D.—2.

During the session of 1901 the Government railway service was reclassi-The new Act came into operation on the 1st April, 1902, from which date the allowance of 6d. per day referred to above ceased, as under the new Classification Act all men who had previously been in receipt of 6s. 6d. per day had their pay permanently increased to 7s. per day. This new Classification Act still further improved the condition and pay of the railway men of the colony; the benefits accruing therefrom, on the basis of the staff as it existed on the 31st March, 1902, was estimated at £30,000 per annum. The minimum pay for cadets under the Commissioners' scale was £30 per annum; under the Government Railways Department Classification Act it is £40 per annum, and £10 additional is allowed to engineering and drafting cadets. Junior plate-layers, labourers, porters, and shunters were paid at a minimum rate of 3s. per day, with annual increases of 6d. per day to 6s. 6d., against the present minimum rate of 4s. per day, with annual increments of 6d. per day to 6s. and then an increase of 1s. to 7s. per day, the result being that the greater portion of the men in the railway service who were labouring for a wage of 6s. 6d. per day when the Government took control, and could not get beyond that amount except by waiting for the vacancies, which were few and far between, now receive 7s. per day, with greatly improved chances of promotion.

An alteration has recently been made in respect to the pay of casual hands employed in ballast gangs, special earthworks gangs, and casual labourers on the works staff. These men were formerly paid at the rate of 7s. per diem for time actually at work, but are now paid at the rate of 1s. per hour for time worked. The alteration, therefore, has resulted in an increase of their wages by 1s. per day for each full day worked, with a proportionate increase where broken time is involved. The value of the concession is approximately £8,500 per annum.

An increase in the lodging-allowance of 1s. per night has also been granted to guards and enginemen when absent from home on duty; and maintenancemen who have not hitherto been granted any allowance when absent from home and provided with sleeping-accommodation will in future be granted an allowance of 1s. per night, and be provided with sleeping-accommodation as heretofore.

Besides the concessions made in pay, members of the service have been granted many other substantial benefits in respect to hours of duty and other privileges. In addition to passing the Classification Acts, which apply to the permanent staff only, the Government in 1898, recognising that casual workers suffered considerable hardship in consequence of the stoppage of pay during the time they were incapacitated by injuries received in the ordinary course of employment by the Railway Department, undertook the insurance of the men for the purpose of securing an allowance to them in the case of accidental injury, the premiums necessary to secure the allowance being paid by the Railway Department. In 1903 the railway workmen were brought under the operation of the Workers' Compensation for Accidents Act, and are still paid under that Act. In 1902 the Government Railways Superannuation Fund Bill was passed. This beneficent measure enables the railway men to make provision for themselves in the case of sickness and old age, and for their wives and families in the event of death overtaking the breadwinner, and the manner in which the railway staff availed themselves of the provisions of the Act is conclusive proof of their appreciation of the superannuation Already a considerable number of old and tried servants have proved its value, as have likewise the widows and children of a number of others who have unfortunately passed away. The balance-sheet of the Superannuation Fund for the year just ended, submitted to the House by me on behalf of the Board of Administration, shows that the superannuation allowances paid during the year amounted to £14,933 10s., granted to 293 members of the railway service retired voluntarily or by reason of their being medically unfit; £1,484 0s. 10d. was paid as allowances to widows and families of deceased members of the railway service; £806 17s. 7d. was refunded to members who left the railway service from various causes, and who were not entitled to superannuation at the time of their retirement. The balance to the credit of the Fund at the 31st March was £68,670 7s. 8d.