

A detailed valuation report was supplied to each society, but the following summary may be of general interest :—

Auckland District Branch of the A.O.F. of New Zealand.—The valuation of this District, which consists of thirty-one courts, disclosed a deficiency of £22,448, as compared with a surplus of £17,492 at the previous valuation. This unfortunate retrogression, while partly due to a more stringent valuation basis, was mainly the result of capital losses on property and depreciation of mortgage securities. The District had invested practically the whole of its Sick and Funeral Fund capital in land and buildings in spite of repeated general warnings as to the unsatisfactory nature of this class of security in the light of past experience of friendly societies. Apart from the heavy capital losses made, the interest-yield for the quinquennium averaged only 2·1 per cent. per annum. After a careful estimate of future prospects, it was considered unsound to value at 4 per cent. as in previous years, and a future average annual rate of interest of 3 per cent. was assumed. This naturally increased the estimated net liability, but it may be added that, even had the valuation been made at the old rate of 4 per cent., the District would still have been below solvency. Suggestions were made in the valuation report to improve the financial position without pressing too heavily on existing members, and it is to the credit of the District that prompt steps were taken to strengthen the position. As a result, a surplus should be disclosed at the next valuation in the absence of abnormal circumstances.

New Zealand District I.O.R.—Valuation of the nineteen tents of this society disclosed a surplus of £12,596, as compared with £16,354 at the previous valuation. The actual improvement was £10,272 when allowance is made for surplus appropriations during the quinquennium. The sickness experience of the society, though still slightly below normal, discloses a progressive increase in sickness rates in each quinquennium since 1908. This would appear to indicate that there has been some relaxation in the standards either of admission of members or of sickness-claim supervision, and possible explanations are the expansion of the district and its increased prosperity.

United Otago District A.O.F.—This society, which consists of twenty-nine courts, commenced the period with a surplus of £24,730, of which £18,200 was appropriated, and ended with a surplus of £31,267, representing an improvement of £24,737 for the quinquennium. Sickness costs in respect of male members were 10 per cent. less than normal, while in the case of female members the actual claims were 52 per cent. in excess of those expected by the standard table derived from the experience of male members.

Court Pride of Dunedin A.O.F. (Dunedin).—Valuation disclosed a surplus of £3,706, which was £2,810 better than the position at the beginning of the quinquennium after allowing for surplus appropriations. The “first six months” sickness was light, but “second six months” sickness continues to display the same excessive feature as has been commented on in previous valuations. For this it is difficult to find a satisfactory explanation.

Court Pride of Parnell A.O.F. (Thames).—Valuation disclosed a surplus of £1,182, which was £229 better than the position at the beginning of the quinquennium, having regard to surplus appropriations. The mean annual rate of interest credited to the Sick and Funeral Fund was 6·05 per cent., but the profit from this source was offset by very heavy sickness claims. This excess sickness was in respect of each period of sick pay, and became progressively heavier with the duration of sickness, being more than double the expected for chronic sickness in excess of two years. Portion of this increase compared with the previous valuation may be due to economic causes, but the experience of past quinquennia indicates that the bulk of the heavy sickness is due to occupational risks. The whole of the valuation surplus must be regarded as a reserve to cover excess sickness.

Canterbury United District, New Zealand, A.O.F.—This society consists of fourteen courts, each controlling its own Sick and Funeral Fund, but reassuring death benefits with the District Funeral Fund. The valuation disclosed surpluses aggregating £17,743 in thirteen of the courts and one deficiency of £293, while the District Funeral Fund showed a surplus of £5,619. The surplus over the whole district was £14,333 better than the position at the previous valuation, having regard to surplus appropriations during the quinquennium. Sickness claims were heavier than in the preceding quinquennium, but were still below the standard basis adopted in the valuation. The light sickness was, however, shared by only one-half of the courts, the remainder experiencing heavy claims. The financial position of the court in deficiency is so desperate that it is within measurable distance of the time when it will have no funds available to meet the claims of its members, and it has been recommended to take drastic steps to reduce its sickness liabilities or to levy its members.

TRADE-UNIONS.

One partial amendment of rules was registered : New Zealand Locomotive Engineers, Firemen, and Cleaners' Association.

There were twenty-five unions on the register at the end of the year.