

in arriving at the fair value of land and the improvements thereon. I am able to state with confidence that the assessment is the best and most accurate that has been made in the colony, and I am happy to inform honourable members that the result has been so far satisfactory that there will be a surplus under the head which will secure a small excess on the whole scheme. When further information is obtained, I shall submit some amendments in the Act for the consideration of Parliament.

#### CIVIL SERVICE PENSIONS.

Proposals relative to Civil Service pensions.

The Committee will not be prepared for any proposal which would revive the system of pensions which was repealed in 1871, subject to existing or accrued rights at the time. Yet it has not been unrecognised that some provision should be made for those who have spent the best of their days in the service of the country, and have arrived at the time of life when they should give place to younger and more vigorous men. The Government are of opinion that the Civil Service in this respect should be placed in a position of self-reliance, not dependent on what might be considered a gratuity, but contributing out of their salaries a certain proportion—about 5 per cent.—that would go to build up a fund out of which insurances and pensions or annuities would be paid on a definite scale. I have therefore the satisfaction of informing the Committee that the Government Insurance Department has prepared tables, copies of which will be placed before Parliament, providing for an insurance equal to a year's salary should the officer die before the age of sixty, or a life annuity commencing at that age, when he will be expected to retire from the Service. Should he be retired before that age, not from ill-health, he will also be entitled to compensation from the Fund, varying with the length of service, but, after a few years' service, amounting to considerably more than the accumulated deductions from salary. If he is incapacitated from ill-health, payment will be made out of the Consolidated Fund of a month's salary for each year of service, and this is the only liability that will fall on the general revenue. It must occur to the Committee that, if a man should die immediately after commencing to draw his annuity, under ordinary circumstances great hardship must result to his family; but such a contingency is provided against in the proposed scheme by allowing the insurance policy, in addition to the annuity or pension, to remain in force after the age of sixty, by applying the profits of the fund to that purpose.

Advantage of scheme secured through the Government Insurance Department.

One great advantage of the scheme lies in the fact that the Insurance Department will secure a high rate of interest to the fund, in all probability considerably over 5 per cent. for many years to come, which it is able to do by taking the average rate of its investments. Under "The Civil Service Reform Act, 1886," the deductions are invested in the Public Trust Office at 4 per cent., so that the advantage supplied by the Government Insurance Department is at once apparent.

Officers appointed under the Reform Act and those under proposed Act to be included in scheme. Optional to others.

Every person entering the Civil Service after the Act comes into force will be under the system, as well as every person up to a certain age, to be fixed hereafter, who has entered the Service since the passing of "The Civil Service Reform Act, 1886." It will be optional for others to join the scheme. At the end of every three years the profits will be divided among the insured, being applied to either increase the annuity or extend the insurance, as may be preferred.

Scheme to be open to persons outside the Civil Service.

But we have gone even further, and have provided that any class of permanent Government servants—police, printers, school-teachers, labourers, railway employees, messengers, or others—may by regulation be brought within the limits of the scheme. There is power in the department to issue policies to meet the special conditions of any class, and it will be possible to adopt and put in force such scale of pensions and allowances as may be found to be particularly suitable under any given circumstances. The general scheme will be open even to outsiders, and any one desirous of coming under it may do so on passing the necessary medical examination, which the Insurance Department will waive in the case of those Civil servants who are compelled to join. A Civil servant leaving the Service may of course remain insured and become entitled to the deferred annuity by continuing to make the necessary payments. If a