

The accompanying table shows the overpayments recovered in each year since the Act came into force, and paid to the Public Account:—

|                             |     |     |     |     | £     | s. | d. |
|-----------------------------|-----|-----|-----|-----|-------|----|----|
| Year ended 31st March, 1899 | ... | ... | ... | ... | Nil.  |    |    |
| " " 1900                    | ... | ... | ... | ... | 25    | 15 | 0  |
| " " 1901                    | ... | ... | ... | ... | 63    | 18 | 4  |
| " " 1902                    | ... | ... | ... | ... | 127   | 1  | 11 |
| " " 1903                    | ... | ... | ... | ... | 1,039 | 11 | 1* |
| " " 1904                    | ... | ... | ... | ... | 2,349 | 14 | 7† |
| Total ...                   | ... | ... | ... | ... | 3,606 | 0  | 11 |

\* Including £55 fines. † Including £30 fines.

I regret to say that I have not had sufficient time at my disposal to visit all the various charitable institutions where pensioners prefer to reside, to satisfy myself that care and attention is given to them by the governing authorities, but in the few institutions that I did visit I found that pensioners were treated with kindness and consideration.

I was not impressed with the building in Nelson known as the Old People's Home, where some thirty pensioners reside, and to the authorities of which this Department paid last year no less a sum than £556 10s. This building is a very old wooden one, and is full of vermin. I know that the responsible authorities have done all that is possible to exterminate the pest, but they have not been successful, and I doubt if they ever will be.

On the 31st March there were 615 pensioners residing in such institutions throughout the colony, on whose behalf the sum of £10,184 8s. 4d. was paid during the year to the controlling bodies by way of maintenance. A further sum of £62 0s. 6d., being amounts accrued to date of death, was paid to help defray funeral expenses.

A return is appended setting out the distribution of the pensioners in the various homes and hospitals, together with the amounts paid to each institution.

During the year the initial report of the Board of Control appointed to administer the old-age pension scheme introduced into New South Wales in 1901 came to hand, and I am able for the first time to compare results as between that State and our colony. On the 1st April, 1902, the latest date on which a comparison is possible, New South Wales was paying pensions to 20,135 persons on the same footing as the New Zealand pensioner—i.e., sixty-five years of age and twenty-five years in the colony, while the number of pensioners in New Zealand, exclusive of Maoris, was 11,721, the relative percentages to the population eligible by age and residence in the two places being as follows: New South Wales, 48 per cent.; New Zealand, 41 per cent. In other words, New Zealand at that time paid pensions to 414 in every thousand, and New South Wales to 485. At the present time in New Zealand only 351 in every thousand eligible as above receive a pension. From the published figures a twelvemonth's expenditure in New South Wales was £523,068, whereas in New Zealand the largest disbursement for any one year was £210,140. The full amount of our pension is £18, as against £26 paid in New South Wales. The difference in the cost of administration of the two Acts is very marked, New South Wales paying £21,000 per annum, or 4 per cent. of the total expenditure, whereas the cost in New Zealand last year was only £3,655, or 1.8 per cent. of the gross expenditure.

The accompanying table shows the total amount paid in New Zealand by way of pensions since the Act came into force, together with the cost of administration each year:—

| Year ended 31st March, 1899 (three months)... | Gross Payments<br>on account of<br>Pensions.<br>£ | Cost of<br>Administration.<br>£ |
|-----------------------------------------------|---------------------------------------------------|---------------------------------|
| " " 1900 ... ..                               | 3,124                                             | 510                             |
| " " 1901 ... ..                               | 157,342                                           | 2,360                           |
| " " 1902 ... ..                               | 197,292                                           | 2,415                           |
| " " 1903 ... ..                               | 207,468                                           | 2,535                           |
| " " 1904 ... ..                               | 210,140                                           | 3,805                           |
| " " 1904 ... ..                               | 203,164                                           | 3,655                           |
| Grand total ... ..                            | 978,530                                           | 15,280                          |

The total cost of administration has been 1.56 per cent. of the total gross expenditure.

In last year's report mention was made of the fact that, on account of advanced age or physical infirmity, some Native pensioners were not capable of protecting themselves from the younger Maoris, who squandered their pension-money. I have gone further into this important question, and, although I am not yet in a position to inform you that the abuse has been stamped out, it has been greatly modified.

While upon the subject, allow me to offer the thanks of the Department to the various members of Maori Councils who have rendered most valuable assistance in this connection.

After mature consideration it was thought desirable to cancel all existing warrants under section 44 of the original Act in favour of Natives, as well as those held by storekeepers, who were acting as agents for Maori pensioners, and neither the Department nor the pensioners have reason to regret the step taken. Arrangements have been made whereby these pensioners receive their