

1949
NEW ZEALAND

SOCIAL SECURITY DEPARTMENT

REPORT FOR THE TWELVE MONTHS ENDED 31st MARCH, 1949

Presented to Both Houses of the General Assembly Pursuant to Section 141 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 Department and Land and Income Tax Department respectively.

REPORT

To the Hon. the MINISTER OF SOCIAL SECURITY.

SIR,—

Social Security Department, Wellington, 24th June, 1949.

We have the honour to submit for the information of Parliament the tenth annual report of the Social Security Department for the period 1st April, 1948, to the 31st March, 1949.

SECTION I—SOCIAL SECURITY BENEFITS

NEW LEGISLATION

Legislation was enacted to give effect to the agreements reached with Great Britain and Northern Ireland covering reciprocity in family benefits. The Family Benefits (Reciprocity with Great Britain) Act, 1948, and Family Benefits (Reciprocity with Northern Ireland) Act, 1948, came into force on 1st December, 1948. The main effect of this legislation is that, in its application to family benefits, residence or birth in Great Britain or Northern Ireland of children who are British subjects will be treated as residence or birth in New Zealand.

As a result of further negotiations, a new agreement was reached with the Commonwealth of Australia which extended the scope of the reciprocal arrangement which had existed between New Zealand and Australia since 1943. The Social Security (Reciprocity with Australia) Act, 1948, will repeal the Age Benefits and Invalids' Benefits (Reciprocity with Australia) Act, 1943, and extend the scope of reciprocity between the two countries to age, widows' invalids' family, unemployment, and sickness benefits. A Proclamation will be issued bringing this Act into force from 1st July, 1949.

The Finance Act (No. 2), 1948, enacted certain amendments to the Social Security Act, 1938, as follows :—

AGE-BENEFITS

Provision was made for the aggregate rate of benefit payable to a totally blind applicant for age-benefit to be not less than the rate which would have been payable if the applicant had been eligible for an invalid's benefit.

WIDOWS' BENEFITS

The position regarding benefits for deserted wives and wives of mental defectives has been amplified by the substitution of new subsections in the principal Act.

ORPHANS' BENEFITS

The date of expiry of an orphan's benefit is now the end of the month in which the orphan dies or attains the age of sixteen years.

FAMILY BENEFITS

The family benefit residential qualification of one year has been removed in respect of any child born to a mother during her temporary absence from New Zealand.

EMERGENCY BENEFITS

The principal Act has been amended to enable any benefit to be transferred to an emergency benefit or an emergency benefit to be granted where it is considered that suitable training or medical treatment will assist the beneficiary in his recovery. Authority is given to the Commission to fix the rate of benefit in such cases. It is intended to operate this provision in conjunction with the provisions made in the Tuberculosis Act, 1948, for vocational training and industrial rehabilitation of sufferers from tuberculosis.

MISCELLANEOUS

Any person employed outside New Zealand and while so employed is liable for the payment of the social security charge on his earnings arising from such employment may have his absence treated as a period of residence for the purpose of determining his eligibility for any benefit under the Social Security Act, 1938.

Any benefit may now be paid, in the discretion of the Commission, during any period of temporary absence of the beneficiary from New Zealand. This amendment to the Act does not affect the statutory rights of miners beneficiaries and certain invalids beneficiaries in receipt of benefits in respect of total blindness to be paid for periods of absence from New Zealand not exceeding two years in the aggregate.

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, 1949, the rate was £30 a year, and the sum of £1,850,079 was expended during the year, an increase of £256,322 over the figure for the previous year.

During the year, 10,030 new benefits were granted and 334 applications were declined. There were 65,839 benefits in force as at 31st March, 1949, an increase of 4,227 over the number for the previous year.

MONTHLY BENEFITS

AGE-BENEFITS

During the year, 9,351 new benefits were granted and 953 applications were declined, also 110,246 existing benefits were renewed for a further year after individual investigation. At the 31st March, 1949, there were 116,254 benefits in force, a decrease of 907 from the figure for the previous year.

The expenditure increased from £12,976,286 for the year ended 31st March, 1948, to £13,790,971 for the year ended 31st March, 1949, an increase of £814,685.

WIDOWS' BENEFITS

During the year 2,067 new benefits were granted, 516 applications were declined and 13,092 existing benefits were renewed for a further year. The number of benefits increased from 14,145 at 31st March, 1948, to 14,883 at the 31st March, 1949, an increase of 738.

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 other provisions of the Social Security Act, 1938, applicable to widows. At the 31st March, 1949, there were 1,140 such benefits in force, an increase of 44 over the figure for last year, and there were maintenance orders in operation against 926 defaulting husbands, representing an annual amount of £118,020. On the granting of benefits the Department undertakes the enforcement of maintenance orders. During the year £64,104 was collected by way of maintenance, representing 54 per cent. of the amount of the orders in force.

The number of widows receiving mother's allowance of £65 decreased from 4,863 as at the 31st March, 1948, to 4,683 as at the 31st March, 1949.

The expenditure for the year for all widows' benefits amounted to £1,911,134, an increase for the year of £140,512. This expenditure included £180,758 in respect of women deserted by their husbands.

The Department throughout the year has continued to take the initiative in assisting women whose husbands have just died, and where necessary, emergency benefits have been granted pending finalization of applications for widows' benefits.

ORPHANS' BENEFITS

During the year 80 new benefits were granted. The number of benefits in force increased from 370 (in respect of 557 children) as at 31st March, 1948, to 371 (in respect of 518 children) as at 31st March, 1949. The expenditure increased from £24,187 for the year ended 31st March, 1948, to £27,623 for the year ended 31st March, 1949.

FAMILY BENEFITS

During the year under review 19,979 new benefits were granted and 223 applications were declined. The number of benefits in force increased by 5,589 from 243,137 at 31st March, 1948, to 248,726 at 31st March, 1949. These benefits represented payments in respect of 548,330 children, as against 521,394 children for the previous year.

The expenditure increased from £13,798,648 for the year ended 31st March, 1948, to £14,242,202 for the year ended 31st March, 1949, an increase of £443,554.

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 65,975 last year to 74,534 at the 31st March, 1949. The total amounts lodged to Post Office Savings-bank accounts through this medium totalled £3,705,398 for the year, as against £3,379,675 for the previous year.

With the beneficiary's authority the whole or portion of a family 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, 1949, 4,737 benefits were wholly or partially being diverted in this manner, as against 5,520 for the previous year. The amount paid to the Commissioner of Taxes for the year was £198,874, compared with £227,535 for the year ended 31st March, 1948.

At 31st March, 1949, benefits were being paid in respect of 9,758 children beyond the age of sixteen years to assist in their 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, 1948	101,325	68,883	38,871	18,552	8,048	3,737
Number of families. 31st March, 1949	95,681	75,178	41,488	19,741	8,586	3,975

	Number of Children in Family—continued.				Total Number of Benefits.	Total Number of Children.
	7.	8.	9.	10 or more.		
Number of families. 31st March, 1948	1,984	988	462	287	243,137	521,394
Number of families. 31st March, 1949	2,088	1,098	531	360	248,726	548,330

INVALIDS' BENEFITS

Applications were received from 1,581 persons during the year on the grounds of permanent incapacity for work or total blindness. Grants were made in 1,022 cases and 622 applications were declined, mainly because medical evidence did not indicate permanent incapacity, and 9,242 existing benefits were renewed for a further year.

The number of benefits in force decreased by 631, from 10,682 as at 31st March, 1948, to 10,051 as at 31st March, 1949.

The expenditure for the year decreased by £18,684 from £1,367,300 for the year ended 31st March, 1948, to £1,348,616 for the year ended 31st March, 1949.

The following table, prepared as at 31st January, 1949, indicates the nature of the diseases suffered by invalid beneficiaries who are permanently incapacitated for work :—

Disease Category.	Total.	
	Males.	Females.
<i>Infectious and Parasitic Diseases—</i>		
Tuberculosis of the respiratory system	446	370
Other forms of tuberculosis	81	68
Acute poliomyelitis and sequelae	147	167
Other infectious and parasitic diseases	90	54
<i>Neoplasms—</i>		
Malignant neoplasms	30	19
Nonmalignant neoplasms	15	18
<i>Rheumatic Fever, Diseases of the Endocrine Glands and Nutrition and Other General Diseases—</i>		
Rheumatic fever	25	19
Diabetes mellitus	37	40
Diseases of the thyroid and endocrine glands	42	103
Other nutritional and general diseases	5	19
<i>Diseases of the Blood and Blood-forming Organs</i>	25	26
<i>Chronic Poisoning and Intoxication</i> .. .. .	..	..

Disease Category.	Total.	
	Males.	Females.
<i>Diseases of the Nervous System and Sense Organs, Including Mental Disorders—</i>		
Residuals of other and unspecified paralysis	232	202
Mental deficiency	944	1,206
Epilepsy	202	264
Diseases of the organs of vision	324	161
Other diseases of the nervous system and sense organs, including mental disorders	478	568
<i>Diseases of the Circulatory System—</i>		
Diseases of the heart	637	454
Diseases of the arteries	63	31
Varicose veins and hæmorrhoids	16	19
Other diseases of the circulatory system	14	10
<i>Diseases of the Respiratory System—</i>		
Bronchitis	78	46
Asthma	178	131
Other diseases of the respiratory system	42	19
<i>Diseases of the Digestive System—</i>		
Ulcer of the stomach and intestines	35	8
Hernia	11	9
Other diseases of the digestive system	47	57
<i>Diseases of the Genito-urinary System</i>	43	55
<i>Diseases of the Skin</i>	25	23
<i>Diseases of the Bones and Organs of Movement—</i>		
Arthritis and rheumatism	384	385
Other diseases of the bones and organs of movement	155	117
Other deformities due to previous disease or injury, including amputations ..	89	64
<i>Congenital Malformations</i>	131	104
<i>Other and Ill-defined Diseases</i>	32	61
<i>Injuries and Poisoning</i>	85	33
Totals	5,188	4,930

MINERS' BENEFITS

During the year 25 new grants were made. The number of benefits in force decreased by 25, from 685 as at 31st March, 1948, to 660 as at 31st March, 1949. This includes 85 benefits paid to widows whose husbands died while in receipt of miners' benefit.

The expenditure for the year increased by £3,553, from £110,106 for the year ended 31st March, 1948, to £113,659 for the year ended 31st March, 1949.

RECIPROCAL BENEFITS

RECIPROCITY WITH AUSTRALIA

Under the Age and Invalids' Benefits (Reciprocity with Australia) Act, 1943, the Social Security Commission was empowered 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 was not to exceed the rate payable in the country with the lower maximum benefit. The basic rate of Australian age and invalids' pensions was increased from £97 10s. to £110 10s. a year from the 21st October, 1948.

Negotiations which extended over a considerable period between Australia and New Zealand resulted in the passing by the New Zealand Parliament on 2nd December, 1948, of the Social Security (Reciprocity with Australia) Act, 1948. This Act ratified a new reciprocal agreement with Australia.

The new agreement, which comes into operation on 1st July, 1949, extends the scope of reciprocity to cover age, invalids', widows', family, unemployment, and sickness benefits. The former requirement that benefits be subject to the more restrictive conditions of either country has not been incorporated in the new agreement.

The position regarding applications for reciprocal benefits and benefits in force as at 31st March, 1949, under the Age and Invalids' Benefits (Reciprocity with Australia) Act, 1943, is shown in the following table :—

	1947-48.			1948-49.		
	Age.	Invalids.	Total.	Age.	Invalids.	Total.
Applications received and those outstanding at the beginning of the year	172	22	194	149	13	162
Applications granted	134	15	149	104	6	110
Applications rejected	15	4	19	22	4	26
Applications outstanding as at 31st March	23	3	26	23	3	26
Benefits in force as at 31st March ..	216	55	271	219	51	270

RECIPROCITY WITH GREAT BRITAIN AND NORTHERN IRELAND

Reciprocity between British countries has been considered for many years, particularly at various Imperial Conferences, but it was considered that the varying nature of benefits and qualifying conditions in the different countries prevented the framing of a standard scheme. It was left to the Governments of the different countries to negotiate separately with one another if they wished.

A proposal by the Hon. the Minister of Finance while in England in 1946 that a British Commonwealth conference be held to work out principles and administrative details for reciprocal arrangements was agreed to by the British Government.

At this Commonwealth Conference on National Insurance held in London during May, 1947, it was felt that, while multilateral agreements within the Empire were not practicable, bilateral agreements between any two countries might be arranged.

Negotiations carried on between Great Britain, Northern Ireland, and New Zealand following this Conference finally resulted in separate agreements providing for reciprocity in the field of family benefits and family allowances being concluded by New Zealand with Great Britain and Northern Ireland. New Zealand legislation giving effect to these agreements came into force on 1st December, 1948.

Negotiations for reciprocity in age and widows' benefits with Great Britain and Northern Ireland are still proceeding.

From 1st December, 1948, to 31st March, 1949, 713 reciprocal family benefits were granted, of which 561 were still current at the latter date.

WEEKLY BENEFITS

UNEMPLOYMENT BENEFITS

The following figures show the number of applications for unemployment benefits dealt with during the years ended 31st March, 1948, and 31st March, 1949, respectively :—

	1947-48.			1948-49.		
	Males.	Females.	Totals.	Males.	Females.	Totals.
Persons granted benefit	368	12	380	330	14	344
Number of applications declined	296	851	1,147	383	25	408
Totals	664	863	1,527	713	39	752

As at 31st March, 1949, there were 30 persons in receipt of unemployment benefit, as against 16 as at 31st March, 1948.

The total expenditure for the year amounted to £8,948, as against £8,358 for the previous year, an increase of £590.

Statement Showing for the Year Ended 31st March, 1949, 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 40 to 49.	
					M.	F.	M.	F.	M.	F.	M.	F.
1 to 4 weeks	..	..	..	..	5	..	32	3	45	2	38	..
5 to 12 weeks	..	..	..	..	..	..	18	1	22	..	42	..
13 to 25 weeks	..	..	..	..	1	..	8	1	7	..	12	..
26 to 52 weeks	..	..	..	..	..	..	..	..	3	..	1	..
Totals	..	..	..	..	6	..	58	5	77	2	93	..

Period of Unemployment.					Years 50 to 59.		Years 60 and over.		Totals.		Grand Total.
					M.	F.	M.	F.	M.	F.	
1 to 4 weeks	..	..	..	..	31	..	5	1	156	6	162
5 to 12 weeks	..	..	..	..	20	1	4	..	106	2	108
13 to 25 weeks	..	..	..	..	15	1	2	..	45	2	47
26 to 52 weeks	..	..	..	..	5	..	..	..	9	..	9
Totals	..	..	..	..	71	2	11	1	316	10	326

The above schedule discloses that approximately 49 per cent. of the male beneficiaries were unemployed for less than five weeks, while approximately 34 per cent. were unemployed for periods varying from five to twelve weeks, and 14 per cent. from thirteen to twenty-five weeks.

Of the few female beneficiaries, approximately one-half were unemployed for less than five weeks.

SICKNESS BENEFITS

The following figures show the number of applications for sickness benefits dealt with during the years ended 31st March, 1948, and 31st March, 1949, respectively:—

				1947-48.			1948-49.		
				Males.	Females.	Totals.	Males.	Females.	Totals.
Persons granted benefit	..	..	..	24,073	7,282	31,355	23,150	7,271	30,421
Number of applications declined	..	..	..	2,683	1,195	3,878	2,665	832	3,497
Totals	..	..	..	26,756	8,477	35,233	25,815	8,103	33,918

The number of sickness benefits granted during the year totalled 30,421, a decrease of 934, or approximately 3 per cent., from the previous year. There were 4,945 benefits current at 31st March, 1949, and expenditure for the year amounted to £911,107, an increase of £14,014 over the figure for the previous year.

Statement Showing for the Year Ended 31st March, 1949, Duration of Sickness for Males and Females Whose Sickness Benefits Ceased During the Year

Period of Sickness.							Males.	Females.	Total.
1 to 4 weeks	..	..	..	..	..	..	7,939	1,913	9,852
5 to 12 weeks	..	..	..	..	..	..	7,864	2,380	10,244
13 to 25 weeks	..	..	..	..	..	..	2,763	1,047	3,810
26 to 52 weeks	..	..	..	..	..	..	1,418	594	2,012
Over 52 weeks	..	..	..	..	..	..	486	269	755
Total	..	..	..	..	..	..	20,470	6,203	26,673

*Statement Showing Disease Classification of Sickness Beneficiaries Whose Benefits Ceased
During the Year*

Disease Category.	Males.	Females.	Total.
<i>Infectious and Parasitic Diseases—</i>			
Influenza	876	192	1,068
Tuberculosis of the respiratory system	334	252	586
Other forms of tuberculosis	71	32	103
Acute poliomyelitis and sequelæ	87	29	116
Other infectious and parasitic diseases not included above	583	189	772
<i>Neoplasms—</i>			
Malignant neoplasms	117	21	138
Nonmalignant neoplasms	186	170	356
<i>Rheumatic Fever, Diseases of the Endocrine Glands, and Nutrition and Other General Diseases—</i>			
Rheumatic fever	167	77	244
Diabetes mellitus	75	11	86
Diseases of the thyroid and endocrine glands	114	141	255
Other nutritional and general diseases	38	11	49
<i>Diseases of the Blood and Blood-forming Organs</i>	55	113	168
<i>Chronic Poisoning and Intoxication</i>	7	..	7
<i>Diseases of the Nervous System and Sense Organs Including Mental Disorders—</i>			
Neuritis	78	19	97
Sciatica	210	20	230
Psychoses and other mental diseases	859	682	1,541
Diseases of the organs of vision	246	50	296
Diseases of the ear and mastoid process	125	39	164
Other diseases of the nervous system and sense organs, including mental disorders	177	27	204
<i>Diseases of Circulatory System—</i>			
Diseases of the heart	863	142	1,005
Varicose veins and hæmorrhoids	424	48	472
Other diseases of the circulatory system	195	84	279
<i>Diseases of Respiratory System—</i>			
Diseases of the nose and nasal fossæ, including sinusitis	235	67	302
Diseases of the pharynx and larynx, including tonsillitis	368	216	584
Bronchitis	731	151	882
Pneumonia	582	82	664
Pleurisy	292	95	387
Asthma	228	70	298
Other diseases of the respiratory system	101	24	125
<i>Diseases of Digestive System—</i>			
Ulcer of the stomach and intestines	490	26	516
Appendicitis	990	541	1,531
Hernia	692	39	731
Peritonitis	19	11	30
Other diseases of the digestive system	1,171	285	1,456
<i>Diseases of the Genito-urinary System</i>	689	417	1,106
<i>Diseases of the Skin</i>	1,471	317	1,788
<i>Diseases of Bones and Organs of Movement—</i>			
Arthritis and rheumatism, except rheumatic fever	1,297	263	1,560
Other diseases of the bones and organs of movement	817	188	1,005
<i>Congenital Malformations</i>	55	26	81
<i>Other and Ill-defined Diseases</i>	494	399	893
<i>Injuries and Poisonings—</i>			
Fractures	1,665	144	1,809
Dislocations, sprain, or other joint injury without fracture	505	102	607
Other injuries and poisoning	1,691	161	1,852
<i>Other Enumerated Conditions Without Sickness—</i>			
Pregnancy .. .. .	..	226	226
Other conditions .. .. .	..	4	4
Total	20,470	6,203	26,673

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. Emergency benefits may also be granted in lieu of other benefits where it is considered that a course of medical treatment or training in any occupation would be beneficial.

Full and sympathetic use was made of this section, and during the past year 2,735 benefits were granted.

The number of benefits in force decreased from 2,141 as at the 31st March, 1948, to 2,026 as at the 31st March, 1949, and the expenditure for the year was £251,409, as against £227,857 for the previous year, an increase of £23,552.

FINANCE

STATEMENT SHOWING THE RECEIPTS AND PAYMENTS OF THE SOCIAL SECURITY FUND FOR THE YEAR ENDED 31ST MARCH, 1949

<i>Receipts</i>			<i>Payments</i>		
Balance as at 1st April 1948—	£	£	Monetary benefits—	£	£
Cash	1,342,701		Universal super-annuation ..	1,850,079	
Imprest	899,217		Age	13,790,971	
Investments ..	5,000,000		Widows'	1,911,134	
		7,241,918	Orphans'	27,623	
Social security charge on wages and other income	29,378,385		Family	14,242,202	
Miscellaneous receipts, interest, penalties, and fines	58,651		Invalids'	1,348,616	
		29,437,036	Miners'	113,659	
Recoveries under maintenance orders, widows' benefits* ..		63,429	Maori War	10	
Grants from Consolidated Fund, vote, "Social Security" (Social Security Act, 1938, section 105 (c))		15,000,000	Unemployment ..	8,948	
			Sickness	911,107	
			Emergency	251,409	
					34,455,758
			Medical benefits, &c.—		
			Medical benefits ..	2,306,881	
			Hospital benefits ..	1,997,375	
			Maternity benefits ..	916,120	
			Pharmaceutical benefits	1,793,159	
			Supplementary benefits	861,913	
					7,875,448
			Administration expenses: Social Security Department ..		729,259
			Balance at 31st March, 1949—		
			Cash	533,874	
			Imprests outstanding ..	148,044	
			Investments	8,000,000	
					8,681,918
		<u>£51,742,383</u>			<u>£51,742,383</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

In the Finance Act (No. 2), 1948, provision was made for an amendment to section 28 of the War Pensions Act, 1943, enabling widows of servicemen who are granted remarriage gratuities to receive the benefit of any increased rates of pension which may become payable during the currency of the gratuity.

In the same enactment provision was also made for amendment to section 68 of the War Pensions Act, 1943, to enable the widow of a war veteran to be given the benefit of any increase made in the rate of war veteran's allowance during the currency of the gratuity granted to her in respect of the death of the war veteran.

In both cases the amendments were operative from 1st October, 1947.

Section 74 of the War Pensions Act, 1943, was also amended by the Finance Act (No. 2), 1948, to enable the War Pensions Board, in its discretion to pay war veterans' allowances in respect of any period of the recipient's temporary absence from New Zealand.

NEW APPLICATIONS FOR WAR PENSIONS

During the year 7,078 applications for pensions were lodged with the Department. Of these, 1,931 applications were in respect of disablement, including 170 from the 1914–18 war and 1,761 from the 1939–45 war. Claims by dependants, applications for economic pensions, and war veterans' allowances totalled 5,147. The number of applications in respect of both wars lodged for the previous year was 7,331, which included 2,406 in respect of an applicant's own disability.

A further decline of new applications for war-disablement pension was noted during the past year. This was to be expected with the elapse of time from the cessation of hostilities of the 1939–45 war.

The following shows the disabilities in respect of which new disablement pensions were granted during the past year to personnel who served in the 1939–45 war:—

Class of Disability or Disease.	Type of Service.		
	Overseas.	New Zealand.	Total.
(1) Infections and infestations	67	1	68
(2) Nervous system	103	22	125
(3) Eye, ear, and nose	92	13	105
(4) Circulatory and blood system	52	16	68
(5) Metabolism	4	3	7
(6) Lungs	108	25	133
(7) Diseases of bones, joints, muscles, tendons, and ligaments ..	64	29	93
(8) Digestive system	101	15	116
(9) Generative system	4	..	4
(10) Gunshot wounds and accidental injuries to bones, joints, and soft tissues	114	20	134
(11) Skin	55	7	62
(12) Tumours and neoplastic growths	9	1	10
(13) Malformations	2	1	3
(14) Amputations	6	..	6
(15) Urinary tract	14	4	18
(16) Sundry minor disabilities	6	..	6
	801	157	958

WAR PENSIONS BOARDS

During the year the War Pensions Boards visited many centres in New Zealand and interviewed 1,429 pensioners. In each centre visited, the local ex-servicemen's organizations were given an opportunity to present special cases and to have discussions with the Boards. By this means close contact has been kept with the organizations outside Wellington, with benefit to the ex-servicemen and to the Department in its administration of the War Pensions Act as it relates to disabled ex-servicemen.

The War Pensions Boards dealt with 57,285 cases during the year ended 31st March, 1949, under the following categories:—

(1) Claims for pension on account of disablement	1,931
(2) Claims for economic pension	2,164
(3) Claims for dependant's pension	1,806
(4) Cases submitted for renewal and review	35,945
(5) Cases submitted for reconsideration	6,256
(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	505
(7) Claims for war veterans' allowances	1,177
(8) Sundry claims and reviews and cases adjourned for further consideration and decision	7,501
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	57,285
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MEDICAL TREATMENT

The provision of treatment for disabled ex-servicemen through the Pensions Medical Officers has continued to give satisfaction.

The number of disabled ex-servicemen in hospital as a result of war disabilities has decreased, but there were as at 31st March, 1949, still 174 pensioners of the 1914-18 war receiving in-patient treatment and 302 of the 1939-45 war. Numbers vary from time to time, however, as many admissions to hospitals are for short periods only.

The Medical Officer in Charge of Treatment has noted a definite decline in the number of new applications by ex-servicemen suffering from pulmonary tuberculosis. In approximately 25 per cent. of these cases it has not been possible to associate the condition with war service.

The Medical Officer in Charge of Treatment has drawn attention to the number of new dysentery cases dealt with by the War Pensions Boards. During the last two years some 120 cases of chronic amoebiasis have been diagnosed, none of the cases having previously, either overseas or within New Zealand, been suspected of suffering from this disease. Attention was drawn to the incidence of this disease through the Director-General of Health and through the columns of the *New Zealand Medical Journal*.

During the year the Medical Officer in Charge of Treatment has published in the *New Zealand Medical Journal* two reviews following his research into the statistics and results of treatment of the disabilities suffered by ex-servicemen. One related to "Prolapsed Intervertebral Discs" and the other to "Fractures of the Carpal Scaphoid Bone." These two reviews have been of much importance and interest to the medical profession.

It is hoped during the next year to carry out further reviews and to publish the results relating to other diseases and battle casualties. With the large numbers in different classes of diseases and casualties which occur among servicemen and with the follow-up of war pensioners after treatment, it has been possible to make available useful information to assist in the treatment not only of war disabled, but also of civilian, patients.

During the past year a close liaison has been maintained with other Departments and organizations concerned with the welfare of ex-servicemen. In particular there has been close co-operation with the Rehabilitation Department and the Disabled Servicemen's Re-Establishment League in supplying information and advice regarding the rehabilitation and special training of ex-servicemen.

MISCELLANEOUS EXPENDITURE FOR THE YEAR

Administration costs for the year in respect of war pensions and allowances totalled £16,802.

Medical treatment of war pensioners (including the cost of treatment of pensioners resident in overseas countries) amounted to £248,465, compared with £65,565 for the previous year. The marked increase in this item is due to increased hospital charges and payment to Hospital Boards of arrears of maintenance charges in respect of 1939-45 war personnel.

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 £7,029, compared with £6,404 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 £819, compared with £597 for the previous year.

Medical fees and travelling-expenses of pensioners cost £31,864, compared with £37,920 for the previous year.

DISSECTION OF WAR PENSIONS CURRENT AS AT 31st MARCH, 1949

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 Children.	Annual Value.
Ex-member of Forces—			£			£		£
Permanent ..	13,812	..	1,444,922	8,310	..	470,859	22,122	1,915,781
Temporary ..	277	..	25,971	15,317	..	1,310,516	15,594	1,336,487
Dependants of disabled ex-members	2,546	970	172,110	987	523	80,058	3,533	252,168
Widows ..	2,347	209	379,932	1,629	1,295	349,999	3,976	729,931
Other dependants of deceased servicemen	338	64	19,388	944	893	41,989	1,282	61,377
Totals ..	19,320	1,243	2,042,323	27,187	2,711	2,253,421	46,507	4,295,744

N.B.—During the year mothers' allowance of 30s. a week was paid to 2,278 wives and widows of disabled or deceased ex-servicemen.

ECONOMIC PENSIONS PAYABLE AT 31st MARCH, 1949, 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 ..	3,498	£ 393,465	293	£ 32,764	3,791	£ 426,229
Ex-member with temporary pension ..	59	6,616	1,096	122,190	1,155	128,806
Widows ..	1,306	82,956	803	50,907	2,109	133,863
Widowed mothers ..	16	777	55	2,578	71	3,355
Totals ..	4,879	483,814	2,247	208,439	7,126	692,253

For the year ended 31st March, 1949, the expenditure on war pensions was £4,010,859, being £2,104,627 in respect of 1914-18 war and £1,906,232 in respect of 1939-45 war.

The expenditure on war veterans' allowances for the year was £562,634.

PENSIONS PAYABLE OUTSIDE NEW ZEALAND AT 31st MARCH, 1949

Class of Pension.	War, 1914-18.	War, 1939-45.	Total.
Ex-member of Forces—			
Permanent	858	130	988
Temporary	6	292	298
Dependants of ex-members—			
Widows	243	120	363
Wives and other dependants..	214	111	325
Totals	1,321	653	1,974

WAR PENSIONS APPEAL BOARD

Following the death in May, 1948, of Sir Francis Frazer, Mr. J. R. Bartholomew, a former Stipendiary Magistrate, was appointed temporary Chairman of the Appeal Board. Mr. Bartholomew commenced his duties in July, 1948, and since then frequent sittings of the Appeal Board have been held in the four main centres.

The number of appeals lodged during the year ended 31st March, 1949, fell considerably over those for the previous year.

The following summarizes the work of the War Pensions Appeal Board during the year :—

—	War, 1914-18.	War, 1939-45.	War Pensions and Allowances (Mercantile Marine) Act, 1940.	War Veterans.	Totals.
Appeals outstanding at 31st March, 1948	29	121	..	1	151
Appeals lodged, 1948-49	98	581	4	2	685
Total to be dealt with ..	127	702	4	3	836
Appeals upheld, 1948-49	23	206	2	1	232
Appeals dismissed, 1948-49 ..	64	262	..	..	326
Appeals withdrawn or struck out, 1948-49	17	50	..	1	68
Total disposed of	104	518	2	2	626
Appeals outstanding at 31st March, 1949	23	184	2	1	210
Percentage upheld	22·1	39·8	100	50	37

SECTION III—GENERAL

SUMMARY

BENEFITS AND PENSIONS IN FORCE AND TOTAL PAYMENTS

Social Security Benefits.	As at 31st March, 1948.			As at 31st March, 1949.		
	Number in Force.	Annual Value.	Total Payments, 1947-48.	Number in Force.	Annual Value.	Total Payments, 1948-49.
		£	£		£	£
Universal superannuation ..	61,612	1,694,330	1,593,757	65,839	1,975,170	1,850,079
Age	117,161	14,223,345	12,976,286	116,254	14,008,607	13,790,971
Widows'	14,145	1,949,888	1,770,622	14,883	2,001,764	1,911,134
Orphans'	370	27,010	24,187	371	27,083	27,623
Family	243,137	13,542,730	13,798,648	248,726	14,065,455	14,242,202
Invalids'	10,682	1,406,285	1,367,300	10,051	1,324,722	1,348,616
Miners'	685	111,518	110,106	660	108,900	113,659
Maori War	1	117	111	..	..	10
Unemployment	16	..	8,358	30	..	8,948
Sickness	4,248	..	897,093	4,945	..	911,107
Emergency	2,141	..	227,857	2,026	..	251,409
Sub-total	454,198	32,955,223	32,774,325	463,785	33,511,701	34,455,758
War Pensions and Other Payments—						
War, 1914-18	19,715	2,097,676	2,049,391	19,320	2,042,323	2,104,627
War, 1939-45	28,249	1,899,678	2,031,194	27,187	2,253,421	1,906,232
War veterans' allowances ..	2,617	470,798	422,275	3,367	613,458	562,634
South African War	42	4,013	3,689	41	3,768	3,892
Mercantile Marine pensions	24	1,925	2,727	23	2,184	2,700
Emergency Reserve Corps	11	1,404	1,368	10	1,463	1,447
Sundry pensions and annuities	173	27,655	24,783	159	26,300	27,262
Civil Service Act, 1908 .. ..	..	..	697	..	..	39
War and other pensions paid on behalf of the Governments of Great Britain, Australia, India, Pakistan, Canada, South Africa, Burma, and Crown Colonies	3,619	391,045	393,459	4,004	345,276	463,345
Sub-total	54,450	4,894,194	4,929,583	54,111	5,288,193	5,072,178
Total	508,648	37,849,417	37,703,908	517,896	38,799,894	39,527,936

COST OF ADMINISTRATION

Administration costs for the year, excluding expenditure of £12,838 on capital items, amounted to £733,223, including £16,802 in respect of the administration of war pensions and allowances. This cost represents 1·84 per cent. on total payments.

MISCELLANEOUS

WAR SERVICEMEN'S DEPENDANTS' ALLOWANCES

A parent of a deceased member of the Forces and of the New Zealand Mercantile Marine in receipt of a benefit under Part II of the Social Security Act, 1938, may have the benefit increased by an amount not exceeding £26 a year. At the 31st March, 1949, there were 1,674 of these allowances in force paid in conjunction with age, invalids', miners', and widows' benefits. This represents an increase of 35 over the figure of 1,639 for last year.

REHABILITATION ALLOWANCES

With the continued tapering-off of the number of Service personnel demobilized, the need for this allowance has declined, and only 3 rehabilitation allowances have been paid over the last twelve months.

DEMOBILIZATION ALLOWANCES

During the year no applications were received from ex-servicemen or ex-service-women 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. There were 6 allowances current at the 31st March, 1949, representing grants made during the previous year, compared with 11 at the 31st March, 1948. Expenditure for the year ended 31st March, 1949, was £1,290, compared with £2,908 for the previous year.

IMPERIAL AND OTHER OVERSEAS PENSIONS

The Department has been called on to provide increased services during the past year on behalf of the Governments of Great Britain, Australia, Canada, South Africa, Pakistan, India, and Crown colonies in respect of payment of pensions and allowances in New Zealand. The number of cases in payment in New Zealand on behalf of these Governments is now 4,004, compared with 3,619 at the 31st March, 1948. There were, however, a large number of cases paid during the year for short periods.

The total amount paid during the year on behalf of other Governments was £463,345, an increase of £69,886 over the previous year.

Whereas supplementary payments were previously made in respect of exchange on amounts authorized by Great Britain and other Governments affected by difference of exchange, these have now ceased on account of New Zealand currency being appreciated to parity with sterling.

In November last the Department was privileged to have a visit from the Parliamentary Under-Secretary to the Ministry of Pensions of the Government of Great Britain, Mr. A. Blenkinsop, who was accompanied by Miss M. Cox, C.B.E., Deputy Secretary to the Ministry of Pensions.

Discussions were held with departmental officers, and as a result it has been possible to delegate some additional powers to the Department and so dispose locally of many matters which formerly had to be referred to the Ministry in London.

Opportunity was taken to have as many Imperial pensioners as possible seen by Mr. Blenkinsop and Miss Cox in Auckland, Wellington, Christchurch, and Dunedin, where meetings were addressed and many items of interest discussed.

Representations made to the personal representatives of the Ministry during their visit to New Zealand have resulted in increases of pensions and new awards in several cases.

STAFF

At 31st March, 1949, the effective strength of the staff of the Department was 1,277, compared with 1,360 as at 31st March, 1948, a reduction of 83. Although it is pleasing to report that the work of the Department has not suffered through persistent staff shortages, the rate of loss of trained staff is disturbing. Many of the offices of the Department continue to be undermanned.

The staff-training programme has been maintained, with beneficial results. It is due to keenness and co-operation of the staff, combined with intensive staff training, that the Department has been able to function efficiently despite the staff shortage.

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.

B. F. WATERS, Chairman	} Social Security Commission.
C. DUNN, Commissioner	
A. E. T. WILLIAMS, Commissioner	

APPENDIX

COMPARATIVE TABLE SHOWING NUMBER OF BENEFICIARIES AND AMOUNT OF BENEFIT PAID FOR EACH YEAR SINCE INCEPTION OF SOCIAL SECURITY

	1940.		1941.		1942.		1943.	
	Number in Force.	Amount.	Number in Force.	Amount.	Number in Force.	Amount.	Number in Force.	Amount.
		£		£		£		£
Superannuation	..	..	36,602	240,336	41,021	445,686	44,448	603,124
Age	93,262	6,517,899	97,606	7,101,346	99,152	7,190,694	99,371	7,783,084
Widows'	10,174	785,952	10,569	836,368	10,765	844,928	10,589	866,597
Orphans'	330	14,880	350	17,713	372	18,275	395	20,628
Family	11,053	252,562	16,626	411,811	18,316	539,183	14,190	790,719
Invalids'	11,811	942,196	11,936	999,648	12,107	1,011,375	11,938	1,036,373
Miners'	988	92,653	931	88,656	888	83,258	841	80,100
Maori War	12	1,103	7	744	4	440	2	190
Unemployment	4,053	434,497	1,906	299,161	841	138,528	373	49,639
Sickness	2,565	208,790	3,452	279,581	3,672	304,154	3,699	362,088
Emergency	1,043	86,711	2,034	130,096	2,170	124,716	1,821	118,923
Totals ..	135,291	9,337,243	182,019	10,405,460	189,308	10,701,237	187,967	11,711,465

	1944.		1945.		1946.		1947.	
	Number in Force.	Amount.	Number in Force.	Amount.	Number in Force.	Amount.	Number in Force.	Amount.
		£		£		£		£
Superannuation	49,289	778,758	53,679	995,035	56,181	1,185,508	57,992	1,349,689
Age	102,530	8,101,668	104,653	8,492,015	110,060	9,817,615	115,287	11,881,119
Widows'	10,836	949,099	10,965	985,452	11,507	1,043,593	13,133	1,529,010
Orphans'	412	22,442	421	23,253	400	24,178	397	22,905
Family	15,950	876,858	24,251	1,405,113	42,637	2,611,759	230,021	12,680,778
Invalids'	12,126	1,067,409	12,205	1,072,619	12,164	1,183,537	12,466	1,328,485
Miners'	795	76,652	783	74,367	736	88,359	718	105,416
Maori War	1	119	1	78	1	101	1	104
Unemployment	292	32,316	198	27,822	205	31,661	35	24,332
Sickness	4,446	376,878	4,233	351,866	5,416	565,420	4,273	853,328
Emergency	1,915	115,574	2,083	105,843	2,094	121,959	1,845	134,288
Totals ..	198,592	12,397,773	213,472	13,533,463	241,401	16,673,690	436,168	29,909,454

	1948.		1949.		Grand Total of Payments.
	Number in Force.	Amount.	Number in Force.	Amount.	
		£		£	£
Superannuation
Age	..	61,612	..	1,593,757	9,041,972
Widows'	..	117,161	..	12,976,286	93,652,697
Orphans'	..	14,145	..	1,770,622	11,522,755
Family	..	370	..	24,187	216,084
Invalids'	..	243,137	..	13,798,648	47,609,633
Miners'	..	10,682	..	1,367,300	11,357,558
Maori War	..	685	..	110,106	913,226
Unemployment	..	1	..	111	3,000
Sickness	..	16	..	8,358	1,055,262
Emergency	..	4,248	..	897,093	5,110,305
	..	2,141	..	227,857	1,417,376
Totals	454,198	..	32,774,325	181,899,868

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