

However, owing to the hourly rates of pay under many local body awards being in excess of the public-works rate of 2s. per hour, it was decided, as from 31st October, that the minimum hourly rates of pay under Scheme No. 5 were to be increased to 2s. 3d. If in any case the award rate is higher than 2s. 3d. per hour, the higher rate must, of course, be paid.

ASSISTANCE TO MEN TAKING UP DISTANT EMPLOYMENT.

Provision is made for the maintenance of the dependants of workers who secure distant full-time employment whilst awaiting their first wages payment. Sustenance allowance in respect of *bona fide* dependants with a maximum of £2 per week is paid by the Department for a period of up to two weeks from the date the men go off relief. This assistance is available whether the employment is offered by the Public Works Department or by any other employing authority, public or private. This concession is available only to men who, at the time of proceeding to the full-time work, were actually in receipt of Scheme No. 5 or sustenance relief.

Payment of fares to distant jobs is also granted in certain cases.

SPECIAL FULL-TIME WORK SCHEME (SHORT TERM).

In June, 1937, a scheme was inaugurated, with the assistance of local bodies, to provide full-time work of up to four months duration for 7,000 fit men who were in receipt of relief. Subsidies covering up to the full labour costs were offered to local bodies, and the results were extremely satisfactory, commitments having been made covering 3,696 men in the North Island at an expenditure of £260,147 from the Employment Promotion Fund, and 2,821 men in the South Island at an expenditure of £201,150, a total of 6,517 men at a cost of £461,297 to the Employment Promotion Fund.

All of these men have been employed full time under ordinary industrial conditions at the rates of wages provided for in the award to which the employing authority is a party. A special condition, however, is that time lost through wet weather may be made up by extending the allotted period of employment by the number of days so lost, subject to a minimum extra period of one week.

SICKNESS AND WET WEATHER.

Payment of relief during sickness has been extended from one to three weeks, with an aggregate of six weeks' sick-pay in any twelve months.

Scheme No. 5 workers are paid for time lost through wet weather without requiring them to make it up later. Similar provision is made for odd days lost on account of sickness.

CAMPS.

All relief camps have been converted to standard works at standard full-time rates of pay.

ADDITIONAL COST.

The cost of the various measures introduced to make more adequate provision for the unemployed has been estimated to involve an additional annual expenditure from the Employment Promotion Fund of approximately £1,700,000.

UNEMPLOYMENT RELIEF.

SUSTENANCE.

The principal measures for the relief of unemployment take the form of work relief (Scheme No. 5) and of sustenance (relief benefit without work). Over the past two years the form of relief through sustenance has become an increasingly noticeable feature of the Department's relief measures. The principal cause of this—admission to relief benefit of sick and infirm persons—is explained earlier in this report under the analysis of registrations. Other contributing factors are the absence of suitable work in certain localities for relief of unemployment and the policy of inaugurating full-time works under State or local-body control on a rotational or short-term basis. In the interim between spells of full-time work the men are placed on sustenance.

The payment of sustenance requires carefully designed safeguards to prevent abuse and imposition on the Employment Promotion Fund through the practice of fraud or misrepresentation. The system of relief benefit without work is inherently open to abuse, and its prevention causes considerable expenditure of time and work on the part of the Department's staff. Unfortunately, many persons have been unable to resist the temptation to obtain relief to which they were not entitled, and severe measures have been found necessary to deter repetition of offences. Consideration is being given to other means of closing the avenues which exist for commission of fraud by soliciting the co-operation of employers for the purpose of notifying to the Employment Bureau certain particulars as to earnings of temporary and casual employees, &c.

Apart from the question of imposition by fraud, cases have come under notice where persons in receipt of unemployment assistance have been spending their relief pay in the excessive purchase of intoxicating liquors, and in gambling, &c. The payment of relief may be suspended in such cases, and is not restored unless and until the Department is satisfied that there is reasonable prospect of the applicant utilizing the payment in a proper manner. Where the relief allocation is later restored, consideration is given to invoking the provisions of section 37 or section 42 of the Employment Promotion Act for the purpose of paying an allowance direct to the dependants instead of to the applicant personally.