its place a structure estimated to cost £35,000. Plans have been prepared and paid for, and architects are engaged in preparing working plans and specifications with the view of calling for tenders.

The Dunedin purchase was made in December, 1884. The price paid was £35,500, costs and expenses bringing the price up to £36,029 9s. 2d. The premises have not been used by the association, other offices being rented in another part of Dunedin at a rental of £75 a year. Portions of the premises are subject to leases which have some years to run. Some of the buildings are described as being in a dilapidated state. The present rents return £2,007. The evidence shows that to utilize the purchase a large expenditure on new buildings will be required.

The Christchurch property was purchased from two different parties, the larger portion from Mr. Maling for £10,250, and an adjoining section from Mr. Phillips for £1,500. The Maling property has since been let to him for twenty-five years at a rental of £500 per annum for five years and £600 per annum for twenty years. It has been proposed to build offices for the conduct of the association's business on Mr. Phillips's section.

At Auckland a property was purchased from Mr. Shera, the price paid being £19,000. The purchase was made on the 31st March, 1885, and the buildings have been unoccupied since the 31st October, 1885, although the association rents other premises as offices.

The Committee has to report in respect to these purchases that an outlay of £84,779 has been incurred; that, with the exception of the Wellington building, the premises are not used for offices