

- (4.) After contributing for five years, an allowance on the death of a contributor of 7s. 6d. per week for each child until 14 years of age, and 7s. 6d. for the widow so long as any child is under 14 years of age.

The contributions range from 9d. per week at age 17 for the minimum pension, to 19s. 8d. at age 45 for the maximum pension. The average contribution paid by contributors is about £4 2s. per annum.

At the 31st December last there were 2,660 contributors, and the fund amounted to £10,038. The State subsidy, including maternity claims, amounted to £1,572.

The percentages of occupations were as follows: Clerical, 19·21; domestic, 4·46; industrial, farming, labouring, and kindred occupations, 59·48; shops (retail), 9·83; others, 7·42.

3. The old-age pension is free and non-contributory, as in Britain and Australia. The maximum pension is £26 per annum, subject to certain property conditions; is payable at age 65 to men and on a sliding scale at age 60 for women.

There is also a free widow's pension, maximum £30 per annum, payable according to the number of young children under 14 years of age.

The Commissioner reports that the total pensions and liability thereon at the close of 1912 were as follows:—

	Number of Pensions.	Liability. £
Old-age	16,509	412,408
Widows'	1,313	24,768
Military	568	19,026
Totals	18,390	£456,202

R. E. HAYES.

EXHIBIT B.

DEPARTMENT'S PROPOSALS RELATIVE TO POSITION OF FRIENDLY SOCIETIES IN SOCIAL INSURANCE.

IN view of the Minister's desire that the Committee should have before it some definite scheme, I submit herewith the Department's proposals relative to the position of friendly societies in social insurance.

These proposals were framed on the assumption that the State's function in social insurance is extending as elsewhere, and that co-operation with the societies would assist the State in this work. The object of the proposals therefore would be to—

- (a.) Extend the principles of the National Provident Fund along the lines leading to universal social insurance:
- (b.) Relieve the financial position of friendly societies so as to lessen the cost of their benefits, with the object of opening their membership to a lower-waged class of workers.

In order to carry this out a subsidy from the State was to be paid to societies on the following basis:—

- (1.) 2s. 6d. per week towards the cost of the allowance paid to any members by the society in respect of sickness of more than twelve months' duration.
- (2.) 2s. 6d. per week towards the cost of the allowance paid by the society in respect of sickness of less than twelve months' duration in the case of a male member over sixty-five or a female over sixty years of age.
- (3.) A subsidy towards the funeral benefit up to £15 in respect of a male member and up to £7 10s. in respect of a female member.

The effect of these subventions on the societies is shown in the Actuary's report appended hereto.

The following provisions would require to be provided for in the event of those subsidies being paid:—

A very strict compliance with the Friendly Societies Act would be required, and particularly in cases where societies or branches had deficiencies. Such would be called upon to comply with the conditions necessary to ensure an improvement in their finances.

In order to assist deficiency branches the surpluses that would accrue as a result of the subvention would be subject to such appropriation as would benefit those branches of a society that require aid. Out of the amount of subsidy payable to any branch there would be retained an amount equal to one-half of the surplus declared as a result of the subsidy, and this one-half would be appropriated for the aid of the deficiency lodges. All the amounts so kept back from a surplus branch would be paid over to the society for the assistance of its deficiency branches, and all such amounts would be kept in a separate account and no payments be made therefrom without the consent of the Registrar. Every friendly society and branch would be required to submit its accounts periodically to an auditor acting under the direction of the Registrar, and the fees for auditing the accounts of the societies and branches would be a charge upon the moneys payable to the society by way of subvention.