

1946
NEW ZEALAND

SOCIAL SECURITY DEPARTMENT

REPORT FOR THE TWELVE MONTHS ENDED 31ST MARCH, 1946

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, 19th June, 1946

I have the honour to submit for the information of Parliament the seventh annual report of the Social Security Department for the period 1st April, 1945, to 31st March, 1946.

NEW LEGISLATION

During the year the undermentioned legislation affecting social security benefits was passed :—

- (a) Social Security Amendment Act, 1945 :
- (b) Finance Act (No. 2) 1945, section 57.
- (a) The Social Security Amendment Act, 1945, became operative from 1st October, 1945. The main features of the legislation were :—
 - (1) The establishment of the office of “ Minister of Social Security ” ;
 - (2) Increases in the basic rates for age, invalids', widows', miners', unemployment, sickness, and Maori War benefits ; the raising of the maximum income scales to conform with the increased benefit rates ; and the increasing of the maximum rate for universal superannuation to £104 a year ;
 - (3) The provision, in special cases, of a supplementary benefit of £52 a year for widows with dependent children ;
 - (4) The abolition of the means test for family benefits after 1st April, 1946.

For the period from 1st October, 1945, to 31st March, 1946, the income exemption in respect of family benefits was raised from £5 10s. to £6 10s. a week. From 1st April, 1946, however, all provisions regarding income lapse. From that date a family benefit of 10s. a week is payable in respect of each child under sixteen years of age, irrespective of the income or property of the family.

(b) Section 57 of the Finance Act (No. 2), 1945, amended the Social Security Act, 1938, by providing that the payment of a family benefit would not operate so as to take away or restrict any liability imposed by the Destitute Persons Act, 1910, on any person for the maintenance of any other person, or so as to affect the power of a Magistrate to make any maintenance order under that Act.

SUMMARY OF RATES OF SOCIAL SECURITY BENEFITS, SHOWING
INCREASES IN RATES AS A RESULT OF THE SOCIAL SECURITY
AMENDMENT ACT, 1945

Superannuation—

Universal superannuation (from 1st April, 1940): £10 a year, increased by £2 10s. a year, reaching £104 a year from 1st April, 1978.

Age-benefits—

	Per Week. £ s. d.
Unmarried persons: Increased from £1 12s. 6d. to	2 0 0
Married persons, both eligible: Increased from £1 12s. 6d. each to	2 0 0
Where wife not eligible: Increased from £2 3s. to	4 0 0

Invalids' Benefits—

Invalids under twenty years of age, unmarried: Increased from £1 2s. 6d. to	1 10 0
Invalids twenty years of age and over, unmarried: Increased from £1 12s. 6d. to	2 0 0
Invalids, married—	
Male: Increased from £1 12s. 6d. to	2 0 0
Wife: Increased from 10s. 6d. to	2 0 0
Married woman: Increased from £1 12s. 6d. to	2 0 0

Widows' Benefits—

(i) With children under sixteen years: Increased from £1 10s. to (Plus a supplementary benefit of £1 a week in special cases.)	2 0 0
(ii) With children no longer under sixteen years: Increased from £1 5s. to	2 0 0
(iii) Widows who have never had a child: Increased from £1 5s. to	1 10 0

Family Benefits—

For each child under sixteen years	0 10 0
(No increase in rate of benefit, but from 1st April, 1946, the means test no longer applies.)	

Miners' Benefits—

Miner: Increased from £1 12s. 6d. to	2 0 0
Wife: Increased from 10s. 6d. to	2 0 0
Widow: Increased from £1 to	1 10 0

Sickness Benefits—

Sick persons aged sixteen to twenty without dependants: Increased from 10s. 6d. to	1 0 0
Others over sixteen: Increased from £1 to	2 0 0
Wife: Increased from 15s. to	2 0 0

Unemployment Benefits—

Unemployed person aged sixteen to twenty without dependants: Increased from 10s. 6d. to	1 0 0
Others over sixteen: Increased from £1 to	2 0 0
Wife: Increased from 15s. to	2 0 0

Maori War Benefits—

Increased from £1 12s. 6d. to	2 0 0
---------------------------------------	-------

BENEFITS**UNEMPLOYMENT BENEFITS**

The following figures show the number of applications for unemployment benefits dealt with during the years ended 31st March, 1945, and 31st March, 1946, respectively :—

	1944-45.			1945-46.		
	Males.	Females.	Totals.	Males.	Females.	Totals.
Persons granted benefit	1,151	99	1,250	1,149	85	1,234
Number of applications declined	316	642	958	402	746	1,148
Number of persons whose applications were declined, but who were granted emergency benefits on the ground of hardship	238	568	806	210	502	712
Totals	1,705	1,309	3,014	1,761	1,333	3,094

SICKNESS BENEFITS

The following figures show the number of sickness benefits dealt with during the years ended 31st March, 1945, and 31st March, 1946, respectively :—

	1944-45.			1945-46.		
	Males.	Females.	Totals.	Males.	Females.	Totals.
Persons granted benefit	18,489	8,433	26,922	22,493	8,154	30,647
Number of applications declined	1,455	895	2,350	2,159	1,076	3,235
Number of persons whose applications were declined, but who were granted emergency benefits on the ground of hardship	135	390	525	111	331	442
Totals	20,079	9,718	29,797	24,763	9,561	34,324

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 the 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 1,547.

OTHER MONETARY BENEFITS

Details regarding other monetary benefits under the Act are included in the table on page 9.

RECIPROCAL AGE AND INVALIDS' BENEFITS

Under the Age-benefits and Invalid's Benefits (Reciprocity with Australia) Act, 1943, the Social Security Commission is empowered to make grants of age and invalids' benefits to persons living in the Dominion who have also had residence in Australia.

The number of applications received and dealt with during the period 1st April, 1945, to 31st March, 1946, was—

	Age- Benefits.	Invalids' Benefits.
Applications received and those outstanding at the beginning of year	94	15
Applications granted	57	7
Applications rejected	17	5
Outstanding at 31st March, 1946	20	3
The number of reciprocal benefits in force as at 31st March, 1946 was—		
Age-benefits	117	
Invalids' benefits		40
	—	—
Total	157	157

This shows an increase of 55 (47 age and 8 invalids' benefits) over the figures as at 31st March, 1945.

Due to increases in Australian pensions, from 5th July, 1945, the maximum rate for reciprocal benefits was increased from £70 4s. to £84 10s. a year.

FINANCE

STATEMENT SHOWING THE RECEIPTS AND PAYMENTS OF THE SOCIAL SECURITY FUND FOR THE YEAR ENDED 31ST MARCH 1946

<i>Receipts</i>	£	<i>Payments</i>	£
Balance	2,389,702	Monetary benefits—	
Social security registration fees	585,713	Universal superannuation	1,185,508
Social security charge on wages and other income	14,557,460	Age	9,817,615
Penalties, fines, interest, and miscellaneous receipts	143,019	Widows	1,043,593
	—	Orphans	24,178
Grants from Consolidated Fund, vote "Social Security" (Social Security Act, 1938, section 105 (c))	7,000,000	Family	2,611,759
	15,286,192	Invalids	1,183,537
		Miners	88,359
		Maori War	101
		Unemployment	31,661
		Sickness	565,420
		Emergency	121,959
			16,673,690
		Medical benefits, &c.—	
		Medical benefits	1,427,309
		Hospital benefits	2,173,460
		Maternity benefits	600,209
		Pharmaceutical benefits	1,133,366
		Supplementary benefits	229,971
			5,564,315
		Administration expenses—	
		Social Security Department	492,087
		Land and Income Tax Department	132,000
		Health Department	97,500
			721,587
		Balance	1,716,302
	<u>£24,675,894</u>		<u>£24,675,894</u>

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 Boards and the War Pensions Appeal Boards, are the functions of the Secretary for War Pensions.

NEW LEGISLATION

The following legislation became operative from 1st October, 1945: the War Pensions Amendment Act, 1945. The main features of this Act were the provisions for increases in war veterans' allowances.

The allowance for a male or female veteran was increased from £84 10s. to £104 a year, and in the case of a married male veteran the allowance in respect of his wife was increased from £54 12s. to £104 a year. In conformity with the policy of granting family benefits under the Social Security Act, 1938, in respect of dependent children, the War Pensions Amendment Act, 1945, abolished war veterans' allowances in respect of children, and from 1st October, 1945, these allowances were paid by way of family benefit.

During the year the Department received 25,812 applications for pensions. Of these, 19,306 applications were lodged by ex-servicemen in respect of their own disabilities, the balance of 6,506 being made up of claims by dependents, applications for economic pensions, and war veterans' allowances.

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

Class of Disability or Disease.	Type of Service.		Total.	Percentage of Total.
	Overseas.	New Zealand.		
(1) Infections and infestations	568	22	590	3·06
(2) Nervous system	3,100	598	3,698	19·15
(3) Eye, ear, and nose	2,554	567	3,121	16·17
(4) Circulatory and blood systems	636	359	995	5·15
(5) Metabolism	149	60	209	1·08
(6) Lungs	994	339	1,333	6·90
(7) Breast (non-malignant)	5	2	7	0·04
(8) Digestive system	1,467	400	1,867	9·67
(9) Generative system	74	44	118	0·61
(10) Gunshot wounds and accidental injuries to bones and joints and soft tissues	4,691	965	5,656	29·30
(11) Skin	757	203	960	4·97
(12) Areolar tissue	21	4	25	0·13
(13) Tumours and neoplastic growths	40	19	59	0·30
(14) Malformations	117	45	162	0·84
(15) Amputations	245	22	267	1·40
(16) Kidney and urinary tract	190	49	239	1·23
Totals	15,608	3,698	19,306	100·00

The War Pensions Boards dealt with 91,039 cases during the year ended 31st March, 1946, made up as follows:—

(1) Claims for war pension on account of disablement	16,664
(2) Claims for economic pension	2,664
(3) Claims for dependants' pensions	1,925
(4) Cases submitted for renewal and review	34,207
(5) Cases submitted for reconsideration and reinstatement	11,815
(6) Cases where the question of entitlement was considered in respect of personnel discharged from the Forces on medical grounds, but who did not lodge claims for pension	12,680
(7) Claims for war veterans' allowances	2,272
(8) Sundry claims and reviews	3,118
(9) Cases adjourned for further consideration and decision	5,694
Total	91,039

MEDICAL TREATMENT OF EX-SERVICEMEN

During the past year there has been a considerable extension of activities to deal with treatment of ex-servicemen suffering disabilities due to war service.

The medical officer in charge of treatment in Wellington has now the assistance of a War Pensions medical officer in each city or town in which a Registrar of War Pensions is situated, and there are now nineteen part-time pensions medical officers attached to the Department. From the records made available to each medical officer, treatment is authorized locally instead of from Wellington, while ex-servicemen have the benefit of applying in person to the officer authorizing the treatment. Facilities for treatment of ex-servicemen at all hospitals are made use of by the Department through the local medical officers, whose main duty is to guide and help ex-servicemen into the channels of treatment best suited to their cases. The system has been working very satisfactorily and has helped considerably to deal expeditiously with applications for treatment of war disabilities.

In addition, an orthopædic specialist was appointed to look after the interests of amputees in respect of their treatment and fitting of artificial limbs. To obtain the best possible service from such appointment, the specialist proceeded to England and America to study the most modern treatment of orthopædic disabilities, as well as the most up-to-date treatment of amputations and the fitting of artificial limbs. Close touch is now kept by the specialist with all amputees, and the fitting of all new limbs is superintended either by him or by close liaison with orthopædic specialists in other centres. A very much improved service to amputees has thereby been effected.

In order to relieve the pressure on the Wellington Hospital due to the large number of ex-servicemen requiring out-patient treatment, a physio-therapy clinic under the control of the Wellington Hospital Board was established at the War Pensions Office in Tory Street, Wellington. Since it was opened on 7th May, 1945, 640 patients have attended the clinic and 16,776 treatments have been given. The establishment of this out-patient centre has been an outstanding success.

Medical treatment to war pensioners during 1945-46 cost £58,302 (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 £4,986.

DISSECTION OF WAR PENSIONS CURRENT AS AT 31ST MARCH, 1946

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.	Annual Value.	Number of Children.	Annual Value.	
Ex-members of Forces—			£			£				£	
Permanent	14,071	2	1,381,502	2,562	..	146,825	16,633	2	1,528,327		
Temporary	822	..	93,648	20,284	..	1,204,995	21,106	..	1,298,643		
Dependants of disabled ex-members	2,808	2,196	208,425	950	1,027	75,192	3,758	3,223	283,617		
Widows	2,235	339	307,098	2,434	1,796	459,343	4,669	2,155	766,441		
Other dependants of deceased members	524	64	25,261	696	444	36,811	1,220	508	62,072		
Totals	20,460	2,621	2,015,934	26,926	3,267	1,923,166	47,386	5,888	3,939,100		

ECONOMIC PENSIONS PAYABLE AT 31ST MARCH, 1946, 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.	Number.	Annual Value.	
Ex-members with permanent pensions	3,436	289,765	85	7,652	3,521	297,417			
Ex-members with temporary pensions	219	18,230	1,572	138,862	1,791	157,112			
Widows	1,152	61,506	934	56,594	2,086	118,100			
Widowed mothers	38	1,846	116	5,212	154	7,058			
Totals	4,845	371,367	2,707	208,320	7,552	579,687			

PENSIONS PAYABLE OUTSIDE NEW ZEALAND AT 31ST MARCH, 1946

Class of Pension.	War, 1914-18.	War, 1939-45.	Total.
Ex-members of Forces—			
Permanent	880	23	903
Temporary	9	173	182
Wives and parents of ex-members : Temporary dependants of deceased members	55	1	56
Widows	218	96	314
Other dependants	201	48	249
Totals	1,363	341	1,704

SUMMARY OF PENSION PAYMENTS

	Payments made in						Total.
	London.	Australia.	Canada.	South Africa.	Foreign Countries.	New Zealand.	
	£	£	£	£	£	£	£
Total payments to 31st March, 1945	1,511,260	1,054,571	65,023	12,866	16,387	40,400,637	43,060,744
Payments, 1945-46 ..	37,155	69,452	6,508	1,109	910	3,545,834	3,660,968
Total payments to 31st March, 1946	1,548,415	1,124,023	71,531	13,975	17,297	43,946,471	*46,721,712

* Includes £4,679,530 in respect of war pensions in connection with the 1939-45 war and £7,033 to members of the Emergency Reserve Corps.

WAR PENSIONS APPEAL BOARD

The following summarizes the operations of the War Pensions Appeal Board during the year with respect to appeals under 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, 1945	69	826	1	2	898
Appeals lodged, 1945-46	300	2,135	5	4	2,444
Total to be dealt with	369	2,961	6	6	3,342
Appeals upheld, 1945-46	111	893	1	1	1,006
Appeals dismissed, 1945-46	207	1,320	5	3	1,535
Appeals withdrawn or struck out, 1945-46	23	365	..	2	390
Total disposed of	341	2,578	6	6	2,931
Appeals outstanding at 31st March, 1946	28	383	411
Percentage upheld	32·5	34·6	16·6	16·6	34·3

BENEFITS AND PENSIONS IN FORCE AND TOTAL PAYMENTS

Class.	As at 31st March, 1945.			As at 31st March, 1946.		
	Number in Force.	Annual Value.	Total Payments, 1944-45.	Number in Force.	Annual Value.	Total Payments, 1945-46.
		£	£		£	£
Universal superannuation ..	53,679	1,073,580	995,035	56,181	1,264,073	1,185,508
Age	104,653	8,665,268	8,492,015	110,060	11,589,318	9,817,615
Widows	10,965	1,019,745	985,452	11,507	1,153,001	1,043,593
Orphans	421	22,080	23,253	400	21,540	24,178
Family	24,251	1,750,922	1,405,113	42,637	3,935,395	2,611,759
Invalids	12,205	1,083,804	1,072,619	12,164	1,411,024	1,183,537
Miners	783	73,093	74,367	736	101,182	88,359
Maori War	1	85	78	1	104	101
Unemployment	198	..	27,822	205	..	31,661
Sickness	4,233	..	351,866	5,416	..	565,420
Emergency	2,083	..	105,843	2,094	..	121,959
War, 1914-18	20,849	2,059,116	2,046,005	20,460	2,015,934	1,997,390
War, 1939-45	20,584	1,662,564	1,407,460	26,926	1,923,166	1,662,227
War veterans' allowances ..	1,892	242,962	242,501	2,029	292,482	275,029
Boer War (Defence Act, 1909)	45	3,629	3,243	46	3,564	3,547
Mercantile Marine pensions ..	18	1,632	1,652	26	2,857	1,879
Emergency Reserve Corps ..	12	1,427	1,228	11	1,286	1,351
Sundry pensions and annuities	151	18,574	17,512	162	16,960	17,560
Civil Service Act, 1908 ..	3	1,400	1,471	3	1,400	1,260
War and other pensions paid on behalf of the Governments of Great Britain, Australia, India, Canada, South Africa, and Crown colonies	3,225	263,543	322,454	3,121	260,045	301,548
Totals	260,251	17,943,424	17,576,989	294,185	23,993,331	20,935,481

COST OF ADMINISTRATION

Excluding expenditure of £16,725 on capital items, administration costs for the year amounted to £558,934, including £83,572 in respect of the administration of war pensions and allowances. This represents 2.66 per cent. on total payments.

GENERAL

(1) FAMILY BENEFITS

At 31st March, 1946, there were 42,637 family benefits in force, representing payments in respect of 151,361 children.

With the abolition of the means test in respect of family benefits from 1st April, 1946, the Commission anticipated that a further 180,000 families would participate in the scheme and that family benefits would be paid in respect of approximately 335,000 additional children.

In anticipation of the large influx of new applications which would be received, the Commission made arrangements for applications for benefit to be accepted in offices of the Social Security Department prior to 1st April, 1946, as it was realized that a task of some magnitude was ahead of the Department if payments to the new beneficiaries were to be made as early as possible.

Arrangements were therefore made to have application forms available in all post-offices and district offices of the Department by 25th February, 1946, and from that date onwards a large flow of applications has been received. Up to 31st March, 132,000, or 73 per cent., of the anticipated total were received.

To further assist the public in lodging their applications, Social Security district offices remained open until 9 p.m. each week-night for some weeks until the bulk of the applications had been received.

(2) REHABILITATION ALLOWANCES

By arrangement with the Rehabilitation Department, the Social Security Commission continued to make available, where necessary, to demobilized ex-servicemen and ex-servicewomen rehabilitation allowances for periods up to thirteen weeks following the cessation of Service pay, to facilitate their reabsorption into civilian occupations.

As the majority of ex-service personnel have been quickly reabsorbed into industry, the number of cases handled during the year showed a considerable reduction compared with the previous year, and in all 2,762 cases were reviewed, representing 2,710 in respect of ex-servicemen and 52 in respect of ex-servicewomen.

Grants were made in 1,516 cases—1,480 to ex-servicemen and 36 to ex-servicewomen. Included in these grants were allowances in respect of 956 children. From 1st April, 1946, rehabilitation allowances will no longer be payable in respect of children; who will from that date receive family benefits.

During the period 1st April, 1945, to 31st March, 1946, the total amount paid out by way of rehabilitation allowances was £65,129, as compared with £131,733 for the year ended 31st March, 1945. At 31st March, 1946, there were 49 allowances current.

(3) DEMOBILIZATION ALLOWANCES

In the past it was the practice of the Army, Navy, and Air Departments to retain on Service pay and allowances personnel unfit for further military service but still requiring approved medical treatment.

From 1st August, 1945, the period Service personnel could be retained on pay was limited to twelve months from the date of arrival in New Zealand in the case of overseas servicemen undergoing treatment, and six months from the date of commencement of treatment in the case of home servicemen.

At the conclusion of the respective periods, if an incapacitated serviceman requires further treatment, he is discharged from the Forces and placed under the control of War Pensions for the continuation of treatment and for the determination of his pension and other rights by the approved authorities.

To provide for the maintenance of unfit personnel so discharged who require a continuation of treatment or medical after care and who are unable to resume civilian employment by reason of their incapacity, payment of a temporary allowance known as a "demobilization allowance" was authorized. This allowance is paid in accordance with the following scale:—

	Per Week.		
	£	s.	d.
Ex-serviceman	3	10	0
Wife	1	0	0

From 1st August, 1945 (when the scheme came into operation), until 31st March, 1946, the Commission received 111 applications for allowances—106 from ex-servicemen and 5 from ex-servicewomen. Allowances were granted to 52 ex-servicemen and 2 ex-servicewomen. The amount paid out by way of demobilization allowances was £1,913. As at 31st March, 1946, there were 30 allowances current.

(4) WAR SERVICE GRATUITIES

The War Service Gratuities Emergency Regulations 1945, which came into operation during the year, although not directly the concern of this Department, nevertheless created a considerable amount of extra work.

As a result of these regulations the Department is required to advise Base Records and other Service Departments of the amount of permanent or temporary war-disability pension being paid to applicants for gratuities, and to indicate whether the gratuities should be based on service or on the rates of permanent pension. To enable this work to be carried out, a large number of cases require to be reviewed, and up to 31st March, 1946, approximately 12,000 reviews had been undertaken and Service Departments supplied with the appropriate information.

During the war years the Department was greatly handicapped by lack of trained staff.

At the outbreak of war there were 1,197 officers in the Department: 644 joined the Armed Forces, the majority being on service outside New Zealand for lengthy periods; 36 officers made the supreme sacrifice; and at 31st March, 1946, there were still 207 members of the staff absent on military service.

Although the activities of the Department increased considerably during the war years, the effective strength of the staff did not increase beyond 1,100 officers until early in 1946, when ex-servicemen again rejoined the Department, and at 31st March, 1946, the staff working in the Department totalled 1,353.

The rehabilitation of ex-service members of the staff is a matter of outstanding importance to the Department and every effort is being made to ensure that officers rejoining the Department have facilities available to regain their lost departmental knowledge as soon as possible. As a measure of assisting them in this direction, a series of lectures on social security and war pensions legislation and departmental functions is being given. A frequent rotation of duties on a comprehensive staff-training basis is also a feature of the Departments' rehabilitation plan.

It is to the credit of all members of the staff that the large increase in the work of the Department was so efficiently carried out under the most difficult conditions, and in submitting this report I would like to express my appreciation for their loyalty and co-operation during the period under review.

H. DIGBY SMITH, Chairman, Social Security Commission.

Approximate Cost of Paper.—Preparation, not given; printing (1,478 copies), £35

By Authority: E. V. PAUL, Government Printer, Wellington.—1946.

Price 6d.]

