PUBLIC SERVICE SUPERANNUATION FUND.

The income during the year ended 31st December, 1911, amounted to £134,165 17s. 1d., including £23,000, annual subsidy from the Government. The amount contributed by members of the fund during the year was £98,288 1s. 9d., the balance of the income being made up of interest, £12,645 17s. 3d., and fines, £231 18s. 1d. The total outgo for the year was £56,377 19s. 4d. This includes allowances to members and to widows and children of deceased members, £44,173 8s. 7d, as against £36,009 17s. 3d. for the previous year; contributions refunded, £7,714 11s. 9d.; compensation, £3,170 10s. 5d.; and expenses, £1,319 8s. 7d. The total value of the fund at the end of the year was £341,735 17s. 9d., an increase of £77,787 17s. 9d. on the total at the close of the year 1910. The number of contributors at the beginning of the year was 8,371, and 1,253 new contributors have since joined. The number of officers who ceased to contribute during the year by reason of having left the service, retired on pension, or died, was 484, leaving a total of 9,140 effective members of the fund at the end of the year. There were 343 members in receipt of retiring-allowances by reason of age or length of service, and 95 by reason of medical unfitness, or of injuries received whilst on duty. The number of widows and children on the fund was 77 and 59 respectively. In consequence of the large and increasing amount of money which had remained uninvested and unproductive in the hands of the Public Trustee, it had been decided, before the present Government came into office, to allow the whole of the moneys belonging to the fund to be taken into the Common Fund of the Public Trust Office at a fixed rate of 4¼ per cent. per annum. This rate is lower than could be earned by investment on mortgage, but, on the other hand, the capital is guaranteed, and the money will bear interest as soon as it is received by the Public Trustee. The actuarial examination of the fund for the first triennium, prescribed by section 48 of the Act, was made last year, and the Actuary's report was laid before Parliament during the short session held early this year. The report states that, "in addition to the annual subsidy of £23,000 now being paid, further subsidies of £20,000, £24,500, and £29,000 will be the minimum likely to be required for the years 1911, 1912, and 1913 respectively." The Actuary "recommends that the most satisfactory course will be to strike a fair average subsidy for the next three years, and make it £48,000 per annum for the triennium." This would mean an increase of £25,000 on the present contribution by the State. Legislation if necessary will be introduced during the present session to increase the annual subsidy in accordance with the Actuary's report.

The report points out that the subsidies must increase for some years, the future limit probably being between £80,000 and £90,000. The Actuary, in his report, says that "the original data supplied to me contained approximately not more than three-fourths of the contributors who actually joined the scheme at the outset. I am not aware that any one was to blame in the matter; the result was probably due to bringing classes of public servants into the scheme not originally contemplated." If the original data supplied were incorrect, it is to be regretted, and I will have inquiries made to ascertain the facts. If the estimates of the Actuary were "understated," as he says they were, then it is evident that any attempts to add further concessions will produce their natural result—namely, the over-loading of the fund. It is in my opinion essential that these attempts in the future should be firmly dealt with.

TEACHERS' SUPERANNUATION FUND.

The actuarial examination of this fund has been completed, with the result that the Actuary reports that, in addition to the annual subsidy of £7,000 now being paid, further subsidies of £7,720, £10,090, and £12,520 will be the minimum likely to be required for the years 1911, 1912, and 1913 respectively, and he recommends that the present subsidy be increased by £10,000 per annum for each year of the current triennium. The necessary provision will be made to meet this added responsibility.

RAILWAYS SUPERANNUATION FUND.

The long continuous Ministry which went out of office only a few months ago resisted any attempt to have an actuarial investigation of the Railways Superannuation Fund. The Government has no intention of destroying the benefits derivable