Family benefits.

To ease the load of mothers where there are young children, it is proposed to increase the family benefit from the present rate of 6s. to 7s. 6d. per child. The cost for the balance of this financial year is estimated at £170,000.

Pensioners' benefits.

It is proposed to increase the present rate of age benefits of £1 10s., plus 1s. 6d. cost-of-living bonus, to a flat rate of £1 12s. 6d. This rate will also apply to invalids, miners, Maori war beneficiaries, and to war veterans. The rate for children will be maintained at 10s. 6d. for each child, and this rate will also apply to the sickness benefit. The cost of these increases for the balance of this financial year is estimated at £235,000.

The urgent question of anomalies as between persons with incomes up to £2 10s. a week for a single person or £4 2s. 6d. per week for a married couple, who otherwise would be qualified for age benefits has been further examined, and under the new proposals any single person whose social security charge and national security tax brings his total income below £130 per annum will, if otherwise qualified, be eligible to receive by way of age benefit such amount of benefit as will bring his net income up to £130. Similarly the combined incomes of a married couple may be brought up to £214 10s. per annum net.

To assist widows whose circumstances preclude them from obtaining adequate regular employment it is proposed to increase the widow's benefit from the present rate of £1 1s. including bonus, to £1 5s. a week where there are no children, and from £1 6s. 3d. to £1 10s. a week where there are dependent children. To the latter, of course, is added an allowance for children at the present rate of 10s. 6d. a week for each child. The cost of this additional benefit is estimated at £86,000 this year.

All these increases will operate as from 1st July next.

The circumstances of deserted wives has been the concern of the Government for some time and inquiries are proceeding with a view to amending the present arrangements, and, if possible, to transfer the responsibility for taking Court proceedings from the wife to the State. Under these circumstances, if the proposals are carried out, the wives and children will qualify for certain benefits from the Social Security Fund whilst steps will be taken to recover from the husband the amounts paid.

It is proposed to amend the provisions of the Social Security Act to exempt from the charge as income legacies of up to £500, and certain other capital payments; also to ensure that no reduction takes place consequent on the transfer to an age benefit of a benefit payable to a blind beneficiary, when such beneficiary reaches the age of sixty years. The cost of these alterations is negligible.

Hospital benefits.

Since the present hospital benefit of 6s. a day per occupied bed was granted there has been a substantial increase in the cost of maintenance of patients. After analysing the position and considering various alternative proposals, a decision has been reached to increase the hospital benefit from 6s. to 9s. a day. The cost to the Social Security Fund is estimated at £600,000 for this financial year, but there will automatically be a reduction in hospital subsidies from the Consolidated Fund of half the amount payable to Hospital Boards. This has been adjusted by an increase in the amount transferred from the Consolidated Fund to the Social Security Fund. Portion of the increased payment from the Social Security Fund will go to patients of private hospitals, and the net relief in hospital levies on local bodies will be about £250,000. Levies on local authorities for 1939–40 determined upon by Hospital Boards before the introduction of hospital benefits amounted to £1,094,000. For 1942–43 the amount was £1,318,000, an increase over the period of £224,000. The proposed increase to 9s. a day should thus generally meet the increase since 1939–40.

The contribution to revenue from the Consolidated Fund—namely £4,100,000—represents an increase of £300,000 compared with last year, while the social security charge is estimated to return the same amount as last year; otherwise the increase in expenditure will be met from cash balances in the Fund.