

1948
NEW ZEALAND

SOCIAL SECURITY DEPARTMENT

REPORT FOR THE TWELVE MONTHS ENDED 31st MARCH, 1948

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

This report deals with Part II of the Social Security 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, 16th June, 1948.

We have the honour to submit for the information of Parliament the ninth annual report of the Social Security Department for the period 1st April, 1947, to 31st March, 1948.

SECTION I.—SOCIAL SECURITY BENEFITS

NEW LEGISLATION

The only new legislation affecting monetary benefits under the Social Security Act, 1938, was the Social Security Amendment Act, 1947, which came into force on 1st October, 1947.

The following is a summary of the legislation :—

ADMINISTRATION

Provision was made for the Social Security Commission, with the written consent of the Minister of Social Security, to delegate to any Registrar or other officer of the Department any of its powers under Part II of the principal Act. Preliminary arrangements were made during the year to enable Registrars of the Department to make and give decisions on behalf of the Commission in connection with applications for benefits.

INCREASED BASIC RATES OF BENEFIT

The maximum rate of universal superannuation and the basic rate of age, widows', invalids', and miners' benefits was increased from £104 to £117 a year. The rate of invalids' benefit for an unmarried person under twenty years of age, and the rate of benefit paid to the widow of a miner who died while in receipt of a miner's benefit, was increased from £78 to £91 a year. The basic rate of unemployment and sickness benefits was increased from 40s. to 45s. a week, and the rate for an unmarried person under twenty years of age was increased from 20s. to 25s. a week.

The rate of orphan's benefit was increased from £40 19s. to £52 a year.

EXTENSION OF WIDOW'S BENEFITS

Previously a widow's benefit was paid to the wife of a man either subject to a reception order or detained in an institution as a voluntary boarder under Part V of the Mental Defectives Act, 1911. From 1st October, 1947, provision was made to pay a widow's benefit to the wife of a man subject to a reception order, or detained in an institution under the above Act whether as a voluntary boarder or otherwise.

FAMILY BENEFITS

Provision was made to pay family benefit from 1st April, 1946, in respect of a child, or children of a member of any of His Majesty's Naval, Military, or Air Forces. Previously family benefit was not paid to any child in respect of whom an allowance was paid by the Armed Forces.

RENEWAL OF BENEFITS

The Social Security Amendment Act, 1947, provided that payment of superannuation, family, and miners' benefits should be continued for such period as the Commission might determine, and that the Commission might from time to time renew such benefits for any further period. This amendment gives the Commission power to continue the above benefits without review for a period longer than the twelve months to which it was previously restricted.

All other benefits which are subject to a means test may not be granted or renewed for a period exceeding twelve months without further investigation as to change in circumstances.

RESIDENCE

Provision was made for any person absent from New Zealand on Government business and liable for payment of social security charge to be regarded as resident in New Zealand for the purposes of Part II of the Social Security Act. This also applies to the wife and children of such a person.

QUARTERLY BENEFITS

SUPERANNUATION BENEFITS

Superannuation benefits, payable at the age of sixty-five years, came into operation from 1st April, 1940, at the rate of £10 a year. This rate is increased by £2 10s. each year and will reach the maximum of £117 a year in 1983. For the year ended 31st March, 1948, the rate was £27 10s., a year, and the sum of £1,593,757 was paid out during the year, an increase of £244,068 over the figure for the previous year. There were 61,612 benefits in force at the 31st March, 1948, an increase of 3,620 over the number for the previous year.

MONTHLY BENEFITS

AGE-BENEFITS

During the year 10,728 new benefits were granted and 1,015 applications were declined, also 109,605 existing benefits were renewed for a further year after individual investigation. At the 31st March, 1948, there were 117,161 benefits in force, an increase of 1,874 over the figure for the previous year.

The expenditure increased from £11,881,119 for the year ended 31st March, 1947, to £12,976,286 for the year ended 31st March, 1948, an increase of £1,095,167.

WIDOWS' BENEFITS

During the year 2,075 new benefits were granted, 577 applications were declined, and 12,012 existing benefits were reviewed and renewed for a further year. The number of women receiving widows' benefit increased from 13,133 at 31st March, 1947, to 14,145 at the 31st March, 1948, an increase of 1,012.

Included in the above figures are benefits paid in respect of women who have been deserted by their husbands and who have taken proceedings for maintenance orders under the Destitute Persons' Act, 1910. These women must satisfy the main provisions of the Social Security Act, 1938, applicable to widows. At the 31st March, 1948, there were 1,096 such benefits in force, a decrease of 6 from the figure for last year, and there were maintenance orders in operation against 899 defaulting husbands, representing an annual amount of £114,786. On the granting of a benefit the Department undertakes the enforcement of maintenance orders. During the year £60,996 was collected by way of maintenance, representing 53 per cent. of the amount of the orders in force.

The number of widows receiving mother's allowance of £65 decreased from 5,006 as at the 31st March, 1947, to 4,863 as at the 31st March, 1948.

The expenditure for the year for all widows' benefits amounted to £1,770,622, an increase for the year of £241,612. This expenditure included £170,444 in respect of women deserted by their husbands.

It was realized by the Department that some widows are in a difficult financial position in the period immediately following the husband's death, and in order to help such widows the Department now takes the initiative in approaching women whose husbands have just died unless it is known that the widows do not require assistance. If immediate financial assistance is required, an emergency benefit is granted pending finalization of an application for widow's benefit.

ORPHANS' BENEFITS

During the year 58 new benefits were granted. The number of benefits in force decreased from 397 (in respect of 595 children) as at 31st March, 1947, to 370 (in respect of 557 children) as at 31st March, 1948. The expenditure increased from £22,905 for the year ended 31st March, 1947, to £24,187 for the year ended 31st March, 1948. The increase in the rate of benefit from 1st October, 1947, is responsible for the increased expenditure, notwithstanding a decrease in the number of benefits in force.

FAMILY BENEFITS

During the year under review 24,442 new benefits were granted and 369 applications declined. The number of benefits in force increased by 13,118 from 230,021 at 31st March, 1947, to 243,137 at 31st March, 1948, and represented payments in respect of 521,394 children, as against 490,260 children for the previous year.

The expenditure increased from £12,680,778 for the year ended 31st March, 1947, to £13,798,648 for the year ended 31st March, 1948. As would be expected, the majority of new grants were in respect of applications on account of the birth of a first child, but for this year also included benefits granted in respect of children of members of the Armed Forces who were not previously entitled to family benefit.

The special concession granted to mothers whereby the monthly instalments of family benefit may be credited to Post Office Savings-bank accounts continued in popularity, and the number of benefits dealt with in this manner increased from 53,960 last year to 65,975 at the 31st March, 1948. The total amounts lodged to Post Office Savings-bank accounts through this medium totalled £3,379,675 for the year, as against £3,073,406 for the previous year.

With the authority of a beneficiary the whole or portion of a benefit may be diverted to the Commissioner of Taxes for the purpose of meeting the income-tax payments of the beneficiary or her husband. At the 31st March, 1948, 5,520 benefits were wholly or partially being diverted in this manner, as against 6,602 for the previous year. The amount paid to the Commissioner of Taxes for the year was £227,535, compared with £248,072 for the year ended 31st March, 1947.

At 31st March, 1948, 10,179 of the benefits in force provided for continuation of benefit for a child beyond the age of sixteen years to assist in its further education.

Number of Family Benefits according to Size of Families

	Number of Children in Family.					
	1.	2.	3.	4.	5.	6.
Number of families, 31st March, 1947	94,163	68,292	36,171	17,722	7,252	3,430
Number of families, 31st March, 1948	101,325	68,883	38,871	18,552	8,048	3,737

	Number of Children in Family— <i>etd.</i>				Total Number of Benefits.	Total Number of Children.
	7.	8.	9.	10 or more.		
Number of families, 31st March, 1947	1,576	797	401	217	230,621	490,260
Number of families, 31st March, 1948	1,984	988	462	287	243,137	521,394

The change in family groups resulting from the births of additional children and the cessation of benefit through children attaining the age beyond which benefit is not payable necessitated the handling of 86,400 reviews of benefit during the year. In addition, 7,100 reviews of benefit were necessary in respect of children attaining sixteen years of age and continuing at school as full-time day pupils.

A surprising feature revealed in the payment of this class of benefit is the large number of families who have changed their residence during the year. This is illustrated by the fact that 37,840 requests for change of paying-office were received up to 31st March, 1948, involving in approximately 92 per cent. of the cases a permanent change of residence.

INVALIDS' BENEFITS

During the year 2,110 persons applied for benefit on the grounds of permanent incapacity for work or total blindness. Grants were made in 1,249 cases, 982 applications were declined, mainly because of medical evidence not indicating permanent incapacity, and 9,637 existing benefits were reviewed and renewed for a further year. The number of benefits in force decreased by 1,784 from 12,466 as at 31st March, 1947, to 10,682 as at 31st March, 1948. The expenditure for the year increased by £38,815 from £1,328,485 for the year ended 31st March, 1947, to £1,367,300 for the year ended 31st March, 1948. The increase in the rate of benefit from 1st October, 1947, is responsible for the increased expenditure, notwithstanding a decrease in the number of benefits in force.

MINERS' BENEFITS

During the year 29 new grants were made. The number of benefits in force decreased by 33 from 718 as at 31st March, 1947, to 685 as at 31st March, 1948. This includes 81 benefits paid to widows whose husbands died while in receipt of miner's benefit. The expenditure for the year increased by £4,690 from £105,416 for the year ended 31st March, 1947, to £110,106 for the year ended 31st March, 1948. The increase in the rate of benefit from 1st October, 1947, is responsible for the increased expenditure, notwithstanding a decrease in the number of benefits in force.

The Social Security Act provides that on the death of any person in receipt of a miner's benefit there shall be payable an amount fixed by the Commission to cover reasonable expenses of the funeral. During the year the sum of £442 was expended on funeral grants in respect of 26 miners' beneficiaries.

MAORI WAR BENEFITS

As at 31st March, 1948, there was only one person receiving this benefit of £117 a year.

RECIPROCAL AGE AND INVALIDS' BENEFITS

Under the Age and Invalids' Benefits (Reciprocity with Australia) Act, 1943, the Social Security Commission has power to grant age and invalids' benefits to persons living in the Dominion not eligible for benefits under the Social Security Act, 1938, but who immediately before taking up residence in New Zealand were resident in Australia. The rate of reciprocal benefit must not exceed the rate payable in the country with the lower maximum benefit. The basic rate of Australian age and invalids' pensions was increased from £84 10s. to £97 10s. a year from the 3rd July, 1947. The position regarding applications for reciprocal benefits and benefits in force is shown in the following table:—

	1946-47.			1947-48.		
	Age.	Invalids.	Total.	Age.	Invalids.	Total.
Applications received and those outstanding at the beginning of the year	158	30	188	172	22	194
Applications granted	94	15	109	134	15	149
Applications rejected	31	10	41	15	4	19
Applications outstanding as at 31st March	33	5	38	23	3	26
Benefits in force at 31st March	158	53	211	216	55	271

WEEKLY BENEFITS

UNEMPLOYMENT BENEFITS

The following figures show the number of applications for unemployment benefits dealt with during the years ended 31st March, 1947, and 31st March, 1948, respectively:—

	1946-47.			1947-48.		
	Males.	Females.	Totals.	Males.	Females.	Totals.
Persons granted benefit	790	51	841	368	12	380
Number of applications declined	503	840	1,343	296	851	1,147
Number of persons whose applications were declined, but who were granted emergency benefits on grounds of hardship	313	503	816	411	792	1,203
Totals	1,606	1,394	3,000	1,075	1,655	2,730

As at 31st March, 1948, there were 36 persons in receipt of unemployment benefit, as against 35 as at 31st March, 1947.

The total expenditure for the year amounted to £8,358, as against £24,332 for the previous year, a decrease of £15,974.

*Statement showing for the Year ended 31st March, 1948, Duration of Unemployment
for Males and Females according to Age-groups*

Period of Unemployment.	Years 16 to 19.		Years 20 to 29.		Years 30 to 39.		Years 49 to 49.	
	M.	F.	M.	F.	M.	F.	M.	F.
Less than 4 weeks	2	2	25	3	40	2	60	..
4 weeks but less than 13 weeks ..	2	2	22	1	33	..	44	..
13 weeks but less than 26 weeks ..	1	..	2	..	5	..	11	1
26 weeks to 52 weeks (inclusive) ..	..	..	1	..	..	..	1	..
Totals	5	4	50	4	78	2	116	1

Period of Unemployment.	Years 50 to 59.		Years 60 and over.		Totals.		Grand Total.
	M.	F.	M.	F.	M.	F.	
Less than 4 weeks	57	..	4	..	188	7	195
4 weeks but less than 13 weeks	51	2	6	..	158	5	163
13 weeks but less than 26 weeks	11	..	4	..	34	1	35
26 weeks to 52 weeks (inclusive)	1	..	..	..	3	..	3
Totals	120	2	14	..	383	13	396

The above schedule discloses that approximately 49 per cent. of the male beneficiaries were unemployed for less than four weeks, while approximately 41 per cent. were unemployed for periods varying from four to thirteen weeks.

Of the female beneficiaries approximately 54 per cent. were unemployed for less than four weeks, while approximately 39 per cent. were unemployed for periods varying from four to thirteen weeks.

The largest number of males is found in the age group 50-59 years (31 per cent.), while the largest number of female beneficiaries is evenly distributed between the 16-19 years and 20-29 years groups, which together account for 61 per cent. of the females.

SICKNESS BENEFITS

The following figures show the number of sickness benefits dealt with during the years ended 31st March, 1947, and 31st March, 1948, respectively :—

	1946-47.			1947-48.		
	Males.	Females.	Totals.	Males.	Females.	Totals.
Persons granted benefit	28,232	8,479	36,711	24,073	7,282	31,355
Number of applications declined ..	3,646	1,449	5,095	2,683	1,195	3,878
Number of persons whose applications were declined, but who were granted emergency benefits on grounds of hardship	246	434	680	458	614	1,072
Totals	32,124	10,362	42,486	27,214	9,091	36,305

The number of sickness benefits granted during the year totalled 31,355, a decrease of 5,356, or approximately 14 per cent., from the previous year. There were 4,561 benefits current at 31st March, 1948, and expenditure for the year amounted to £897,093, an increase of £43,765 over the figure for the previous year.

The increase in the rate of benefit from 1st October, 1947, is responsible for the increased expenditure, notwithstanding a decrease in the number of benefits.

Statement showing for the Year ended 31st March, 1948, Duration of Sickness for Males and Females, according to Age-groups

Period of Sickness.			Years 16 to 19.		Years 20 to 29.		Years 30 to 39.		Years 40 to 49.	
			M.	F.	M.	F.	M.	F.	M.	F.
1- 4 weeks both inclusive	..	..	845	786	3,077	1,141	2,757	283	2,140	184
5- 8 weeks both inclusive	..	..	572	605	1,766	820	1,568	264	1,494	185
9-12 weeks both inclusive	..	..	240	268	791	436	733	152	746	135
13-16 weeks both inclusive	..	..	103	132	338	252	381	86	412	82
17-20 weeks both inclusive	..	..	47	80	211	163	242	55	221	48
21-24 weeks both inclusive	..	..	28	49	130	139	143	46	158	29
25-28 weeks both inclusive	..	..	28	41	114	109	87	31	120	35
29-32 weeks both inclusive	..	..	25	21	52	63	84	26	92	28
33-36 weeks both inclusive	..	..	11	15	44	41	66	18	70	13
37-40 weeks both inclusive	..	..	11	15	32	36	37	20	54	10
41-44 weeks both inclusive	..	..	6	11	37	28	23	12	36	6
45-48 weeks both inclusive	..	..	2	10	19	24	19	9	34	11
49-52 weeks both inclusive	..	..	17	20	79	98	84	43	86	20
Totals	..	..	1,935	2,053	6,690	3,350	6,224	1,045	5,663	786

Period of Sickness.			Years 50 to 59.		Years 60 and over.		Totals.		Grand Total.
			M.	F.	M.	F.	M.	F.	
1- 4 weeks both inclusive	..	..	1,344	112	493	15	10,656	2,521	13,177
5- 8 weeks both inclusive	..	..	1,035	144	451	22	6,886	2,040	8,926
9-12 weeks both inclusive	..	..	638	81	301	13	3,449	1,085	4,534
13-16 weeks both inclusive	..	..	408	60	171	2	1,813	614	2,427
17-20 weeks both inclusive	..	..	254	36	166	7	1,141	389	1,530
21-24 weeks both inclusive	..	..	230	32	94	4	783	299	1,082
25-28 weeks both inclusive	..	..	156	38	73	5	578	259	837
29-32 weeks both inclusive	..	..	120	19	58	4	431	161	592
33-36 weeks both inclusive	..	..	84	10	30	1	305	98	403
37-40 weeks both inclusive	..	..	62	17	19	1	215	99	314
41-44 weeks both inclusive	..	..	69	5	9	..	180	62	242
45-48 weeks both inclusive	..	..	55	9	5	..	134	63	197
49-52 weeks both inclusive	..	..	122	28	18	3	406	212	618
Totals	..	..	4,577	591	1,888	77	26,977	7,902	34,879

The above schedule discloses that the largest group of beneficiaries was included in the 1-4 weeks group, which included 39 per cent. of the male and 32 per cent. of the female beneficiaries. The corresponding percentages for the previous year were 42 per cent. and 36 per cent. The average duration of sickness for all groups was 9.5 weeks for males and 11.4 weeks for females, compared with 9.6 weeks and 9.9 weeks respectively for the previous year. Of the male beneficiaries, 24.8 per cent. were in the 20-29 years age-group and 23 per cent. in the 30-39 years age-group. Of the female beneficiaries, 42 per cent. were in the 20-29 years age-group and 26 per cent. in the 16-19 years age-group.

The sickness beneficiaries who received benefit during the whole of the year were persons with continuing incapacity but not qualified to receive invalids' benefit.

EMERGENCY BENEFITS

In cases of hardship a special benefit may be granted at the discretion of the Social Security Commission to any person who is not qualified for any other benefit under the Act, but who by reason of age, 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 was made of this section, and during the past year 2,518 benefits were granted, an increase of 816 over the number of grants for the previous year.

The number of benefits in force increased from 1,845 as at the 31st March, 1947, to 2,141 as at the 31st March, 1948, and the expenditure for the year was £227,857, as against £134,288 for the previous year, an increase of £93,569.

FINANCE

STATEMENT SHOWING THE RECEIPTS AND PAYMENTS OF THE SOCIAL
SECURITY FUND FOR THE YEAR ENDED 31st MARCH, 1948

Receipts		Payments	
Balance at 1st April,		Monetary benefits—	
1947—	£	Universal super-	£
Cash	1,227,836	annuation	1,593,757
Imprest	183,140	Age	12,976,286
Investments	4,000,000	Widows'	1,770,622
	5,410,976	Orphans'	24,187
Social security charge		Family	13,798,648
on wages and other		Invalids'	1,367,300
income	26,176,635	Miners'	110,106
Miscellaneous receipts,		Maori War	111
interest, penalties,		Unemployment	8,358
and fines	97,433	Sickness	897,093
	26,274,068	Emergency	227,857
Recoveries under main-			32,774,325
tenance orders,		Medical benefits, &c.—	
widows benefits*	60,569	Medical benefits	2,167,825
Grants from Consolidated Fund,		Hospital benefits	1,949,489
vote, "Social Security" (Social		Maternity benefits	800,030
Security Act, 1938, section 105 (c))	16,000,000	Pharmaceutical bene-	
		fits	1,558,350
		Supplementary bene-	
		fits	545,793
			7,021,487
		Administration ex-	
		penses: Social Se-	
		curity Department	707,883
		Balance at 31st March,	
		1948—	
		Cash	1,342,701
		Imprests outstanding	890,055
		Foreign imprest	9,162
		Investments	5,000,000
			7,241,918
	<u>£47,745,613</u>		<u>£47,745,613</u>

* This item reduces the cost to the fund on account of widows benefits by an equivalent amount.

SECTION II.—WAR PENSIONS

The general administration of the enactments providing for pensions and allowances in respect of war service and the carrying-out of the decisions of the War Pensions and the War Pensions Appeal Boards are the function of the Secretary for War Pensions.

NEW LEGISLATION

The War Pensions Amendment Act, 1947, and the War Pensions Allowances (Mercantile Marine) Amendment Act, 1947, came into force on 1st October, 1947, and provided for the following :—

An increase of 5s. a week in the basic rate of pension to widows of deceased members of the Forces or of the mercantile marine.

An increase of £13 a year in the basic rate of War Veterans' allowance.

The maximum rate for economic pensions was increased as follows :—

- (a) Member of the Forces, 35s. to 45s. a week.
- (b) Widows with children and widows forty years of age and over with or without children, 20s. to 25s. a week.
- (c) Wholly dependent widowed mother of a deceased member 20s. to 25s. a week.

The maximum rate of attendant's allowance which the War Pensions Board may grant where a pensioner requires the services of an attendant was increased from £5 to £5 10s. a week. Clothing-allowances were increased by £2 a year, and are now as follows :—

- (a) Whole or partial loss of both legs, £18 a year.
- (b) Whole or partial loss of one leg, £16 a year.
- (c) In respect of the use of any mechanical or other appliance, other than an artificial leg, £10 a year.

Provision was also made that the pension of a partially-dependent widowed mother of a deceased member of the Forces should not be less than 25s. a week. Previously such pensions were to be not less than one-half the rate that would be paid to a wholly-dependent widowed mother.

The Amendment Act also provided that the widow of a pensioner who died while in receipt of a permanent war pension of not less than 70 per cent. may be granted a widow's pension, irrespective of the date of marriage. Previously such pensions were not granted where the marriage took place after the date on which the permanent disablement pension was granted.

Where an applicant for war pension dies before completion by the War Pensions Board of its investigations, authority was given for the Board to proceed with the investigation of the claim and to grant a pension up to the date of death.

WAR PENSIONS

During the year the Department received 7,331 applications for pensions, including 2,406 lodged by ex-servicemen in respect of their own disabilities. Of these, 185 were in respect of the 1914–18 war and 2,221 in respect of the 1939–45 war. Claims by dependants, applications for economic pensions, and war veterans' allowances totalled 4,925. The number of applications in respect of both wars lodged for the previous year was, 14,619, which included 9,531 in respect of an applicant's own disability.

The following is a summary of the disabilities from which ex-service personnel of the 1939-45 war were suffering at the time of application for pension :—

Class of Disability or Disease.	Type of Service.		
	Overseas.	New Zealand.	Total.
(1) Infections and infestations	133	12	145
(2) Nervous system	256	31	287
(3) Eye, ear, and nose	231	32	263
(4) Circulatory and blood systems	88	22	110
(5) Metabolism	19	5	24
(6) Lungs	225	45	270
(7) Breast	..	..	..
(8) Digestive system	192	26	218
(9) Generative system	17	5	22
(10) Gunshot wounds and accidental injuries to bones, joints, and soft tissues	426	99	525
(11) Skin	150	14	164
(12) Areolar tissue	..	..	..
(13) Tumours and neoplastic growths	10	2	12
(14) Malformations	2	3	5
(15) Amputations	10	1	11
(16) Urinary tract	38	8	46
(17) Sundry minor disabilities	6	1	7
Application for pension (no disability)	101	11	112
	1,904	317	2,221

The War Pensions Board dealt with 65,505 cases during the year ended 31st March, 1948, under the following categories :—

(1) Claims for pension on account of disablement	2,856
(2) Claims for economic pension	2,622
(3) Claims for dependant's pension	1,709
(4) Cases submitted for renewal and review	41,062
(5) Cases submitted for reconsideration	8,726
(6) Cases where the question of entitlement was considered in respect of personnel discharged from the Forces on medical grounds, but who did not apply for pension	936
(7) Claims for war veterans' allowances	601
(8) Sundry claims and reviews and cases adjourned for further consideration and decision	6,943
	65,505

Following the trend noted last year, there has been a further reduction in new applications for disablement pensions. Current applications are largely in respect of recurrences of war-time illnesses from which recovery had been made, and with disabilities where there is no direct relation to war service. With the presumption of attributability operating in the applicant's favour, it has been possible to deal with these applications expeditiously and with a minimum of inconvenience to applicants.

The War Pensions Boards have continued to visit the various centres in New Zealand and by this means have enabled many ex-servicemen to present their cases in person. During such visits the Boards have also given local ex-servicemen's organizations the opportunity to present cases where some special feature is involved and this has given general satisfaction throughout the country.

Close liaison is still maintained with other Departments and organizations concerned with the welfare and rehabilitation of ex-servicemen. By this means much has been done to re-establish ex-servicemen into civilian life.

MEDICAL TREATMENT

Many disabled ex-servicemen applied for medical treatment, and the work of the Department's medical officers in attending promptly to such applications has proved of great value.

The Department has a wide coverage with medical officers attached to the office of each of the nineteen Registrars of War Pensions, and the advice of the medical officers has been much sought after in connection with the rehabilitation of disabled ex-servicemen.

The work of the part-time orthopædists in Auckland, Wellington, Christchurch, and Dunedin is proving of great assistance to amputees and others requiring specialist advice. Through the attendance of these specialists at the artificial-limb-fitting centres the requirements of amputees have been attended to speedily. Most of the amputees now have duplicate artificial limbs, and the provision of new limbs is no longer a major problem. The Department is keeping in touch with overseas developments regarding artificial limbs and appliances, and at all times endeavours to provide the best possible service. Throughout the year the Disabled Servicemen's Re-Establishment League has co-operated with the Department in the fitting of new artificial limbs and the service provided for repairs of other artificial limbs and appliances.

The establishment of a training centre at Auckland with fitting-rooms and full walking-race for amputees has been much appreciated. During the year 301 new limbs were fitted, of which 34 were original issues and 267 duplicate limbs. Major repairs were carried out on 157 limbs.

MISCELLANEOUS EXPENDITURE FOR THE YEAR

Administration costs for the year in respect of war pensions and allowances totalled £18,858.

Medical treatment of war pensioners (including the cost of treatment of pensioners resident in overseas countries) amounted to £65,565, compared with £60,550 for the previous year.

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 £6,404, compared with £5,085 for the previous year.

Loading on life-insurance policies due to war-service disabilities of war pensioners was paid by the Department, and amounted to £597, compared with £308 for the previous year.

Medical fees and travelling-expenses of pensioners cost £37,920, compared with £49,445 for the previous year.

DISSECTION OF WAR PENSIONS CURRENT AS AT 31st MARCH, 1948

Class of Pension.	War, 1914-18.			War, 1939-45.			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-member of Forces—			£			£			£
Permanent	14,088	..	1,631,428	6,545	..	378,840	20,633	..	2,010,268
Temporary	324	..	30,667	17,971	..	1,512,240	18,255	..	1,542,907
Dependants of disabled ex-members	2,633	1,462	191,796	1,000	621	82,981	3,633	2,083	274,777
Widows	2,291	227	372,048	1,849	1,519	396,586	4,140	1,746	768,634
Other dependants of deceased servicemen	379	76	22,099	883	756	45,363	1,262	832	67,462
Totals	19,715	1,765	2,248,038	28,248	2,896	2,416,010	47,963	4,661	4,664,048

N.B.—During the year mother's allowance of 30s. a week was paid to 2,539 wives and widows of disabled or deceased ex-servicemen.

ECONOMIC PENSIONS PAYABLE AT 31st MARCH, 1948, IN SUPPLEMENTATION OF STATUTORY WAR PENSIONS

Class of Pension.	War, 1914-18.			War, 1939-45.			Totals.		
	Number.	Annual Value.		Number.	Annual Value.		Number.	Annual Value.	
Ex-member with permanent pension ..	3,556	£ 397,443		257	£ 29,089		3,813	£ 426,532	
Ex-member with temporary pension ..	76	8,427		1,375	155,097		1,451	163,524	
Widows ..	1,265	80,655		877	55,290		2,142	135,945	
Widowed mothers ..	26	1,274		59	2,861		85	4,135	
Totals	4,923	487,799		2,568	242,337		7,491	730,136	

PENSIONS PAYABLE OUTSIDE NEW ZEALAND AT 31st MARCH, 1948

Class of Pension.	War, 1914-18.	War, 1939-45.	Total.
Ex-members of Forces—			
Permanent	812	92	904
Temporary	8	286	294
Wives and parents of ex-members : Temporary dependants of members	84	15	99
Widows	231	141	372
Other dependants	153	85	238
Totals	1,288	619	1,907

SUMMARY OF PENSION PAYMENTS

	Payments made in						Total.
	London.	Australia.	Canada.	South Africa.	Foreign Countries.	New Zealand.	
	£	£	£	£	£	£	£
Total payments to 31st March, 1947	1,641,090	1,167,369	79,695	14,905	18,799	47,918,967	50,840,825
Payments, 1947-48 ..	75,085	65,831	7,800	1,246	1,535	4,510,644	4,662,141
Total payments to 31st March, 1948	1,716,175	1,233,200	87,495	16,151	20,334	54,429,611	55,502,966*

* Includes £8,791,676 in respect of war pensions in connection with the 1939-45 war and £9,737 to members of the Emergency Reserve Corps.

WAR PENSIONS APPEAL BOARD

The number of appeals lodged fell considerably, and there was no great accumulation of appeals at the end of the year under review.

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

	War, 1914-18.	War, 1939-45.	War Pensions and Allowances (Mercantile Marine) Act, 1940.	War Veterans.	Totals.
Appeals outstanding at 31st March, 1947	37	347	..	4	388
Appeals lodged, 1947-48	129	824	3	1	957
Total to be dealt with	166	1,171	3	5	1,345
Appeals upheld, 1947-48	48	412	1	..	461
Appeals dismissed, 1947-48	76	534	2	3	615
Appeals withdrawn or struck out, 1947-48	13	104	..	1	118
Total disposed of	137	1,050	3	4	1,194
Appeals outstanding at 31st March, 1948	29	121	..	1	151
Percentage upheld	35.0	39.2	33.3	..	38.6

SECTION III.—GENERAL

SUMMARY

BENEFITS AND PENSIONS IN FORCE AND TOTAL PAYMENTS

Class.	As at 31st March, 1947.			As at 31st March, 1948.		
	Number in Force.	Annual Value.	Total Payments, 1946-47.	Number in Force.	Annual Value.	Total Payments, 1947-48.
		£	£	£	£	£
Universal superannuation ..	57,992	1,449,800	1,349,689	61,612	1,694,330	1,593,757
Age	115,287	12,450,996	11,881,119	117,161	14,223,345	12,976,286
Widows'	13,133	1,700,724	1,529,010	14,145	1,949,888	1,770,622
Orphans'	397	21,378	22,905	370	27,010	24,187
Family	230,021	12,746,760	12,680,778	243,137	13,542,730	13,798,648
Invalids'	12,466	1,333,862	1,328,485	10,682	1,406,285	1,367,300
Miners'	718	101,956	105,416	685	111,518	110,106
Maori War	1	104	104	1	117	111
Unemployment	35	..	24,332	16	..	8,358
Sickness	4,273	..	853,328	4,248	..	897,093
Emergency	1,845	..	134,288	2,141	..	227,857
War, 1914-18	20,081	1,968,042	2,036,825	19,715	2,097,676	2,049,391
War, 1939-45	30,028	2,173,632	2,080,952	28,249	1,899,678	2,031,194
War veterans' allowances ..	2,277	345,172	346,694	2,617	470,798	422,275
South African War	42	3,248	3,502	42	4,013	3,689
Mercantile Marine pensions ..	27	2,132	2,985	24	1,925	2,727
Emergency Reserve Corps ..	10	1,338	1,336	11	1,404	1,368
Sundry pensions and annuities	305	21,551	21,651	173	27,655	24,783
Civil Service Act, 1908	2	932	1,352	..	..	697
War and other pensions paid on behalf of the Governments of Great Britain, Australia, India, Canada, South Africa, and Crown Colonies	3,156	299,112	414,354	3,619	391,045	393,459
Total	492,096	34,620,739	34,819,105	508,648	37,849,417	37,703,908

COST OF ADMINISTRATION

Excluding expenditure of £18,349 on capital items, administration costs for the year amounted to £708,392, including £18,858 in respect of the administration of war pensions and allowances. This represents 1·88 per cent. on total payments.

MISCELLANEOUS

WAR SERVICEMEN'S DEPENDANTS' ALLOWANCE

Benefits under Part II of the Act may be increased by an amount not exceeding £26 a year to parents of deceased members of the Forces and of the New Zealand Mercantile Marine. At the 31st March, 1948, there were 1,639 of these allowances in force, paid in conjunction with age, invalids', miners', and widows' benefits. This represents an increase of 118 over the figure for last year which was 1,521.

REHABILITATION ALLOWANCES

With the continued tapering-off of the number of service personnel demobilized the need for this allowance has declined, and there were no rehabilitation allowances in force as at 31st March, 1948. During the year 7 ex-servicemen were granted allowances, and the expenditure amounted to £95, compared with a total expenditure of £8,244, for the year ended 31st March, 1947.

DEMOBILIZATION ALLOWANCES

During the year applications were received from 15 ex-servicemen and 2 ex-servicewomen for these allowances, which are intended to provide for the maintenance of discharged Service personnel who require continuation of medical treatment, or medical after-care, and who are unable to resume civilian employment by reason of their incapacity. Grants were made to 11 ex-servicemen and 2 ex-servicewomen. There were 11 allowances current at the 31st March, 1948, compared with 18 at the end of the previous year, and the expenditure for the year ended 31st March, 1948, was £2,908 compared with £5,209 for the previous year.

IMPERIAL AND OTHER OVERSEAS PENSIONS

War and other pensions paid on behalf of the Governments of Great Britain, Australia, Canada, South Africa, India, and Crown Colonies numbered 3,619 at 31st March, 1948, and represented an annual value of £323,329.

Payments for the year totalled £393,459, a reduction of £20,895 from the figure for the previous year.

Altogether fifty different classes of payments, such as war pensions, civil pension, retiring pay, release leave, and other privilege payments were handled by the Department on behalf of the United Kingdom and other Governments. In addition, numerous gratuities and other temporary grants were paid.

The varying rates and nature of the payments and allowances, which involve conversion of currencies and exchange, necessitated considerable accounting work and correspondence with overseas authorities.

COMFORTS ALLOWANCES

In the past the Department has continued payment of some monthly benefits to inmates of mental hospitals by way of comforts allowance. As from 1st November, 1947, the Mental Hospitals Department vote has included an item to cover the cost of comforts for all patients, and comforts allowances formerly paid by this Department have ceased.

STAFF

Although the effective strength of the Department decreased from 1,427 as at 31st March, 1947, to 1,360 as at 31st March, 1948, it is pleasing to be able to record that the work of the Department was carried out expeditiously and efficiently throughout the year in spite of shortages of staff, particularly in Wellington.

The intensive staff-training programme which has been carried out in all offices of the Department during the past two years has enabled the large number of ex-servicemen on the staff to attain an excellent degree of efficiency in their work, and in most cases they have recovered the ground unavoidably lost during their service in the Armed Forces.

At 31st March, 1948, there were still 22 officers absent on military service, 34 on sick-leave or special leave without pay, and 4 officers on loan to other Departments.

In submitting this report we would like to record our appreciation of the loyal and efficient service rendered by the officers of the Department throughout the year.

C. DUNN, Acting-Chairman	} Social Security Commission.
E. PEARCE, Acting-Commissioner	

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