

1944
NEW ZEALAND

SOCIAL SECURITY DEPARTMENT

REPORT FOR THE TWELVE MONTHS ENDED 31ST MARCH, 1944

Presented to both Houses of the General Assembly pursuant to the Provisions of the Social Security Act, 1938

In so far as the Social Security Legislation is concerned, this report deals with Part II of the Act only. Reports on the operation of Part III and Part IV of the Act will be submitted by the Health and Land and Income Tax Departments respectively.

REPORT

To the Hon. the MINISTER OF SOCIAL SECURITY.

SIR,—

Social Security Department, Wellington, 31st May, 1944.

I have the honour to submit for the information of Parliament the fifth annual report of the Social Security Department, for the period 1st April, 1943, to 31st March, 1944.

NEW LEGISLATION

The following legislation became operative during the year :—

- (a) The Social Security and Pensions Emergency Regulations, Amendment No. 2, incorporated as part of the substantive benefit the former bonus of 2s. a week in respect of each child of the recipient of family benefit. The maximum benefit in respect of each child therefore became 6s. a week. This provision was later withdrawn in favour of increased benefits under the Social Security Amendment Act, 1943 :
- (b) The Social Security Amendment Act, 1943, became operative from 1st July, 1943, and made provision for increased benefits under the principal Act. The provisions of the Social Security and Pensions Emergency Regulations 1942, Amendment No. 1, authorizing the payment of additional age-benefits to the parents of deceased servicemen were widened and included as part of the Amendment Act. A similar provision was also made in respect of the parents of deceased members of the New Zealand Mercantile Marine. The provisions of the Social Security Act, 1939, in their relation to deserted wives were considerably broadened, and the Social Security Commission now has power to pay benefits to any woman with a dependent child or children who has taken action to obtain an order under the Destitute Persons Act, 1910. Any maintenance paid under such maintenance order is required to be credited to the Social Security Fund as an offset against any benefits paid :
- (c) The War Injuries to Civilians Emergency Regulations 1942, Amendment No. 1, increased the basic rates of pensions in respect of qualified persons and brought them into line with the new rates of pension payable under the war-pensions legislation.

BENEFITS

UNEMPLOYMENT BENEFITS

The following figures show the number of applications for unemployment benefits dealt with during the years ended 31st March, 1943, and 31st March, 1944, respectively, and illustrate a further noticeable decline in unemployment in the Dominion :

	1942-43.			1943-44.		
	Males.	Females.	Totals.	Males.	Females.	Totals.
Persons granted benefit	2,052	317	2,369	1,524	177	1,701
Number of applications declined	558	586	1,144	325	597	922
Number of persons whose applications were declined, but who were granted emergency benefits on grounds of hardship	186	351	537	158	501	662
Totals	2,796	1,254	4,050	2,007	1,278	3,285

SICKNESS BENEFITS

The following figures show the number of applications for sickness benefits dealt with during the years ended 31st March, 1943, and 31st March, 1944, respectively :—

	1942-43.			1943-44.		
	Males.	Females.	Totals.	Males.	Females.	Totals.
Persons granted benefit	18,936	7,807	26,743	18,350	7,942	26,292
Number of applications declined	1,798	805	2,603	1,591	757	2,348
Number of persons whose applications were declined, but who were granted emergency benefits on grounds of hardship	136	278	414	126	346	472
Totals	20,870	8,890	29,768	20,067	9,045	29,112

EMERGENCY BENEFITS

Under the provisions of section 58 of the Social Security Act, 1938, the Social Security Commission may, in its discretion, grant a special benefit on grounds of hardship to any person who is not qualified for any other benefit under the Act, but who, by reason of age or of physical or mental disability, or for any other reason, is unable to earn a sufficient livelihood for himself and his dependants. Full and sympathetic use is made of this section, and emergency benefits granted during the year totalled 1,554.

OTHER MONETARY BENEFITS

Details with regard to other monetary benefits under the Act are included in the table on page 4.

RECIPROCAL AGE AND INVALIDS' BENEFITS

On 25th August, 1943, another milestone was reached in the progress of social legislation in this Dominion with the passing of Age-benefits and Invalids' Benefits (Reciprocity with Australia) Act, 1943. The Act is designed to provide for reciprocity in relation to age-benefits and invalids' benefits between this Dominion and the Commonwealth of Australia. The Act came into force by Proclamation on 1st September, 1943. A similar Act was passed in Australia and came into force on the same date.

The legislation provides that, for the purpose of New Zealand age-benefits and invalids' benefits, residence in Australia shall be counted as the equivalent of residence in New Zealand, while in respect of Australian old-age pensions and invalids' pensions, residence in New Zealand shall count as the equivalent of residence in the Commonwealth. Similarly, total blindness or permanent incapacity arising in Australia shall be treated as though it had arisen in the Dominion, or if the applicant is resident in Australia, then total blindness or permanent incapacity which arose in New Zealand shall be treated as though it had arisen in the Commonwealth.

To qualify for a reciprocal benefit an applicant is required to comply with the more restrictive conditions of the laws, whether as to residence or otherwise, of New Zealand or of Australia, and the rate of benefit must not exceed the maximum of the country which provides the lower maximum rate.

It is interesting to note that the genesis of the scheme had its beginning in 1913 when the Old-age Pension Reciprocity Act, 1913, was placed in the statute-book of the Dominion.

The number of applications received and dealt with since 1st September, 1943, are as follows :—

Number of applications received		Applications granted		Applications rejected		
Age-benefits						
Applications received	..	..	..	..	..	64
Applications granted	..	..	..	..	..	34
Applications rejected	..	..	..	..	..	21
Invalids' benefits -						
Applications received	..	..	..	..	..	17
Applications granted	..	..	..	..	..	9
Applications rejected	..	..	..	..	..	2

The total reciprocal benefits in force as at 31st March, 1944, including certain emergency benefits transferred to reciprocal benefits, were : Age-benefits, 51 ; invalids' benefits, 20.

FINANCE

STATEMENT SHOWING THE RECEIPTS AND PAYMENTS OF THE SOCIAL SECURITY FUND FOR THE YEAR ENDED
31ST MARCH, 1944

<i>Receipts</i>		<i>Payments</i>	
	£		£
Balance	3,086,801	Monetary benefits—	
	£	Universal superannuation	778,758
Social security registration fees ..	551,064	Age	8,101,668
Social security charge on wages and other income	12,796,108	Widows	949,099
Penalties, fines, interest, and miscellaneous ..	44,912	Orphans	22,442
	13,392,084	Family	876,858
Grants from Consolidated Fund, vote "Social Security" (Social Security Act, 1938, section 105 (c))	4,100,000	Invalids	1,067,499
		Miners	76,652
		Maori War	119
		Unemployment	32,316
		Sickness	376,878
		Emergency	115,574
			12,397,773
		Medical benefits, &c.—	
		Medical benefits	1,179,331
		Hospital benefits	2,133,389
		Maternity benefits	513,939
		Pharmaceutical benefits	762,198
		Supplementary benefits	137,823
			4,726,680
		Administration expenses—	
		Land and Income Tax Department	120,000
		Health Department	80,000
		Social Security Department	309,293
			509,293
		Balance	2,945,139
	£20,578,885		£20,578,885

WAR PENSIONS

The general administration of the enactments providing for pensions and allowances in respect of service in the present and former wars and the carrying-out of decisions of the War Pensions Board and the War Pensions Appeal Board are functions of the Secretary for War Pensions.

NEW LEGISLATION

A comprehensive review of the whole of the war-pensions legislation was undertaken during the year. The War Pensions Act, 1943, became operative from 1st July, 1943, incorporating therein and extending the provisions of the former legislation affecting war pensions, war veterans' allowances, and pensions to members of the Emergency Reserve Corps. The new Act provided for the general rates of disablement pensions being increased by 50 per cent. as well as increases in dependants and economic pensions, and certain provisions of the former legislation were liberalized, especially in so far as attributability was concerned.

The War Pensions and Allowances (Mercantile Marine) Amendment Act, 1943, generally brought the rates of pension payable under that Act into line with those payable in respect of war pensions. A new provision enables the War Pensions Board to grant a pension or allowance to any member of a mercantile marine other than the New Zealand Mercantile Marine and in respect of the dependants of such member, provided that the member to, or in respect of, whom the pension or allowance is granted was immediately prior to the commencement of the present war a *bona fide* resident of New Zealand and that the claimant is actually resident in the Dominion.

DISSECTIONS OF WAR PENSIONS CURRENT AT 31ST MARCH, 1944

Class of Pension.	War, 1914-18.			Present War.			Totals.		
	Number of Pensioners	Number of Children.	Annual Value.	Number of Pensioners.	Number of Children.	Annual Value.	Number of Pensioners	Number of Children.	Annual Value.
Ex-members of Forces—			£			£			£
Permanent	12,548	6	1,190,797	314	1	37,835	12,892	7	1,228,632
Temporary	2,753	—	293,735	9,836	—	715,261	12,589	—	1,008,996
Dependants of disabled ex-members	2,855	2,780	220,230	832	882	61,154	3,687	3,662	281,384
Widows	2,044	479	291,122	1,541	1,186	266,237	3,585	1,665	557,359
Other dependants of deceased members	838	87	43,895	484	204	28,006	1,322	291	71,901
Totals	21,038	3,352	2,039,779	13,037	2,273	1,108,493	34,075	5,625	3,148,272

ECONOMIC PENSIONS PAYABLE AT 31ST MARCH, 1944, IN SUPPLEMENTATION OF STATUTORY WAR PENSIONS

Class of Pension.	War, 1914-18.		Present War.		Total.	
	Number.	Annual Value.	Number.	Annual Value.	Number.	Annual Value.
Ex-members with permanent pensions	2,734	£ 239,948	92	£ 8,297	2,826	£ 248,245
Ex-members with temporary pensions	904	79,948	1,443	129,346	2,347	209,294
Widows	966	52,137	774	47,196	1,740	99,333
Widowed mothers	62	2,985	116	5,064	178	8,049
Totals	4,666	375,018	2,425	189,903	7,091	564,921

PENSIONS PAYABLE OUTSIDE NEW ZEALAND AT 31ST MARCH, 1944

Class of Pension.	War, 1914-18.	Present War.	Total.
Ex-members of Forces—			
Permanent	846	1	847
Temporary	32	60	92
Wives and parents of ex-members: Temporary ..	104	7	111
Dependants of deceased members—			
Widows	207	68	275
Other dependants	258	36	294
Totals	1,447	172	1,619

SUMMARY OF WAR PENSION PAYMENTS

	Payments made in						Total.
	London.	Australia.	Canada.	South Africa.	Foreign Countries.	New Zealand.	
	£	£	£	£	£	£	£
Total payments to 31st March, 1943	1,363,663	939,517	54,363	11,049	15,387	34,329,744	36,713,723
Payments in 1943-44..	78,652	61,533	6,227	805	569	2,744,542	*2,892,328
Total payments to 31st March, 1944	1,442,315	1,001,050	60,590	11,854	15,956	37,074,286	39,606,051

* Includes £917,855 in respect of war pensions in connection with the present war and £1,404 to members of the Emergency Reserve Corps.

WAR PENSIONS APPEAL BOARD

The following table summarizes the operations of the War Pensions Appeal Board during the year with respect to appeals under war pension and related legislation : —

	War, 1914-18.	Present War.	War Pensions and Allowances (Mercantile Marine) Act, 1940.	War Veterans.	Totals.
Appeals outstanding at 31st March, 1943	52	350	..	..	402
Appeals lodged 1943-44	290	1,958	3	7	2,258
Total to be dealt with	342	2,308	3	7	2,660
Appeals upheld, 1943-44	79	619	1	1	700
Appeals dismissed, 1943-44	159	845	1	4	1,009
Appeals withdrawn and struck out, 1943-44	19	153	..	1	173
Total disposed of, 1943-44	257	1,617	2	6	1,882
Appeals outstanding at 31st March, 1944	85	691	1	1	778
Percentage upheld	30·7	38·2	50	16·6	37·1

Medical treatment of war pensioners during 1943-44 cost £35,850. (This item includes the cost of treatment of pensioners resident in overseas countries.)

Railway concessions to ex-members of the Forces pensioned for total and permanent disablement and those with locomotor disabilities on permanent pensions in excess of 50 per cent. cost £4,775.

BENEFITS AND PENSIONS IN FORCE AND TOTAL PAYMENTS

Class.	As at 31st March, 1943.			As at 31st March, 1944.		
	Number in Force.	Annual Value.	Total Payments 1942-43.	Number in Force.	Annual Value.	Total Payments 1943-44.
		£	£		£	£
Universal superannuation	44,448	666,720	603,124	49,289	862,558	778,758
Age	99,671	7,903,910	7,783,084	102,530	8,489,484	8,101,668
Widows	10,589	864,062	866,597	10,836	981,742	949,099
Orphans	395	21,033	20,628	412	21,939	22,442
Family	14,190	764,841	790,719	15,950	1,052,700	876,858
Invalids	11,938	1,029,055	1,036,373	12,126	1,076,789	1,067,409
Miners	841	76,362	80,100	795	74,983	76,652
Maori War	2	164	190	1	85	119
Unemployment	373	..	49,639	292	..	32,316
Sickness	3,699	..	362,088	4,446	..	376,878
Emergency	1,821	..	124,268	1,915	..	115,574
War (1914-1918)	22,161	1,602,777	1,574,062	21,038	2,039,779	1,973,069
War (present war)	7,666	714,640	479,477	13,037	1,108,493	917,855
War Veterans' allowances	1,807	222,173	224,942	1,791	230,038	224,705
Boer War (Defence Act, 1909)	42	1,453	1,504	44	3,245	2,550
Mercantile Marine pensions	6	498	350	12	1,073	719
Emergency Reserve Corps	19	1,477	1,985	10	1,037	1,404
Sundry pensions and annuities	139	15,069	13,581	150	18,505	15,462
Civil Service Act, 1908	5	1,903	2,176	4	1,683	1,662
War and other pensions paid on behalf of the Governments of Great Britain, Australia, India, Canada, South Africa, and Crown colonies	3,224	242,718	352,104	3,208	256,074	290,496
Totals	223,036	14,128,855	14,366,991	237,886	16,220,207	15,825,695

COST OF ADMINISTRATION

Excluding expenditure of £1,566 on capital items, administration costs for the year amounted to £364,525, including £53,374 in respect of the administration of war pensions and allowances. This represents 2·29 per cent. on total payments.

GENERAL

Under the heading of rehabilitation allowances, which, by arrangement with the Rehabilitation Board, are made available to demobilized servicemen and servicewomen for periods up to thirteen weeks following the cessation of Service pay for the purpose of facilitating reabsorption into civil life, a total of 14,730 cases were reviewed during the year, representing 14,462 servicemen and 268 servicewomen. Grants were made in 7,196 cases, representing 7,024 servicemen and 172 servicewomen. Included in these grants were allowances in respect of 4,396 children. The large majority of the others had already been successful in returning to civil employment or had otherwise indicated that they did not require assistance. The total amount paid out by way of rehabilitation allowances for the period 1st April, 1943, to 31st March, 1944, was £235,522. As at 31st March, 1944, there were 909 allowances current, representing a weekly expenditure of £4,019.

The number of officers absent on military service as at 31st March, 1944, was 470, and of these, 24 had made the supreme sacrifice. The absence of so many of its trained personnel with the Armed Forces has thrown a very heavy burden on the existing staff of the Department, but I am happy to say that the year's achievements have been accomplished with general satisfaction to the community.

In submitting this year's report I would again like to express my full appreciation to the staff of the Department for their willingness and co-operation in bringing to a close another difficult year's work.

H. DIGBY-SMITH, Chairman, Social Security Commission.

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