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"THE SUPPLEMENTARY ASSISTANCE SCHEME: A SHORT HISTORY"

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by

EVAN N. SIMONSEN, B.A. (Hons.)

A Research Paper Produced at the Request of the Social Security  
Department, Wellington.

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Acknowledgments

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E. N. S.

Wellington,  
January 1969.

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## PREFACE

A fundamental objective of the social security system is that each individual should be guaranteed at least a certain standard of living. However, owing to the unique nature of each human situation, and to the fact that everyone sets a different level of existence as reasonable for himself, it is impossible to produce a system of standardised benefits that would cope with every set of circumstances.

Consequently, two types of benefit can be distinguished:

1. Benefits of a standard form for family groups of varying sizes;
2. Benefits, payable in addition to the first type, which are adapted to the situation of particular individuals. This second set of benefits must necessarily be more flexible, for two reasons. They seek to accommodate the diversity of human situations; and they operate in the area of the Department's discretionary powers.

There was naturally plenty of room for expansion here. In 1938 the Social Security Act established the emergency benefit, and in 1951 the supplementary assistance scheme began, but an important distinction between the two should be drawn. The emergency benefit is granted "on the grounds of hardship to persons who are not qualified to receive any other cash benefit under the Act but who by reason of age, or physical or mental disability, or for any other reason, are unable to earn a sufficient livelihood for themselves and their dependants." (1) Supplementary assistance, on the other hand, aims "to help social security beneficiaries and others whose essential commitments cannot be met out of current income or other resources, and are unable to help themselves." (2) Thus, while the emergency benefit is designed to give a wider coverage of the population, by extending the meaning of 'social accident', supplementary assistance, by attending more to particular commitments, seeks to make benefit levels more flexible.

This paper does not aim to arrive at a final judgment on the success or failure of the supplementary assistance scheme. Such an objective has little value or relevance, especially as the scheme simply does not lend itself to absolute judgments. Rather, the purpose of this paper is to outline the origins and progress of the scheme, in the diverse but closely associated contexts of politics, administration and public opinion. Although the paper extends in time to August 1968, for reasons of historical perspective, the main focus will rest on the period to 1963.

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(1) Report of the Social Security Department for the Year ended 31 March 1968, p. 13.

(2) *ibid.*, p. 16.

## CHAPTER I - ORIGINS

By its very nature and functions, the social security system can never escape the keen surveillance of the public and politicians alike. This is especially true in an election year. In August 1951, the Prime Minister, S. G. Holland, called a snap election to vindicate his government's handling of the waterfront dispute, and it was during the subsequent campaign that the idea of the supplementary assistance scheme was launched.

### 1. Rumblings:

Letters and articles in the Evening Post in the months prior to the election indicated that dissatisfaction with the current social security system was widespread. In his report to the Wellington Hospital Board, the Superintendent-in-Chief drew a vivid picture of the plight of the aged, and subsequently the Board decided on 29 June to institute a "meals-on-wheels" programme. Commenting on the report, the Post believed it would "come as a shock to the public conscience," but suggested that a "careful reading of the report should remove the idea (that the aged lacked means of sustenance) from the minds of those who might construe the statement as a reflection on the Government and the civic administration." (1)

A few weeks previously, the government had announced a bonus of £5 to be given to children of parents who were unable to provide the necessary clothing and food for them without aid from the State, a policy costing some £3 millions. Echoing the thoughts of an 'Old Digger', who had written to the editor to protest against both the "special gift" to babies and the means test required for social security benefit (2), the Post felt it was "time the Government saw to the needs of the aged...., providing them with state flats and an adequate pension, not leaving it to the various churches and missions to keep them." (3)

In July, the Commission of Inquiry into War Pensions released its findings. A minority report indicated that some war veterans were suffering distinct financial hardship, but agreed with the view expressed by all members of the commission that it was difficult, within the given legislative framework, to grant the help required. The newspapers duly reported that the government, appreciating that an all-round increase in benefit rates would not of itself provide adequate assistance for all war veterans and their dependents who were in need, now sought a solution to the problem by establishing an emergency fund of £100,000 to be administered by the War Pensions Board. The arguments justifying this new scheme and its general outline closely prefigured the supplementary assistance scheme, yet the government did not admit any intention of extending similar aid to social security beneficiaries.

### 2. Enter the Politicians:

The election campaign opened in Christchurch on Monday 13 August, when Mr Holland made his broadcast policy speech. The National Party's social security plank comprised three proposals:

- 
- (1) Evening Post, 4 June 1951
  - (2) ibid., 30 May 1951
  - (3) ibid., 6 June 1951

- "1. Universal Superannuation to be doubled to £75 a year, subject to income taxation.
2. Future universal superannuation to be increased by £5 a year (i. e. double the rate current at that time).
3. Special sum of £200,000, to be available for the period of ageing spinsters and others who despite social security are not free from want."

Mr Holland estimated that some 70,000 people would take advantage of the new scheme which would be administered "at the discretion of the Social Security Commission." The Labour party announcing its policy, promised to "provide additional financial benefit for single or widowed pensioners in special circumstances." While Labour's proposal made no mention of figures, it was more explicit in its desire to attract the vote of the pensioners. Initial reaction from the newspapers gave general approval to such a scheme. It "will be welcomed," said the Evening Post, (1) which later praised it as "one of the Government's eminently sound and humane proposals." (2) But at the various election meetings, social security provided electoral bait rather than a focal point of contention. National, declaring that the waterfront strike was the main issue, concentrated on what it interpreted as the latent communist threat to the country, while Labour politicians hammered the rising cost of living which they attributed to the government's inefficient handling of the finances. It is interesting to note that once the keynote speeches had been assessed and discussed, the special fund aspect seems to have been ignored, receiving scant attention in reports of local election meetings.

### 3. The First Steps:

When the National Party was returned to power, the Social Security Department assumed the task of translating the election policy into concrete reality, namely the Special Assistance Fund. The task was not easy. The Social Security Commission had little to work with: no statistics to indicate the possible size and extent of the problem; no guiding frame of reference; no suggested framework of administration.

On 11 September the chairman of the Commission, Mr B. F. Waters, wrote to the Hon. W. A. Bodkin, Minister of Social Security:

"I understand that the purpose of this fund is to provide emergency assistance to social security beneficiaries... I take it that the administration of this Fund will be in the hands of this Department and so that preliminary details of administration may be worked out, I should be glad if you could let me have as soon as possible Cabinet approval for the establishment and administration of the Fund."

In the next few weeks the scheme began to take shape in a series of memoranda and notes from Waters and the Minister. It was soon established that assistance would be supplementary to, but outside, the Social Security Fund itself, and that applications from beneficiaries would have to be dealt with on their merits. Such factors as health, age, ability to supplement benefit, amount to be paid for rent, would all

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(1) *ibid.*, 14 August 1951

(2) *ibid.*, 31 August 1951

be relevant to the final consideration. Because the amount of assistance required and the various classifications of applicants could only be determined by actual experience, initial grants would have to be fairly restricted, and would not extend outside New Zealand. A yearly maximum limit to payments of £78 was set, and preliminary consideration given to how far authority in payment could be delegated to district officers.

These policy proposals were included in a memorandum from the Minister to members of Cabinet, in which the purpose of the Fund was set out thus: "to furnish assistance to persons who on account of their peculiar circumstances have insufficient resources for their adequate maintenance and for whom the benefits, if any, provided by the legislation are insufficient to alleviate their hardship." The Minister then recommended that -

1. There be established an Emergency Fund from which assistance may be given to persons in the discretion of the Social Security Commission, on the grounds of hardship.
2. The sum of £200,000 be placed in the Vote Social Security Administration and Emergency Expenses.
3. The Social Security Commission be given authority to administer the Fund.
4. The Social Security Commission be authorised to commence payment from the Fund forthwith."

On 29 October Cabinet studied the memorandum and adopted it as it stood. No definite name was given to the scheme (such for example as the "War Pensions Emergency Fund"), and while 'special assistance fund' was the most common appellation, 'emergency fund', 'special benefit' and 'supplementary benefit/assistance' were also used. (1)

Thus, from origins essentially political the scheme quickly became the responsibility of the Department, which determined in detail its shape and functions. Much still remained undefined however, and the first eighteen months of operation was a period of experimentation and adjustment. Many problems arose, and some of them, for example inter-departmental liaison and a defining concept of 'need' and 'adequacy' with regard to qualification for assistance, still give rise to dissatisfaction.

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(1) Circular 369, 15 July 1952, stated: The Social Security Emergency Fund will in future be referred to as the Special Assistance Fund. This term was dropped in August 1958.



## CHAPTER II - THE FIRST YEAR

In implementing the scheme the Commission had two main tasks to fulfil: build an administrative structure around the given framework and make the general public aware of its existence. This involved the attainment of a working balance between Head Office and district offices, between the various departments concerned with welfare work, and between the Social Security Department and the numerous local voluntary and civic organisations operating to give assistance to the aged and the sick. Efficiency, economy, depth of coverage, and the avoidance of duplicated effort were the desirable goals for policy-makers, administrators and welfare workers alike.

### 1. Meat for the Bones:

Details of the scheme were elaborated in Circular 360 issued to all Registrars and District Agents on 30 November 1951. This was after consideration had been given to the Child Welfare Division's Needy Family Assistance Scheme which operated on a living costs formula. The fund was designed to give "assistance to social security beneficiaries and others who by reason of their special circumstances (had) insufficient means for their adequate maintenance," and thereby suffered hardship. Such causal factors as age, sickness, disablement, unemployment and living alone were listed, but these in themselves did not define hardship. The original formulation therefore stated that hardship existed where, in the opinion of the Commission, there "are necessary commitments which cannot be met out of the basic benefit, applicants have insufficient other means available to them and there is no possibility of their helping themselves." Apart from a change to more concise phraseology the definition has remained intact.

Initially, all grants were made by the Commission, but the Circular indicated that Registrars and District Agents would later be authorised to give grants, which would be available to all persons whether or not they were receiving a benefit and subject to their passing the eligibility test. In special cases, additional sums could be authorised with Ministerial approval, and here the distinction between continuing and lump-sum grants arose. The one was envisaged as a regular weekly supplementation of a social security benefit while the other would cover the cost of extraordinary expenses not enumerated in legislation. In due course, lump sum grants came to meet such requirements as clothing, bedding and blankets! For example, district officers were authorised to make grants up to £20 to persons whose income had been "limited to the benefit only or very little above it, and (had) fallen into arrears in the matter of clothing." (1)

If the scheme was to operate successfully at the local level, much would depend on the administrative flexibility of the district officers. However, the instructions given to Registrars did not make sufficient allowance for this. They were to give urgent action to all applications, but any payment would require prior approval from Head Office. Similarly, they could withhold payments on their own initiative, but could not alter the rate or amount, once it had been fixed, without consultation with the Commission. The payments were not to be regarded as loans, nor were they to be taken into account in the assessment of any social security benefit.

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(1) Memorandum, 14 February 1952.

The district officers also had to be good public relations men. Cooperation with all local welfare organisations was recognised as essential, and all interviews and inquiries "conducted with sympathy and tact." While the extent and nature of such inquiries were discretionary, they had to confirm the grounds on which the claims were lodged, and include in their reports opinions and recommendations "as to whether or not the assistance asked for might be approved in full or in part." The Circular concluded by requesting all district officers to send in suggested amendments to procedure in the light of their experience gained from the first three months of operation.

## 2. Reaction and Review

By 5 December arrangements for the acceptance of claims and payment of awards were complete, and the Minister, the Hon. Mr Bodkin, released a statement to the press in which he stressed the individual attention to be given to each case and the determining factor of hardship. He also used this opportunity to invite applications from the public.

The Evening Post, taking note of a call by the Wellington Chamber of Commerce for a survey of social security, argued in general terms for a "firmer basis" for the system. (1) A few relevant letters were published at the same time, in which the means test was singled out for particularly hostile attention; but the new assistance scheme was not mentioned.

However, New Zealand Truth, hypersensitive to either failings or new departures in governmental activity, published a report early in the New Year on the administration of the War Pensions Emergency Fund. Mr Bodkin was "perturbed" at this. He sent a memorandum to the Social Security Commission asking for full details of the emergency fund administration, so that he would be adequately prepared for the meeting of the Cabinet Committee on Special Assistance for the Aged.

The Cabinet Committee had only recently been set up to discuss policy with the three members of the Commission. At its first meeting on 30 January 1952, Ministers present included the Hon. Mr Bodkin in the chair; two former Ministers of Social Security, the Hon. J. T. Watts (Industries and Commerce), the Hon. J. R. Marshall (Health); and the Hon. Mrs G. H. Ross (Welfare of Women and Children). The Committee asked for reports from both the Health and Social Security Departments on the nature and extent of assistance being given, and considered that the rate of estimated expenditure, of between £40,000 and £50,000 a year, was a "reasonable one". The following minute taken at the time indicates how near to the surface were the political ramifications of the scheme:

"If a smaller amount was being spent it would be some indication that the need was not as great as had been supposed, and if a larger amount were spent it would give some colour to the assumption that a considerable number of people were in need of assistance. Furthermore, it would tend to encourage pressure for an increase in the present rate of social security benefits."

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(1) Evening Post, 12 December 1951

In fact the amount spent only indicated the incidence of "need" as defined by the Commission. The two bodies here seemed to be moving along slightly different lines. The Committee, reporting that "there was at present no justification for an increase in basic pension rates, which were adequate for married pensioners and ample for other recipients", had special regard to cash benefits, whereas the Commission thought more in terms of a service to be provided.

Figures released in the Department's annual report showed that in the first five months to 31 March 1952 fifty-seven grants had been made, at a total cost of £2,192. The report admitted that incomplete statistics prevented a precise analysis of the impact of the assistance scheme. Even so, calculating on these figures, the estimation of £40,000 seemed unduly large, let alone the legislative provision of £200,000. In terms of money spent, supplementary assistance was off to a slow start.

### 3. The Formula:

Nevertheless, progress had been made. In a lengthy collection of notes (1) for his Minister's use at Caucus, the Chairman of the Commission drew lessons from their limited experience in this new field and indicated future policy developments. Mr Waters dealt extensively with the problem of fixing a suitable formula that would provide the Department with a uniform basis for considering applications. The Commission, he said, used the statutory provisions for the basic rates of social security benefit as a starting point, (2) since "to have worked on a higher figure than this would have been an admission by Government that the basic rate ... was insufficient to meet the needs of the majority of beneficiaries," (obviously politically hazardous!).

In regard to hardship, he pointed out that each case was necessarily treated on its merits, and the amount of assistance varied accordingly if some applicants rented a house or boarded while others owned their property. A feature of the formula which placed applicants in these three broad categories was the "assessed minimum weekly living costs," an apparently arbitrary figure of £2.5.0 for a single person and £4.5.0 for a married couple, to which was added 5/- for the first dependent child and 2/6 for each additional one. (3)

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(1) 26 March 1952

(2) £2.17.6 per week for a single person; £5.15.0 per week for a married couple.

(3) The following table compares the assessed living costs used in the supplementary assistance scheme with living costs that can be calculated using 1952 consumer price index weights.

Percentage of total expenditure for rent and other housing:	16.75%
Benefit rate for single person:	£2.17. 6
16.75% of benefit rate:	9. 7
Assessed living costs of single person from consumer price index:	£2. 7. 11
Assessed living costs used in SA formula:	£2. 5. 0
Benefit rate for married couple:	£5.15. 0
16.75% of benefit rate:	19. 1
Assessed living costs from CPI:	£4.15. 11
Assessed living costs used in SA formula:	£4. 5. 0

Thus, for an applicant residing in his own home, actual outgoings - mortgage interest, rates etc., but not repayments of mortgage principal - were ascertained, and extraordinary expenditure (e.g. medical bills) and the assessed living costs added. Actual income, including benefit, was subtracted from the total and the balance used as an indicator of the amount of additional assistance required. For applicants living in rented houses or rooms, the actual cost of the rent paid was a further determining factor; while those paying board required a slightly different assessment. The actual cost of board and lodging was added to the weekly sums of 17/6 and £1. 15. 0. which were regarded "as sufficient to cover normal living costs" for single persons and married couples respectively. With regard to assets, the policy was that if they exceeded £50 in value, a "constructive income" was charged at the rate of 1/- per week for each complete 50/- of capital assets in excess.

In addition, the formula provided for those cases where the degree of hardship was conditioned by the presence of other members of the family not receiving any benefit but living at home paying board. In such cases a third of the member's wages up to a maximum of nine pounds a week was regarded as a fair contribution towards the household, and after subtracting 30/- weekly for assessed food costs, the balance was treated as a contribution towards the common expenses of the home. In the case of boarders not belonging to the family, actual amounts paid beyond 30/- per week by a person under 21 became income; but where the boarder was older than 21 board was assessed at £2. 10. 0. per week or the actual amount of board paid, whichever was the greater, and the excess over 30/- weekly charged as income.

Finally, a very important provision was the limitation of payments to 15/- a week for single persons and 30/- a week for married couples. Only in very exceptional circumstances would the Commission allow these limits to be exceeded.

The formula therefore had to be simultaneously rigid enough to provide a reliable, consistent test for eligibility, and flexible enough to encompass cases of obvious need that could not be envisaged when the scheme was inaugurated. As this particular paper from the Commission admitted, certain aspects of the formula were "arbitrarily assessed." This arbitrariness has always been one of the most vulnerable characteristics of the special assistance scheme.

The Commission placed accommodation in a special position. The difference between the benefit rate and the assessed living costs was to account for rent, and the intention was to pay out supplementary assistance where the rental exceeded that amount. Why the Commission chose to specify accommodation rather than other aspects of expenditure, in this way, is not particularly clear, but two factors can be put forward in possible explanation. In Britain the National Assistance Board made special provision for house rentals, rates and board; and New Zealand was currently suffering from a general housing shortage. This was most acute in Auckland, as the Commission was well aware.

Regarding future policy, Mr Waters discussed the important question of integrating and coordinating the work carried out by different agencies in the towns and cities. This would come as an extension of a plan being examined by the Departments of Health and Social Security to form groups of domestic workers recruited

from among widows and other beneficiaries who would attend to the daily needs of old folk living by themselves. He envisaged district committees in each centre, representing the various bodies operating welfare services, and suggested that the Registrar or District Agent might act as chairman. The Department would function as a central agency for recording all recipients of assistance, and the district officers could be given authority to pay out grants on the spot, subject to general policy directions. He concluded that priority should be given to the clearest definition possible of "the field of operations of the Government Departments concerned in meeting what is regarded as the Government's responsibility in this matter", in order to help voluntary welfare organisations utilise resources and services in the chosen field of activity.

#### 4. Advertising the Product:

While important steps had been taken to develop the administrative side of the scheme, the fact remained that there were not many customers. This was possibly due to the confidential air surrounding the scheme and the "hush-hush" methods used within the Department in the first few months. It was also a test of public relations.

Early in January, the Rev. Harry Johnson of the Old Folks' Fellowship in Auckland had presented a report (1) in which he commented upon the Department's policy of calling for applications for assistance in a press statement. "It is to be hoped that pensioners have all received information concerning the scheme because I doubt whether the old folk here living in rooms ever see a newspaper. It is hardly fair that they have to make all inquiries themselves."

Another Auckland citizen wrote to the Department on 6 February criticising certain features of the administrative procedure. "Regarding your new scheme being advertised through the radio, how many old people have radios?" Referring to the Auckland Star's publishing several letters from beneficiaries who complained about affronts to their pride and about "too much form-filling", he suggested that a form be distributed to every beneficiary when collecting the benefits from the Post Office. In reply, the Minister defended efforts made to publicise the fund. No deserving case would be overlooked, and he thought the suggested action was unnecessary.

However, it was not until late May that the Commission considered the moment "opportune" to release information on the working of the scheme. A press statement was drafted for the Minister on the 29th and released on 12 June. In his review, the Hon. Mr Bodkin revealed that minimum living costs had been assessed at £2.5.0 and £4.5.0, and explained that it was not intended that payments from the fund should be used to create a permanent asset. Various matters regarding the part of welfare organisations in the work and possible extensions of the scheme were being considered by the Government in the hope of achieving a more comprehensive system of dispensing relief.

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(1) See also Chapter 3 : 1.

The scheme came under fire in Parliament in July. Mr Hanan (Government, Invercargill) called for a survey of the whole social security system in the interests of beneficiaries, (1) while Walter Nash, Leader of the Opposition, discussed resistance among old folk to the scheme, caused, he believed, by personal pride and a disdain for charity. His remarks produced the following letter which illustrates both the kind of political reaction made to the scheme and the emotional resistance that could be thrown up against the Department.

The correspondent, a 'New Zealander', wrote under the heading 'Pride of the Aged'.

"I would like to thank Mr Nash for placing a different aspect before us regarding age beneficiaries - pride. Nobody should have to go to the Social Security office, cap in hand, asking for charity. Who has more pride than the New Zealanders, and rightly so? I admire it, and if these people have not paid into social security for many years we know that their children and grandchildren are paying in. It is almost an impossibility to live on the pension as it stands today." (2)

Hence it can be appreciated that the Department's publicity had to be persuasive as well as pervasive. Unfortunately, the evidence suggests that it could have been better.

The Commission was not unaware of the difficulties involved. In a memorandum to the Minister, dated 23 September, mention was made of the many "imponderable factors" which were not recorded in files but had to be taken into account in assessing grants. Approximately 11,000 age and similar beneficiaries were paying rents without the support of income or assets. Yet actual figures relating to the amount of rent paid or board charged were not recorded, and the Commission's past experience had been that only a fraction of these people within the group made application for special assistance, despite their patent eligibility.

To increase public awareness of the scheme a pamphlet outlining its "salient features" was produced in October for circulation to Members of Parliament and all interested organisations and individuals. (3) In a covering memorandum to the M. P. s, the Minister said: "It is the Government's desire that any persons who need help, and who are eligible for supplementary assistance, should receive that assistance and anything you can do to put this desire into effect would be appreciated." However, the pamphlet was to an extent self-defeating, merely because language and terms that were common fare to M. P. s were actually incomprehensible to old people. (4)

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(1) Evening Post; 11 July 1952

(2) 29 July 1952

(3) Released 6 November 1952. Reproduced in Appendix IV.

(4) Compare with the following extract from the Wellington District Welfare Committee Annual Report, 1955. "The text of some official statements is such as to confuse the readers, and with the people we wish to reach, we consider that simple statements widely and frequently distributed, will be effective."

Social Security Department,  
Private Bag,  
WELLINGTON C.1.

19 December 1969

The Secretary,  
The Royal Commission on Social Security,  
P.O. Box 11-155,  
Manners Street Post Office,  
WELLINGTON.

Dear Mr Hazlett,

... Please find enclosed five additional copies of a paper covering the history of the supplementary assistance scheme prepared by Mr E.N. Simonsen at the request of this department. This paper was completed at the beginning of this year and was not intended by its very nature to give a full and up-to-date account of the present supplementary assistance provisions outlined in the department's background paper.

I am supplying the paper on a confidential basis, for members of the Royal Commission and its advisory staff only, as some of the information contained in it has not been released by Government. ///

... Attached is a table giving figures which up-date the table contained in the paper on page 47 giving the assessed living costs.

Yours sincerely,

(G. J. Brocklehurst)  
Chairman  
Social Security Commission

Encl:

# APPLICATION FOR SUPPLEMENTARY ASSISTANCE

NOTICE.—Each item must be completed.

Benefit No. ....

Write NIL if it does not apply.

D.O. No. ....

The Social Security Department .....

I, .....  
(Full Name)

of .....  
(Full Residential Address)

Hereby apply for assistance on the following grounds .....

.....  
.....  
.....

In support of my application I supply the following information:

1. Date and year of birth was .....

2. State whether Single, Married, Widowed, Divorced or Separated .....

3. If married state (a) name of husband/wife .....

(b) Whether husband/wife is living with applicant .....

4. If divorced or separated state date and place of decree, order or deed and details of any maintenance payable .....

5. If applicant or husband/wife is in receipt of Social Security Benefit, War Veterans Allowance, War Pension or any overseas benefit or pension, state class and reference number .....

6. If applicant has dependent children state (a) number living with and being maintained in the home .....

(b) number at secondary school ..... name of school(s) .....

7. The net wages received and board paid by children in employment and living at home are:

Names of Children	Net Wages	Board Paid
.....	.....	.....
.....	.....	.....

8. Particulars of other occupants of the home and of the board paid or the contributions made by them are (i.e. relatives or boarders) .....

9. State particulars of any assistance applied for or received over the past 52 weeks from the Social Security Department, R.S.A., Patriotic Society, Hospital Board, Mayor's Relief Fund or other welfare organisation .....

(Please Turn Over)



10. The essential commitments of applicant and husband/wife are—  
(rent book, receipts, etc., to be produced)

Amount ..... State whether Weekly, Monthly or Yearly.

(a) Rent paid for house, flat, rooms or other accommodation ..... per .....

(b) Outgoings on home if owned  
(i) Mortgage interest ..... per .....

(ii) Mortgage principal repayments ..... per .....

(iii) Rates ..... per .....

(iv) Fire Insurance ..... per .....

(v) Repairs for past 52 weeks ..... per .....

(c) Amount paid for board and/or lodgings ..... per .....

(d) Other expenses, e.g. personal insurance, telephone, extra firing, medical supplies, treatment, etc. .... per .....

11. Particulars of moneys from all sources received by applicant and husband/wife during the 52 weeks ended ..... are: (NOTE: Names and addresses of employers or other persons from whom the moneys were received should be given)

12. Particulars of property owned in New Zealand or elsewhere by applicant or husband/wife are: (NOTE: Property includes cash, bank accounts, money loaned or invested, land and buildings, interest in farms, businesses or estates, motor vehicles, etc.)

13. Property sold, transferred, gifted or otherwise disposed of during the past year was .....

Amount received on sale or transfer was .....

This amount has been disposed of as follows .....

I, ..... (Name in full)

of ..... (Address)

hereby declare that the foregoing statement is true and correct in every particular and that any assistance granted on this application will be used for the purpose for which it is applied.

Signature .....

Signature of Witness ..... Date .....

The lack of publicity reduced the effectiveness of the scheme. For years people simply did not know it existed. However, it was only one aspect of the larger task of establishing and operating the scheme at the local level. Domestic assistance which commenced in July 1953 and the District Welfare Committees were others. The former aimed to supplement local effort by allowing Registrars to recruit or employ part-time female workers from among beneficiaries and others, to help those old people who found it difficult to care adequately for themselves. The District Welfare Committees proved to be interesting experiments in involving ordinary citizens in welfare work and investing them with some sense of responsibility for the plight of the aged by actual participation.

## CHAPTER III - DISTRICT WELFARE COMMITTEES

### 1. Local Initiative:

The organisation of welfare services was by no means uniform throughout the country. The larger towns operated relief funds and the R.S.A. and Patriotic Committees were active in helping returned servicemen, but, as could be expected, efficiency and scale of operations depended on the extent of local needs, the availability of resources and the energy of welfare workers. Christchurch, for example, possessed a Social Service Centre with records extending "over many years," (1) but Wellington did not organise a 'District Elderly Folks' Council' until December 1951, (2) after two years of sterile committee reports.

The Mayor of Christchurch wrote to the Minister suggesting close liaison between his welfare service and the Department's new scheme. He was of the opinion that the most deserving cases in the city were beneficiaries paying high rents and those owning properties bearing high rates. However, initial discussions on the subject involved Auckland and Wellington, because it was considered that the need was greatest in these two centres. The Rev. Harry Johnson, representing the Old Folks' Fellowship, conducted a survey of aged people living within the Auckland metropolitan area and under a diversity of conditions. These ranged from decadent areas, where dwellings were generally unfit for habitation, through crowded central boarding houses, to suburban homes, Government units and special institutions. He also submitted budgets on the ordinary needs of the different groups of old people, but his estimates of expenditure were not regarded as helpful to the Department, because their basis of assessment was actual receipts rather than actual needs. (3) A survey to measure the extent of need was subsequently launched in the Auckland area, with a view to gaining both statistics and experience that would facilitate the provision of assistance in other centres.

At its first meeting the Cabinet Committee on Special Assistance for the Aged agreed that old people would benefit less from a financial grant than from an issue of clothing, or the provision of domestic help and laundry services. Such amenities could be the special task of local welfare organisations which would be asked to form small working groups of widows and other beneficiaries. Payment of wages up to the allowable maximum could be made from the special fund. At the second meeting of the Committee on 18 March, the administrative climate in which the scheme would operate was firmly indicated. The Minister, the Hon. Mr Bodkin, made passing reference to the British National Assistance scheme. Noting that the National Assistance Board had been forced to engage a large staff to deal with the "spate of applications," he added the significant comment that it was "felt that in New Zealand the provision of special assistance on a lavish scale was unwarranted." However, before further activity was possible, an answer had to be found to a prickly problem: which Department was to administer the fund?

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- (1) Letter, Macfarlane, Mayor of Christchurch, to Hon. Mr Bodkin, 19 November 1951.
  - (2) Evening Post, 13 December 1951.
  - (3) A. E. T. Williams, Report to Cabinet Committee on Special Assistance for the Aged, 30 January 1952.

## 2. Placing Responsibility:

Hitherto, the Social Security Department had been responsible for it but now the Health Department put forward a claim. To remove this source of friction the Committee asked each party to submit a report.

The Health Department cited the work of the various hospital boards in dispensing "outdoor relief", more commonly known as 'charitable aid.' Figures were quoted to show that in the five years to 31 March 1951 an average of £20,286 was spent annually, and the need for relief in half of the cases arose because of old age. Reference was made to the close associations developed with hospital boards, and religious and charitable organisations as a result of the Department's administering the Government's policy for the care of the aged. Furthermore, Health thought it was in the best position to coordinate the work of the assistance fund because it had the "necessary trained staff to make whatever investigations may be required to supplement those which may have been made previously by other agencies."

The Social Security Department argued for control on the grounds that since the main field for welfare work and special assistance was among recipients of social security benefits or war pensions and allowances, it was most suitably placed to grant such monetary assistance. A basis for coordinating activity with the Health Department could be readily found if hospital boards accepted that their main function was to provide hospital and other medical treatment (with associated transport and incidental costs) and special accommodation for the aged, sick and infirm. The Department had the records and the staff to enable it to function as a central agency and therefore eliminate a great deal of the investigations and detailed research work required in many cases.

Cabinet eventually awarded the Fund to the Social Security Department. Although the decision was not made officially until 18 June, there can have been little doubt about it, because the Department pressed ahead with its plans. The Minister, accompanied by Mr Waters, undertook a tour of the main centres to meet local welfare people and explain the scheme in detail.

## 3. Doing the Spadework:

In Palmerston North on 3 April, Mr Bodkin outlined Government thinking and also the difficulties that could be expected. "Many of these people are too proud to make application for benefit. They are averse to disclosing their poverty ... they prefer to get along on what income they have, drawing upon the little capital they have got and relying upon universal superannuation". (1) Mr Waters said that the number of applications for assistance did not bear out reports of the incidence of hardship in the cities. Only about 1,200 claims had been received since January, about one-third of them from Auckland. The Mayor of Palmerston North agreed that it was difficult to locate really deserving cases or persuade people to come forward and reveal their circumstances.

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- (1) Compare age and superannuation benefits:
1. Age benefit
    - (a) weekly: £2.17.6 (single); £5.15.0 (married)
    - (b) yearly: £149.10.0.; £299
  2. Superannuation
    - (a) 1 April 1951: £37.10.0. a year
    - (b) 1 October 1951: £75 (See Chapter 1:2.)
    - (c) 1 April 1952: £80 a year, rising annually by £5
    - (d) a weekly payment of about £1.10.0.

A week later in Christchurch the Minister released preliminary findings of the survey taken in Auckland and Wellington. (1) Those in most need of assistance were elderly bachelors, elderly widows or single women, many of them unable to help themselves. This particular meeting spent much of its time discussing the domestic aid plan, and a Red Cross representative explained how difficult it was to secure volunteer workers, even when they could be paid.

The apparently poor response to the scheme made the setting up of the local welfare councils more urgent. Hence in his report to Cabinet as chairman of the Committee for the Special Assistance of the Aged, the Minister recommended that Cabinet give immediate attention to approving the formation of District Welfare Councils.(2) In this same report, Mr Bodkin had some interesting remarks. He estimated an annual expenditure of between £15,000 and £20,000; that is, almost half the revised estimate made in January. At the same time, establishment of the Fund was justified because experience had thus far confirmed the opinion that a flat rate increase in benefits, with the additional heavy expenditure involved, would not meet the needs of all beneficiaries, and he felt that the state had certain responsibilities in helping those who were in need. Although publicity had been given to the operations of the Fund through the press and through his recent tour, the comparatively small number of applications received indicated "that the number of people in need of additional monetary assistance over and above their social security benefit is not as great as has been represented". In view of the absence of thorough survey research, this statement was bold, if naive. The lack of applications could hardly be attributed to the incidence of need, when people had first to learn of the scheme, then come forward and apply for help.

The first meetings to launch the district welfare committee programme were held in Auckland on 22 September and 9 October, when approval was obtained for the appointment of a Welfare Officer and an Old People's Welfare Committee. Mr J.S. Kenward represented Head Office here and also in Wellington, while the Chairman, Mr Waters, attended to Dunedin and Christchurch in early November. However, district officers were not advised of the steps to be taken until Circular 377 was released on 31 October.

The general purpose of supplementary assistance was defined as "granting financial assistance to beneficiaries, pensioners and others in need, to enable them to be provided with the main essentials of life: food, clothing, fuel and shelter." District advisory committees were to be formed where necessary to coordinate the work of the Department and the welfare agencies. They should, therefore, include representatives from: Social Security and War Pensions (Registrar or District Agent as chairman); Child Welfare Division; Health Department; hospital boards; R.S.A. and Patriotic Committees; Mayor's Relief Fund; all other interested bodies (like Salvation Army, Red Cross); and Old People's Welfare Councils, where they were operating. The Registrar was to assign a member of his staff to perform secretarial functions.

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- (1) The method and results of the survey cannot be evaluated because the necessary details could not be located.
- (2) Report dated 27 July 1952. Cabinet adopted recommendation in minute 52 (29), 5 August.

Owing to its responsibility to Parliament for the administration of the Fund, the Social Security Commission could not delegate to a committee the actual granting of applications, but it could and did instruct the Registrar to make periodic reports to the District Committee on the applications considered. The Department was unquestionably right, but its policy-makers were still not thinking far enough ahead. Apparently, the thought did not occur that without any delegated authority over grants or funds, the committees might well stop operating and start vegetating.

The object, therefore, in organising these committees was to secure the cooperation of local agencies in devising an efficient workable system. They were to initiate and present cases requiring assistance, to give advice, provide assistance in kind - clothing, firing, housework - in cases where "intermittent help only is required or where the additional expenditure necessary is not such as to justify payment of a regular cash grant." Probably their most important function was to make known among welfare workers in close touch with those likely to benefit the general purpose of the scheme and the basis of assessment.

Assistance from the Fund was not intended to overlap payments from local agencies, nor to reimburse them for any payments they might make. While a definite need for District Welfare Committees had been established in the four main centres, each departmental area was to decide its own domestic internal organisation and method of work, because a national model could obviously not accommodate varying local conditions and requirements.

#### 4. The Response:

Over the next three months, therefore, Registrars throughout the country called meetings, explained the policy, and asked the local organisations for their opinion. No necessity for a committee was anticipated in Hamilton, Paeroa, Gisborne, Wanganui, Masterton, Blenheim, Greymouth and Invercargill. The principal reason advanced was the size of the community: applicants for assistance were usually known and there was little likelihood of duplicated effort. However, the representatives present at the meetings agreed to reconvene at periodic intervals to assess the situation. Napier and New Plymouth already had a similar kind of committee in action (the latter functioning since March), while in Whangarei there was a liaison committee composed of the controlling and field officers from the Departments of Health, Social Security, Maori Affairs and Child Welfare. Christchurch had to contend with a large amount of opposition before launching their committee, mainly because it was felt that the existing arrangement was working well enough but the remainder: Auckland, Rotorua, Palmerston North, Wellington, Nelson and Timaru, adopted the idea without much hesitation. In Dunedin, a majority of the organisations were opposed to a committee being formed, but like their counterparts elsewhere, they promised full individual cooperation with the Department.

Of all the organisations involved, the R.S.A. and Patriotic Committees were the most consistent in their opposition to the formation of District Committees. (1). They refused to divulge such

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(1) N.B. In Wanganui, by contrast, the R.S.A. was the only body willing to form a committee.

information as would be required by Registrars to prevent duplicating assistance. Their records were confidential, and they were unwilling to compromise. However, they did not have this dilemma on their own. To help the Committee in their deliberation it was desirable that the local Social Security office provide any available information from the files that was relevant to the case under discussion. Like the R.S.A., the Department had always regarded its records as confidential, but as a central record agency was necessary to the success of the Committees, the Social Security Commission decided to bend its rule to allow Departmental officers to "communicate in confidence" with members of the Committees and, where necessary, individual welfare officers. (1)

Some organisations, satisfied with the existing process of liaison with the Department, felt that the Government's entry into the welfare field would remove the desirable human touch, besides having a detrimental effect on the public appeals for donations which gave them funds to work with. In more than one centre, the committees expected to be given a sum of money by the Department and a free hand to distribute it. This impression arose from a confusion of supplementary assistance with the lump sums given from the Art Union Funds and Mayor's Relief Funds which were controlled by the Department of Internal Affairs.(2) Careful explanation was needed to impress upon committee members that grants must be made to individuals following investigation by departmental officers.

The District Welfare Committees were not intended to hamper local effort. Rather they were designed to involve the community further in the expenditure of Government money in a cause for which both had responsibilities. The effectiveness of each committee varied of course. In some cities, meetings lapsed after a few months as the local Registrar slowly assumed wider powers of decision making. Some organisations withdrew their membership and reverted to individual communication with the Department, often on the grounds that the Committee lacked an effective role. From the beginning, suspicion of departmental 'red tape' was a hurdle facing each Registrar. (3)

Consequently, although grants from the Special Assistance Fund began to trickle into the communities, the District Committees generally failed to take off. The spasmodic nature of their work and their steady transformation into hollow shells will provide one of the themes of the next chapter.

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(1) Memorandum Waters to Bodkin, 4 November 1952.

(2) Bodkin was also Minister of Internal Affairs

(3) e.g. Meeting of welfare representatives, Auckland 10 November

## CHAPTER IV - PROGRESS THROUGH THE FIFTIES

After the first eighteen months or so, supplementary assistance settled into a fairly predictable pattern: periodic adjustments to the formula; an expanding rate of expenditure; occasional criticism in the newspapers; subterranean rumblings in certain local bodies; an annual scrutiny from politicians, the degree of which was proportional to the nearness of an election; and a monotonous recurrence of the problems already raised in previous chapters: publicity, procedure, liaison, concepts, and the emotional reaction of beneficiaries to the scheme.

### 1. A Structural Approach:

The first adjustment to the formula was made in September 1952. (1) This was consequent upon the discovery of an article which appeared in the Bulletin of the Institute of Statistics, Oxford, (June 1950), giving details of a "human needs budget", that is a breakdown of weekly living costs into individual items of food, clothing, rent etc. The article raised pertinent questions about budgets and the relationship between benefits and costs, and the research indicated the sort of process necessary in devising a costs formula. The Commission's formula, of course, did not have any such preparatory work, but the Department of Statistics did price items of food and clothing in Wellington and New Plymouth.

The British survey itself was susceptible to criticism on crucial technical grounds, and the validity of the results obtained in assessing "human needs" appears dubious. The particular budget outlined was produced in the period following the war when the population was still suffering from the constraints of rationing. Application to the New Zealand situation, was therefore inappropriate. Nevertheless, this has been the only occasion that an attempt has been made to test empirically the structure of the formula.

In the event the figure representing minimum weekly living costs was raised from £2.5.0. to £2.10.0. for single, widowed, divorced or separated persons, and from £4.5.0. to £4.12.6. for married couples. Beneficiaries with dependent children would receive an extra 10/-, 5/- or 2/6 according to the number in the family, and a further 2/6 for each child attending a secondary school. Rates in respect of boarders and expendable assets were not altered. In recommending the increases the Director, Mr Waters, considered that they would have a two-fold effect by widening the scope of the scheme and eliminating some of the criticism levelled at the Department, without exceeding the statutory expenditure limit of £200,000.

### 2. Criticisms, Suggestions and Reports:

The dispute over control of the Fund was resumed early in 1953. In February the Wellington Hospital Board wrote to the Minister suggesting that disbursement of special assistance should be made through hospital boards rather than the Department. Not content with the Minister's response (or lack of it), the Board sent another letter on 16 May, reiterating its firm opinion that boards generally could deal with applicants "more expeditiously and with more satisfactory results." The issue was really closed, but not so dead that it could

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(1) Circular 372, 24 September 1952.



not provide the kind of relevant whipping post needed when two administrative bodies arrive at loggerheads.

Criticism of the scheme was highlighted at irregular intervals in the Wellington papers. Their coverage of social security matters was good, but as the focus of attention was benefits rather than the Fund specifically, relevant articles and letters were thinly spread. The views of the Leader of the Opposition were given full treatment by the Evening Post when Mr Nash gave an end-of-year address at Waterloo School in Lower Hutt. Calling the Government's spending policy "unthrifty", he explained the Labour opinion that sums paid under social security were sums due by right, and those who received them were justly entitled to them. He criticised the need for people to apply for supplementary benefits and also to be required to spend half an hour filling in a form to get another 7/6 a week. However, these references were only a small segment of his speech, which concentrated on import and financial policies. Consequently, editorial comment hardly mentioned them. (1)

The Dominion showed a commendable sense of civic awareness by running a series of articles in June 1953 on "Welfare and the Aged", in which the state and the individual family were urged to accept more responsibility. The paper outlined the procedure for applying for special assistance and enumerated the welfare services in the city. While the editor emphasised family duty, because ... "State and other organised aid ... does not meet the need for human companionship, which is almost as necessary for old people as food and warmth..." a correspondent signing himself "Taxed" censured the Government:

"In recent years the benefit has become more and more inadequate as the cost of living has risen and the revelations made by your paper should shock the conscience of our Government. Our wages are taxed heavily enough to make provision for our old age, but it looks as if we are going to get very little in the evening of our lives if we allow the present state of affairs to continue.

"With all due respect to those kind people who have tried to relieve the distress of the aged by sending gifts, the position is that the matter is too big and important to be handled by anyone other than the Government which is at the helm of our welfare state."

However sincere, the sentiments were not really new, and only a couple of concurring letters followed.(2)

The same articles had immediate effect on a small group of people belonging to the executive of the Petone branch of the National Party who wrote on the 25th to the Wellington Divisional Secretary/Organiser. They thought that not enough publicity was being given to the existence and nature of the Fund and suggested a brochure setting out appropriate information be prepared for beneficiaries when they collected their benefits. Apart from its humanitarian objective, wide

(1) 12 December 1952.

(2) The Dominion, 12 June 1953.

press publicity of the establishment of the Fund would be good propaganda value. The letter was passed on to the Minister who sent a long reply on 15 July. Mr Bodkin thought that the publicity brochure would "involve substantial expense in printing, and the result ... would not be commensurate with the expense." He listed the Department's publicity efforts to date: a circular to M. P. s, the district committees, notices in every departmental office. As benefits were reviewed or periodically renewed the circumstances of each individual beneficiary were examined, so that a personal invitation to lodge an application for special assistance could be made when circumstances warranted. Apparently some beneficiaries eligible for a grant had often hesitated to apply until specifically approached in this manner. Where newspaper reports of hardship were concerned, inquiries were made in every instance, more especially if names were disclosed. For this reason he did not feel there was "any occasion ... to enter into a controversy in the press" following the Dominion's articles. The Minister's parting shot contrasted quite strongly in its complacency with the picture drawn by both the Dominion reporter and the director of the Wellington City Mission. "Having regard to all the factors involved", he said, "I am quite satisfied that all deserving cases have ample opportunity under the present arrangements, of participating in the special assistance scheme."

This was a deft evasion. That the "opportunity .. of participating" existed was not being questioned. The real issue was that there were still a lot of eligible people going without assistance, either because they did not know it was available, or because diffidence or pride kept them from asking for help.

Nevertheless, the point made by the Petone executive was not entirely lost, for on 11 August the Minister asked the Commission to draft a statement giving an "up to date picture of the workings of the Fund" which could be released to the news media. For some reason that statement was not published. If it was thought that the Fund was sufficiently well known, the illusion was shattered by a letter from the No. 1 Branch, Eden Electorate, of the National Party. The executive requested full particulars of the Fund "which, we understand, exists to augment benefits payable to pensioners in cases where special hardship exists." The request arose from discussion of the branch delegate's report on the Party Dominion Conference, in particular Remit 49 "That the Special Assistance Fund be administered more liberally". Mr Bodkin, in speaking to the remit, had stated that no claim had been received for the past six months (!) Perhaps a lack of "sufficient knowledge of this Fund by the general public" would explain this. The kind of information the branch wanted was basic stuff: to whom was an application made? Were there forms? What constituted special hardship? How much was granted? How did special assistance relate to pensions? What literature was available on the subject? (1)

In his reply, the Minister suggested that the branch delegate had misunderstood his particular remarks addressed to the remit. Although the Department had taken every opportunity to publicise the Fund's existence, and had advised and encouraged Church and welfare organisations to bring cases forward, the results had been relatively disappointing. However, in the past few months the Department had taken

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(1) Letter 28 September; reply 14 October 1953.

the initiative by inviting individuals to submit applications. This action had been "most effective".

The Canterbury Housewives' Union (1) suggested the lack of response was due to a different reason, that the "method of presenting the idea of the Fund to pensioners has given it the stigma of charity." This might be removed by the distribution of a printed slip with benefit payments to give the Fund a more 'official' flavour. As with the Petone proposal, no action was taken.

The Palmerston North District Committee did not get very far either, with its proposal to 'subsidise' from the Fund the Wages of beneficiaries who were suffering from physical disabilities, but who could still take on certain jobs. Nevertheless the field of assistance was widening. It now included inmates of Old People's Homes controlled by religious and welfare organisations (2), while the question of assistance for immigrants not qualified (by residence etc.) for a social security benefit was under consideration. (3)

The annual report for the year ending 31 March 1954 showed a substantial increase in expenditure from £21,287 to £102,329.

While 5,474 applications were granted, 2,035 were declined. During the year, (with previous annual figures in brackets), 1,700 (672) lump sum grants had been made to a total value of £20,008 (£8,317), and 2,687 (1,127) continuing grants worth £93,292 (£44,384) were in force. Moreover, £5,480 had been paid for domestic assistance in homes, with 25 of the 88 workers available for engagement by the Department actively employed. Although no firm conclusion can be drawn, it seems likely that the dramatic increase was due to a combination of factors: the fruits of publicity, the impact of the district committees, better departmental organisation, the smoothing of the scheme's rough edges. Still in terms of Parliament's vote of £200,000, the scheme was only working at half its capacity.

Two important alterations were made to the formula in 1954, as a result of increases in benefits, especially the mother's allowance. The limits to supplementary benefits for widows, divorced or separated persons with dependent children, were raised from £78 to £117 per annum, while the assessed living costs for such children went up by 5/- for the first and second child only. In addition, a memorandum was sent to all centres requesting information on the operation of the District Welfare Committees.

The replies were not very inspiring. Palmerston North advised that the R. S. A. had withdrawn its membership and only four individual cases of assistance had been discussed. The New Plymouth committee had nothing to do, while in Rotorua the Mayor's Relief Fund had been recommenced. The Christchurch Registrar felt the committee there had no real value in relation to assistance work, since general welfare work in the district was better dealt with by cooperation between the individual organisations most closely affected by the particular problem

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- (1) Letter to Mrs Ross, Minister in Charge of the Welfare of Women and Children, 19 January 1954.
  - (2) 11 August 1953.
  - (3) Minute of meeting of Social Security Commission, 29 September 1954. In cases where applicants were over 60 and have no employment history in New Zealand, any assistance granted will, in general, be made from the Special Assistance Fund.

case. In Auckland, the committee had been of little help, because its functions and membership were a duplication of the Old People's Welfare Committee. However, the contacts made as a result of the process of organising the committee had been of "real value" to the assistance officer in the Social Security office. Wellington too saw an advantage to be gained from meeting and discussion, but interpreted the general absence of criticism as an indication of general satisfaction with the administration of the Fund.

These sentiments were reproduced in the Dominion. (1) Pointing out that many old people suffered unnecessary hardship during winter because those who could help them did not know of their plight, the article admitted that the Wellington District Welfare Committee, with the help of the Government's special assistance fund, had done much to relieve the hardships of many old people. However, when the winter was well past, the Committee was "surprised that more applications had not been made for help." Most of those assisted were single or widowed people living in rooms or managing a home on their own. The Chairman, Mr Cross, repeated the necessity for consistent publicity of the scheme (2), and he regretted that the response to appeals for help in the homes of sick workers and elderly people had been so disappointing. (3)

### 3. Consolidation:

A national conference on the care of the aged was the main news item in 1955. Held in June at the initiative of the Health Department, the conference was a further step towards a more complete coordination of social services. The Prime Minister confirmed that the Government "cheerfully accepts the responsibility of looking after the old people", while the Hon. Mr Hanan, Minister of Health, promised in his inaugural address that the Government would swiftly carry out all its undertakings so as to encourage local bodies and voluntary workers to greater effort.

The new Minister of Social Security, Mr E.H. Halstead, could only attend the closing stages of the conference because it coincided with his trip overseas. In a letter to Dr R.G. McElroy, Chairman of the Old People's Welfare Committee in Auckland (4) he mentioned the "frank interchange of opinions and experience", being "pleased to see that the conference thought that additional committees might well be set up in. . (remaining) centres."

In actual fact, the Auckland committee was one of the more successful in the country. The Auckland Star, in referring to the "tonic effect" of the Special Assistance Fund, considered that the committee's work in coordinating and guiding the work of local organisations was "essential" and of "inestimable value", because their independence of action was not hindered in any way. (5)

A typical case of testing the regulations occurred in August 1955 when the Wanganui R.S.A. laid a complaint to Dominion Headquarters against an apparent "anomaly in the formula for assessments of applicants' needs." The Social Security office in Wanganui had informed

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(1) 29 May 1954

(2) This point featured in every annual report to 1960.

(3) Evening Post, 25 November 1954.

(4) 8 July 1955.

(5) 21 September 1956.

them that as the applicant they were sponsoring was reducing a mortgage on his house he was not eligible for assistance. The Association protested against this "discrimination":

"Frankly, all we can see is the hardship of the veteran, his wife and family, and whether he is paying a weekly rental or payments to reduce his mortgage out of his War Veteran's Allowance makes no difference - he still cannot balance his outgoings with his income and must find assistance from somewhere."

The Letter duly arrived on the desk of the Chairman of the Social Security Commission, now Mr A. E. T. Williams, who replied with a clarifying statement of principles. Mortgage interest was invariably taken into account in determining an applicant's commitments, and frequently provided the main grounds for payment of assistance. However, principal repayments were not generally included because they were in effect creating a permanent asset or increasing a person's equity in a property for the eventual benefit of the mortgagor or the successors to his estate. This particular example in Wanganui could well fulfill the conditions of "exceptional circumstances" where general rules were relaxed to provide assistance.

This whole question arose because the Commission happened to choose the area of accommodation as the area of flexibility in making grants but the statement did not attack the apparent anomalies of the situation. Why should supplementary assistance grants not be used to build up an asset when ordinary social security benefits could be and were used for this purpose? Alternatively, why could the beneficiary in need not build up an asset while the Department built up or maintained an asset for those not in need, namely the landlord to whom rent was paid?

Dissatisfaction with the Department's handling of the Fund rose to the surface in July 1956, when Dame Hilda Ross received a letter from Mr S. E. Langstone, General Manager of the Auckland Centre Trust Board, St John's Ambulance Association. Mr Langstone advocated that the administration be handed over to local welfare organisations, because the Social Security Department and its local officers lacked the personal interest necessary to ensure sympathetic handling of all cases. "I think . . . that nearly all the adverse talk could be eliminated if the fund, or the administration of it, could be divorced from any 'red tape' . . ."

Another new Minister, Mr D. J. Eyre, sent a reply on 18 October. Without detracting from the merit and value of the work done by local organisations he did not think that the suggestion would serve any good purpose. A problem would immediately arise in selecting the local bodies best suited to accept responsibility for the funds, and the present uniformity of standards and grants would soon be lost. On the other hand, the Social Security Commission had to account to Parliament which voted the money each year. By reason of its periodical personal contact with beneficiaries and the information recorded relating to their circumstances, the Department was placed in the most favourable position to administer the Fund. The Minister had received many complimentary reports on the Department's work, and he felt sure that only by a spirit of cooperation could "that parochial outlook in some quarters . . . which you deplore . . ." be eliminated in the progress towards a "better coverage of the welfare needs of all sections of the community who require help in many different ways."

It soon became apparent that the formula should be subjected to annual review. A letter to the Minister of Health from the Commission illustrates quite well the kind of review process carried out. (1) The Commission had decided to increase by 5/- a week the assessed amount allowed for living costs in the case of single persons. Consequently there would be no reduction in the current grants following the recent increase in benefits. In this respect, "the present maximum of 15/- a week by way of continuing additional assistance for single persons is considered reasonable and meets the majority of cases. However, where there are exceptional circumstances this maximum . . . is in fact exceeded, or may be supplemented by a periodical lump sum grant." Thus individual need was accommodated by maintaining flexibility in administration.

The formula was intended to be used as a guide, rather than to be applied in a rigid, restrictive manner. (2) The Commission's policy was to keep the formula up to date with social progress and demand. For example, a circular was issued on 23 August 1957 authorising Registrars to make special clothing grants of up to £25 towards the cost of outfitting a child with uniforms, books etc. for the first year at secondary school. Furthermore, they could decide applications for renewal in those cases which either came within the scope of their delegated authority or were in receipt of a continuing grant authorised by Head Office, provided the circumstances remained unaltered. On 3 September, following a revision of the formula figures, Registrars were permitted to accept and submit to Head Office applications for payment of dentures and spectacles, while another circular on 9 October defined a new policy. Henceforth a beneficiary or pensioner, owning his own home and eligible under the formula to receive a continuing grant might elect to defer payment of the whole or a part of the continuing grant and have the amount so withheld paid in a lump sum on request when rates fell due. The concession was not to be allowed for the purpose of meeting other periodic payments, for example, mortgage interest and purchase of clothing.

At the end of March 1958, while the benefit rate for unmarried persons and a married couple had increased respectively from £2.17.6 to £4.2.6 and from £5.15.0 to £7.15.0., the formula's assessed living costs had almost doubled the original 1952 figures. Thus:

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(1) 29 November 1955.

(2) Notes for a hearing of the Public Accounts Committee, 1 September 1957.



- (a) Whether the welfare committees which the National Conference on the Care of the Aged recommended be set up in towns where District Welfare Committees or Old People's Welfare Councils have not yet been established, should be committees restricted to the welfare of old people, or whether they should be concerned with the welfare of all groups regardless of age.
- (b) Whether Government funds should be made available to Old People's Welfare Councils or District Welfare Committees to carry out welfare work themselves or whether such councils and committees should be coordinating bodies to promote welfare activity through other organisations.

Here was an opportunity to overhaul and revitalise a disorganised area of public policy, but owing to prolonged bickering about Departmental representation and the delegation of authority, the committee was unable to take advantage of it. Instead it merely summarised the arguments for and against the establishment of a Department of Social Welfare, with the recommendation that the report and its supporting evidence be passed on to the Public Service Commission for its consideration.

Thus the problem of efficient coordination of effort still had to be solved. Aspects of the problem in a local context were highlighted in a report presented by the Auckland Welfare Officer to the Old People's Council on 16 July 1959. He considered the current benefit rates were insufficient to meet the needs of the average pensioner, given the increased cost of living and high rental charges. Despite the humanitarian work of the Churches, the erection of housing units by local bodies and the government, there were still many old people living in Auckland under extremely poor conditions. The disturbed behaviour and mental infirmity of many of them required a degree of oversight and care that could only be undertaken in suitable hospital annexes. The Welfare Officer quoted figures to put the point sharply across: on 16 June the Auckland City Council Housing Officer had a waiting list of 380 applicants for single pensioner units, while the Masonic Lodge had already received 240 applications for single units although its Home, construction of which was due to be completed in August 1960, would only have 35 to 40 units available. His recommendation accordingly ran along the lines of more "elasticity" in granting benefits and special assistance. The suggestion was appropriate, for such action would probably help relieve the position. It could not, however, be regarded as a long-term solution to the coordinated alleviation of accommodation problems.

##### 5. Accent on Welfare:

However, as a result of the reports etc. required by the district advisory committees, a new field of welfare work was developed in the Social Security Department. For many years the Department had not provided a social case-work service for beneficiaries, although the close contact between pensioner and officer frequently involved advice and guidance. Once the special assistance scheme was under way the need for the Department to employ trained social workers was recognised and emphasised, especially when the District Welfare Committees failed to operate as expected, in many areas.



The decision to employ and train qualified welfare officers was announced in Auckland by a member of the Commission, Mr G. J. Brocklehurst in July 1957. They were to study individual cases of people requiring social security benefits and make use of social services given by other organisations. Experience elsewhere in the world had shown that the trained social worker was a more valuable investment in the welfare field than the enthusiastic public-spirited citizen. Mr Brocklehurst outlined the "logical development" of the scheme within the social security framework and indicated the additional merging of social security functions in the same administrative machinery that had recently been undertaken. "When these ... aspects of social security are coordinated effectively, New Zealand will be one of the first countries in the world to have achieved this form of administration." (1)

A new field of activity was opened up in October 1958 when the Commission decided to make advances for repairs to and the maintenance of homes, with a limit of £200. This proposal was designed to take into account that many elderly people were reluctant to obtain funds for maintenance purposes by raising mortgages or additional mortgages on their homes. Henceforth, the Department would make advances on the security of home properties at low rates of interest, which could either be paid half-yearly or added to the principal amount. Repayment was not required until the death of the pensioner or the surviving partner, if married or until the earlier disposal of the property. In the first six months, some 275 applications were made. (2) This new project followed close on the decision (3) to involve supplementary assistance in the "Meals on Wheels" service run by local hospital boards. Each board was authorised to remit or reduce the charge made to the pensioner (2/- a meal or half cost, whichever was the smaller sum), provided it was satisfied that payment of the full charge would cause hardship. Should the Board be unwilling to remit the cost, application could be made to the Department for assistance, and the facts submitted to Head Office for decision. Thus, the extent of departmental participation in "meals on wheels" would be governed by the different policies of the various hospital boards.

In May 1958 it was decided to change the name of the particular item in the Estimates from "Special Assistance" to "Welfare". Henceforth, when reference was made to financial assistance granted to individuals to supplement benefit, pension, or other income, the term "Supplementary Assistance" was to be used, so that the item "Welfare" would come to include such assistance and any other expenditure of a welfare nature.

At a meeting of the Advisory Committee on the Care of the Aged (4), the Christchurch Old People's Welfare Council expressed a desire to set up a Counselling Bureau along the lines of the Citizens' Advice Bureaux operating in the United Kingdom. The idea was taken up by Mr Williams who submitted a report to the new Labour Minister of Social Security, Miss M. B. Howard, on 26 May. The object was to help individuals with their simple inquiries, because many people were ignorant of the detailed activities of the various Government

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(1) New Zealand Herald, 5 July 1957.

(2) Rates current 1968: any advance limited to \$300, in one or more sums. Where cost of repairs or maintenance is under \$30, a direct payment of supplementary assistance is considered. Interest at 5%, reducible to 3% if paid half-yearly.

(3) Circular 503, 25 November 1954.

(4) A by-product of the 1955 Conference.

and local organisations which might be involved in meeting a particular need, and consequently they did not know which organisation to approach when personal difficulties arose. While no service existed in New Zealand with the specific aim of giving advice and counselling help, and while the Department did not encroach on welfare work that could be better handled by other Departments or organisations with specialised training (1) nevertheless Social Security officers had the opportunity to give advice and service which could help people to help themselves. Mr Williams accordingly felt that the time was "ripe for a more positive service to be developed and to be made available to the people." The Department would have to give attention to the human relations aspect of the proposal, because people were reluctant to approach counter clerks, often after standing in a queue, and reveal personal problems for all to hear. (2) It was therefore proposed to allocate mature and experienced officers (of either sex) to the duties associated with counselling, so that persons with problems, beneficiaries or not, could find assistance or direction to the most appropriate agency. With the Department's wide coverage through its district offices, its contact with the public and other welfare agencies, it was ideally situated by the nature of its work, the training of its officers, and its particular functions, to operate such a service.

The official decision that "in order to provide a much-needed service for the public and to improve public relations, it is proposed to inaugurate . . . a Counselling and Advice Service in each Registrar's office," came on 21 July, and a press statement followed on the 30th. That morning, the Dominion commented on an article appearing in The Later Years (3) setting out arguments in favour of 'advice centres'. Such a service, which could well be provided on a part-time basis, given good liaison, would be a useful centre from which to disseminate information as well as to keep the various organisations in touch with problems arising in this particular field. The Evening Post carried a version of the Ministerial statement but did not consider the matter important enough to warrant editorial comment. On 15 August all Registrars were notified to have a statement published in the local newspaper on the 19th to give immediate publicity to the new service available, and they were recommended to appoint their officer engaged in supplementary assistance work as Counselling Officer.

The scheme met with a certain amount of success from the start. In Wellington, for example, an average of six calls a day were handled in the first six weeks of operation. (4) From the individual reports supplied by all Registrars, a report was produced in Head Office on 13 November to the effect that the service was fulfilling a need in the community, was appreciated, and appeared likely to expand once it became better known and proved its worth. To this end, more publicity on radio and in the press was desirable. In the first eight weeks the Counselling Service had handled a total of 860 inquiries,

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- (1) e. g. : any case of need involving children under supervision was, by common agreement, handled entirely by Child Welfare.
  - (2) The provision of special interview rooms in many instances was a development subsequent to the launching of the service.
  - (3) Newsletter published by the Advisory Committee on the Care of the Aged.
  - (4) Evening Post 1 October 1958.

of which 711 concerned social security matters and the balance such diverse subjects as housing and accommodation, rates and rent, taxation and legal matters, domestic and personal problems. Thus, by its very nature, the service was easily assimilated into the Departmental organisation, and attaching itself to the supplementary assistance programme, has brought a more personal element into the administration of the law.

CHAPTER V - THE VIEW FROM PARLIAMENT

Just as certain threads have been detected running through the scheme's administrative history, so its adventures in Parliament were more often than not a variation on one of the two themes. In the first two years or so, debate on supplementary assistance was handicapped by the fact that no speaker, not even the Minister, could deal confidently with the subject, owing to the eighteen month period of administrative gestation. After that, a pattern evolved of periodic resurgence of interest in it, coinciding with the approach of an election. Both sides were fairly consistent in their arguments, but once the political hyperbole and the presentation wrappings are removed the content of the debates proves meagre.

1. 1951: A New Topic:

The first mention came in the Governor-General's speech on 26 September 1951 (1) when he announced that, in keeping with the government's election pledge, an emergency fund to assist needy people for whom the ordinary social security benefits did not provide sufficient assistance would be set aside during the session. The Financial Statement duly set down the sum of £200,000 and instanced the kind of people likely to draw from the fund: "... people who are unable to augment their benefits from personal earnings, or elderly people who are in need of special assistance in their homes..." (2)

In the subsequent Budget Debate, Mr Aderman (Government, New Plymouth) doubted that the sum of £200,000 would be sufficient, but the first year would naturally be an exploratory period and he could see no reason to prevent the sum from being increased. Mr Broadfoot (Government, Waitomo) thought that the Fund would serve "an excellent purpose", because there were "plenty" of cases of hardship around. However, when challenged he was not very sure if a means test was included in the scheme, so the Prime Minister quickly explained that the Fund was "extra social security over and above the present limits." To Mr Hackett (Labour, Grey Lynn) it was "charity". This was one of Labour's perennial criticisms, and although its validity depended on a definition of the word 'charity' (which was never given), it was a sufficiently emotive word to "get people going".

When the scheme came up in the Estimates, the Labour member for Brooklyn, Mr A.H. Nordmeyer, was ready with uncomfortably precise questions. What administrative procedure was to be adopted to give effect to the new policy? How would the Department distinguish between emergency benefits and special assistance? Was there not a risk of duplication? The Minister, Mr Bodkin, admitted that procedure had yet to be finalised, but cooperation with local agencies, a certain amount of initiative for Registrars, and payment according to the degree of hardship were accepted guide lines. He did not think many cases would come up for Ministerial decision. The Social Security Department was "extraordinarily efficient" and its officers had both a fine appreciation of the position of such beneficiaries and a sense of responsibility. It would be "impossible to do other than leave the

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(1) New Zealand Parliamentary Debates, (henceforth cited NZPD) vol. 295.

(2) *ibid.*, 18 October.

matter to their judgment, although a scheme in broad details would be worked out for their guidance."

One of the most consistent speakers on the scheme was Mr R. Macdonald whose abiding interest in the welfare of old people arose partly from the fact that they made up a fair proportion of the electors in Ponsonby. His first reaction to the scheme was that it would be better to have collective help for old people who had no one to care for them than to have them make individual applications for assistance, because "many of them did not like accepting anything that savoured of charity."

## 2. 1952: The Opposition Attacks:

The debates of 1952 witnessed supplementary assistance taking off on the first of many flights of fancy as National sought to derive political capital from introducing the scheme and Labour sought to embellish a gloomy picture of old people struggling to make ends meet. The essence of the government's argument was that as prosperity returned to the country, those in dire need of help constituted a shrinking minority group. Consequently, the Fund was the best way to meet individual cases of hardship, since a general rise in pension levels would give more to those well or comfortably off without necessarily relieving particular hardships. Besides it would push up the cost of social security by another million pounds or so, which would have to be met in taxation. Labour argued on the other hand that a flat rate increase in benefits would remove the causes of hardship and therefore the raison d'etre of the Fund which Walter Nash described as a "charity pool" in the heat of the Budget Debate. (1)

Two government members spent a large part of their time allotted for the Address-in-Reply in a discussion of the scheme. Mr L. C. Gotz (Otahuhu) had sought out every charitable organisation in his electorate, asking that, wherever possible, he be notified of cases which came within the category of the distressed, to whom a small grant would be of assistance in paying rent or rates. He was pleased to report seven successful applications. "It speaks volumes for the administration of the social welfare state under this present Government that there is such a small number of people in dire need and distress." (2) Mr J. Rae (Roskill), waxing eloquent on the Minister's "magnificent conception", which was "one of the most realistic approaches to the problem of the old person in financial difficulties," suggested that Registrars be given a little more authority to make investigations and payments, so that the time-lag between the two was reduced. One comment he made was particularly relevant: the "supplementary benefit" of £200,000 was well organised to meet needy cases, "provided we are able to discover them".

Mr McLagan (Riccarton), one of the Labour Party's trouble shooters declared that beneficiaries' real incomes had been drastically reduced by the government's financial policies. He blamed the Minister whose duty it was to look after them, and "attempt to carry out the promises his party made so lavishly to them." They were looking for an assured income, not charity. In reply, Mr Bodkin patiently explained the use of the formula, the difference between continuing and lump sum grants, and the fact that the

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(1) N.Z.P.D. Vol 297, 14 August 1952.

(2) *ibid.*, 10 July, 1952.

Department's officers had been instructed to apply the policy liberally, to err on the generous side when in doubt. However, when Mr Mathison (Avon) snorted: "Charity!" the Minister responded indignantly that that statement was "absolutely wicked . . . that it is not charity at all . . . . The money is paid for a specific purpose. The recipients are entitled to it as of right. All they have to prove is their need."

Mr Michael Moohan (Petone) questioned the measuring rod used to determine payment from the Fund, quoting a letter from a pensioner who asked that the benefit be increased.

"The Prime Minister and his associates think us aged folk should see Ministers, and so on, to get an increase of charity. How would you feel like going to your place of worship if your private affairs were discussed and your few 'bob' held over? No, us pioneers would rather starve and hold our pride."

Mr Moohan asked that the government discontinue the policy of "making the Minister of Social Security a Father Christmas" and deal with the matter on a "proper scientific basis" by raising incomes to allow the people to purchase what they needed. At least a benefit increase would automatically reach all beneficiaries, which was something that could not be said for the special assistance scheme. (1)

The Budget Debate produced little in the way of fireworks over supplementary assistance. Mr P. G. Connolly (Labour, Dunedin Central) disagreed with the form of 'hand outs', criticising the scheme as operating "a means test within a means test". Mr Hackett produced another letter, with an enclosed clipping showing how the "poor may go cap in hand and ask for a little charity". Mr Bodkin claimed personal credit for launching the scheme. He had become aware of the problem of old-age in the Auckland area through a magazine article and had started inquiries at once. The Fund was the end product.

Consideration of the Estimates brought a fresh Labour attack in September. (2) Mr Osborne (Onehunga) wanted to know why only £2,000 or so had been spent if the item envisaged an annual expenditure of £200,000. (3) Mr Freer (Mount Albert) censured the Minister for not publishing any figures relating to the special fund and passed on complaints he had received about the activities of departmental inspectors. Miss Howard (Sydenham) suggested that as very few people knew about the Fund a circular should be sent to all beneficiaries. The success of the scheme required good public relations and the Department would have to perfect its interviewing techniques.

Mr Nordmeyer interpreted the creation of the Fund as a means of avoiding payment to social security beneficiaries of sums to which they should be entitled by statute, not by charity. There would always be odd cases for which some emergency fund should be responsible, but such a Fund should not be utilised to deprive beneficiaries of a fair standard of living. Mr Bodkin admitted that

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(1) *ibid.*, 25 July 1952.

(2) NZPD vol. 298.

(3) Total expenditure to 31 March 1952, £2,192. Annual Report, p. 25.

that initial administration had been "rather rigid". The absence of a public announcement was due to the existence of some "rapacious landlords, and quite frankly he did not want some of the beneficiaries being placed in the position of having their rents increased, which might have happened if it had been publicly stated that the allowances had been increased to cover increases in rents." (1)

Mr Hackett added some criticisms of the formula, which in his opinion should be made public. Very few people were acquainted with its provisions and most were reluctant to come forward and state their financial position when they were likely to be turned down because they just had enough money to provide for their own burial. (2) This particular speech illustrated rather well how some politicians could make a point with a slightly illogical argument.

### 3. 1953: Party Politics Creeps In:

By 1953, with a full year's operation behind them, members were better equipped to discuss the Fund. Besides more statistical data they also had been given a pamphlet outlining in detail the scheme's objects and provisions. However, this improvement in resources was not really reflected in the standard of debate. Mr Bodkin described how departmental initiative in inviting applications and examining benefit renewals to search out eligible cases had resulted in "more help being given than ever before"; while Mr D.M. Rae, in praising the Minister's efforts to advertise the scheme, felt sure that Mr Bodkin was making every endeavour to "liquidate" the whole of the £200,000.

The main Labour broadside was fired in the Budget Debate. Mr Macdonald believed pensioners should be given enough to live on, without having to "go to any Government and beg for - I shall not call it charity because it is not altogether that, but at least they should not have to beg for assistance." His reservations were lost on Mr Stewart (Arch Hill) who threw in interjections about the "Charitable Aid Fund", while Miss Howard reiterated her belief in the efficacy of publicity. In her typically blunt style she tried to demolish the Minister's defence that a circular had been sent to all beneficiaries as the time approached for them to apply for a renewal. "Why bother with the circular? If it is to be given as a right, then give it as one, and not because people apply or because a circular is sent out. Some of the old folks do not understand . . . do not make them feel under an obligation, and do not make them go through red tape, and be interviewed, and all the rest of it." (3)

Mr D.M. Rae answered the Opposition's criticism that the fund was not being fully used. It took time for the scheme to become widely known and understood by pensioners and social workers alike, but indications were that the number of applications would rise, because single and married pensioners living in very poor circumstances, unable to add to their income and dependent on social security, formed a very large class.

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(1) A press statement had actually been made on 12 June. See p. 9.

(2) Such people would not, of course, be turned down.

(3) N. Z. P. D., Vol. 299, April and September 1953.

Debate on the Estimates featured confusion in the terms 'emergency fund' and 'emergency benefit', as well as criticism of both the "inquisition" and "interrogation" involved in making applications and the slow rate of expenditure. Mr Skinner (Buller) dealt with this last point:

"What was the Minister doing for the thousands living in squalor and want when those small numbers were being assisted with such meagre expenditure? If what the Minister said was true, why was it that representatives of the New Zealand Pensioners' Association had asked him for a general increase in benefits; or, if that could not be granted, for a cost of living allowance to compensate for the enormous increases in the cost of living; or, if that could not be done either, for a greater allowable income?" (1)

Thus, in its first two years of political existence the scheme had been subjected to a fair amount of attention. The Opposition tried to have it both ways: they opposed the scheme in principle, and were highly critical of the administration, especially the fact that the full amount available was not being spent. Government members saw the political advantage to be gained merely from having launched the scheme and sought to divert criticism by pleading the responsibility the Department had in developing an administrative system. The fund provided sticks for both sides to beat each other, and frequently in the resulting fray logic tended to lose out.

#### 4. The System Triumphs:

It did not take long for the heat to be turned off. In the 1954 debate on the Budget, Mr Halstead (Tamaki), who replaced Mr Bodkin as Minister of Social Security in the new Cabinet formed after the November election, made a passing reference to the scheme. It was doing "an amazing job in a quiet way", but was not "talked about enough". He believed that the Fund had removed any real distress in the country by giving relief where it was most needed and eliminating a "lot of unfair anomalies." (2)

Probably because of the nearness of another election, both sides were unduly sensitive and easily reuffled in the 1957 sessions. Supplementary assistance featured in all the debates oriented towards the radio audience, i. e. Address-in-Reply and Budget; as well as Supply. Dame Hilda Ross, defending the Fund, said pensioners were better off than ever before, although there was still room for improvement. Mr Watt (Onehunga) thought that if it had not been for the actions of the Government in allowing costs to rise to such an extent and in allowing inflation to become rampant, it would never have been necessary to have used the Fund to help people to pay rent. Mr Macdonald quoted the assessed living costs to show a difference between the figure for a married couple, £5.17.6. and the benefit rate of £7. (3) This prompted Mr Lake (Lyttelton) to read out the entire formula, giving it possibly its last public airing, while Mr Fox (Miramar) stated his party's intention to eliminate not the Fund but as far as possible the need for the Fund. (4)

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(1) N. Z. P. D. Vol. 300, 27 October 1953.

(2) N. Z. P. D. vol. 303, 29 July 1954.

(3) These were actually 1955 formula rates.

(4) N. Z. P. D., Vol. 313, 23 August 1957.



Discussion of the Estimates on 10 September brought a dreary procession of uninteresting murmurings. In fact the Chairman, Mr C.G. Harker, was eventually forced to cut short these ramblings:

"Already tonight we have had eight speakers, and most of them have just repeated ad nauseum what was said this afternoon. I propose to stop immediately any Member who wearisomely and tediously repeats what has (already) been said."

Still some points did emerge that are worth noting here.

Mr P.G. Connolly promised that the Labour Government would abolish the special assistance fund, although it might take two years or more to do so. Mr Nash hurriedly qualified this rash assertion by stressing that the type of assistance currently available would be continued. (1) Mr Keeling (Labour, Gisborne) argued that if old age and other beneficiaries were receiving enough from the Social Security Fund there would be no need for the Supplementary Assistance Fund, and since most payments were used to meet higher rents, the Fund was merely subsidising private landlords (i. e. National Party supporters). Mr J. Rae had been told by social workers that there was no real poverty in New Zealand, but there were some people who had special types of illness that required special diets and others who ran into difficulties over rate demands. It was amazing how much good the Fund could do without raising the whole structure of social security benefits. However, his belief that the idea that charity was associated with the payment of supplementary benefits had now largely disappeared was immediately contradicted by Mr J.M. Deas (Otahuhu). There was a taint of charity about the Fund, not in the way it was administered, but because of the "policy, outlook and objective behind the Government's reasons for the Fund's creation."

When Labour did become the government the topic of supplementary assistance retired into the category of general acceptance where it seems to have remained ever since. National could hardly turn round and criticise a scheme on which they prided themselves, and Labour, faced with grave financial problems, could not carry out their earlier policy plan of a substantial flat rate increase in benefits as an overture to the phasing out of the scheme. In fact, the item, renamed 'Welfare' to give a more adequate description of the type of service the Department was trying to give, went up to £250,000 in 1958.

In the 1960s the general pattern has been that discussion of the scheme has been intermittent, short, and usually limited to the presentation of particular local problems or questions on certain specific points of procedure. More often than not, discussion has only occurred when the Estimates have been under consideration. All the old arguments have been faithfully produced each year, not because public opinion is divided in any way over the scheme but because these old arguments have become an integral part of the party debate on the matter. The Opposition must criticise; the Government must defend its policies; and the general public, largely because of the silence that has come to envelop the whole scheme has become progressively less aware of and less interested in the whole provision.

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(1) This particular episode received headline treatment in the Evening Post, 11 September 1957.

## CHAPTER VI - EXPANSION IN THE SIXTIES

Perusal of the records for the early 1960s brings out a surprising feature, that almost ten years after the scheme had been launched the "teething troubles" associated with the first year of operation were still recurring.

### 1. Publicity and Procedure

On 31 October 1961 the Dominion reported statements by Mr W.H. Price, Deputy Chairman of the Wellington Provincial Patriotic Council, referring to the difficulties some veterans had in providing clothing and meeting their rent and living expenses from their war veteran's allowances. Mr W.L. Watson, in his capacity as Secretary for War Pensions, confirmed by letter to the Council a ministerial statement released that day indicating the nature and functions of the War Pensions Emergency Fund. He also suggested that it would be desirable for an officer of the Department to work in liaison with the Council and attend the meetings of the special committee handling the question of assistance for war veterans.

Acknowledging the communication, the Council's Secretary/Treasurer, Mr B.O. Peterson, professed ignorance of the existence of the Fund, adding that he was informed by the Secretary of the Wellington R.S.A. that they were likewise unaware of the W.P.E.F. (This was refuted in a Departmental minute written in the margin of the letter.) As a result, Mr Peterson was in the process of advising all "up country Zones and Welfare Committees" of the existence and purpose of the Fund. He welcomed the offer of close liaison with the Department and this was later provided by the Assistant Registrar of War Pensions, Wellington, who sat in on the relevant Council meetings. (1)

The question of inviting and declining applications for supplementary assistance was raised in a report following the inspection of the Social Security office in Napier. (2) In the previous three months this particular office had, without deviating from manual procedure, investigated and subsequently declined twenty-four applications, most of them from beneficiaries who had been invited to apply in the first place. To the inspector it seemed "undesirable that people should be invited to apply for assistance only to have their applications refused." Rather than advise the beneficiary of the existence of the scheme and more or less suggest an application, he thought a better approach to the problem would be to have the case referred to the Field Officer to call, interview the beneficiary and, depending on the circumstances disclosed at the interview, take a formal application for assistance.

The matter was raised at the next meeting of the Social Security Commission on 30 November, when it was decided to amend the instructions so that applications for supplementary assistance would in future be invited only where hardship was apparent from the information already on the beneficiary's file. The move was a sensible one, for as the next circular put it, the "many unsuccessful applications create unnecessary work and may not be in the best interests of public relations." The conclusion was valid, but cases of hardship would still be missed.

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(1) Decision 24 November 1961.

(2) 15 November 1961.

In the same vein, the Commission proposed to dispense with home inquiries in applications for supplementary assistance for payment of rent unless the Registrar thought such a visit was necessary. This decision arose from criticism levelled at the Department from time to time in regard to the searching inquiries undertaken when a person applied for either sickness benefit or supplementary assistance.

Critics singled out the local officers calling at the applicant's home to conduct an interview, in the opinion that many such interviews were not necessary to establish the applicant's bona fides and entitlement to benefit. Accordingly, the Registrars were asked to investigate and report on the number and nature of any inquiries they might have authorised, and also to give an opinion on the proposed changes.

The national round-up indicated that while fifteen Registrars approved the proposal, Auckland, Wanganui, Palmerston North and Blenheim had reservations. The first three all agreed that a clear picture of the application was not available without a home inquiry, and Blenheim said he would be reluctant to grant a rent supplement without either an interview at the office or an inquiry in the home, as frequently beneficiaries omitted to mention particular details of other members of the family, especially adult sons and daughters. The proposal was adopted, on the understanding that this would be one of those areas of policy where general rules were to be interpreted according to local circumstance.

The Commission continued its 'liberalisation' of supplementary assistance by adopting a recommendation from the annual conference of Registrars (1) that the formula permit inclusion of repayment of principal on home mortgages in cases with age, widows and invalids benefits where the claim was based on the need for assistance to meet the out-goings on a home. (2) A conditional rider was added, that the grants were to come within the existing authority limits of 15/- and 30/- a week and the Registrar was satisfied that hardship existed.

However, the Commission refused to adopt a suggestion that the advisory notice of decision to an unsuccessful applicant for assistance should give the reason for the refusal. This was standard procedure in cases involved in the scheme for capitalisation of the family benefit, but where supplementary assistance was concerned, grants were made at the discretion of the Commission and it was "not always politic to give reasons for refusal".

Finally the spectre of insufficient publicity was still making irregular appearances. The New Zealand Maori Council wrote on 30 January 1963 to the Department in a tone of slight amazement and definite interest:

"We have been informed that your Department has a fund from which parents may obtain help in preparing their children for school, particularly in providing suitable clothing. We do not know any details of this provision and it would be useful to us if you could send us full information on what is available and how parents should go about applying for this assistance." The request was speedily met.

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(1) 29-30 November 1962.

(2) See Chapter 4: 2.

Just how much blame for the existence of a "knowledge gap" can be attributed to the Department is difficult to assess. It goes without saying that much of the publicity was a responsibility of the local welfare organisations, but the Department appears guilty of failing to follow up official press releases and explanatory literature to make sure that the chief target, people in need, was reached. Hence reports such as that published in the New Zealand Herald that the Onehunga Borough Council had a number of letters from pensioner ratepayers who, from their stories of hardship, should have had assistance years ago, (1) tended to invoke fresh criticism of the Department and the system and to obscure the good work achieved under the supplementary assistance scheme.

## 2. The Same Thing, only Bigger:

The period since 1963 has, not unexpectedly, shown a continuation: of the fundamental problem of discovering the need for assistance; of the emotional, suspicious responses to the scheme in general; and of the need to review and adjust the mechanics of the scheme. This short section attempts to serve out a few typical illustrations.

The number of successful applications for grants, including renewals, has increased rapidly in the past few years, from 10,650 (1962) and 11,329 (1963) to 14,815 (1965), 17,583 (1967) and 20,260 in the financial year ending March 1968. Expenditure topped £1 million for the first time in 1967. Part of the reason for this inflation lies in changes made to the formula.

In 1951 the normal supplementary assistance limits were set at 15/- a week for single persons and £1.10.0. for married couples, but, unlike the formula figures for assessed living costs, the limits were not altered according to economic or other factors. Not until 1 January 1964 did a reassessed amount come into effect; namely £1.5.0 and £2; and a further rise to £1.15.0 and £2.10.0 was approved from June 1965. A substantial relaxation of the qualifying conditions accompanied these alterations. For example, if local grants made within the normal limits did not meet the full deficiency between essential expenses and income, district officers were to use their initiative and see if further assistance was warranted. If they thought that a grant should be made at a rate above or below the normal limit, then the ultimate decision would be made in Head Office.

Modifications were also made to the policy for lump sum clothing grants. Henceforth, Registrars could grant not more than £45 for a family in any one year, "provided the need exists". Although each year was to stand by itself, Registrars were to "exercise more caution" when approving clothing grants for second and subsequent years. (2)

The Social Security Commission clarified an aspect of procedure for the Minister in a letter on 3 September 1964, with regard to reconciling increases in benefit with increases in supplementary assistance. This was a complicated matter.

"Supplementary assistance grants are based on assessed living costs plus other commitments. To preserve existing grants and to continue eligibility for future grants

(1) New Zealand Herald, 6 July 1963.

(2) Minutes. meeting of Social Security Commission. 12 September 1963.

on existing margins it will be necessary to continue the past practice of increasing the amounts allowed for living costs by the equivalent benefit increases. A preliminary study of the effect of automatically adding benefit increases to living costs rates, indicates, however, that this practice has produced inconsistencies and anomalies. Social Security benefits provide basic living allowances which include an element for the cost of accommodation. Assessed living costs, on the other hand, exclude accommodation costs which are allowed as separate commitments. It would therefore appear that the practice of adding the whole of the benefit increases to living costs is basically unsound."

The Commission proposed to make a later report, once all the work involved in the increases had been completed. However, the Minister approved the increase in supplementary assistance equivalent to benefit rises, with the exception of grants made to occupants of rest homes, and the whole question, despite its relevance, was shelved. Another important report came in 1965. In February the Minister, the Hon. Mr MacKay, asked that a paper be prepared, surveying the scheme from the particular angle of the effect of supplementary assistance on any increases in benefits granted in the past. Although a survey into living costs for sick and elderly people was among the "possibilities... being discussed", (1) no new departures in policy eventuated. However, certain aspects of the formula were adjusted and an important extension made to the maximum limits of weekly payment. An analysis of district returns showed that the current limits of £1.5.0 and £2 in many cases fell short of meeting deficiencies between incomes and essential commitments. At that time, 41% of the unmarried beneficiaries and 57% of married couples had their deficiencies met in full by supplementary assistance. Cabinet approved an increase of 10/- a week, which was calculated to raise these proportions to 71% and 79% respectively. Subsequently, about 1,800 cases were reviewed, some of them by the Minister himself; but the Commission's policy, that single beneficiaries should bear 15/- and married couples 20/- of their unmet deficiency, within asset limits of £100 and £200, effectively disposed of about 1,300 of them. Of the remainder, Cabinet's ruling that cases were not to be automatically increased beyond the normal limits merely because a deficiency was proven, and that "special circumstances needed to exist", meant that only a few were granted additional assistance.

Most recent developments have concerned allowances to be made in respect of applicants with families. In November 1965, the Commission noted that in cases where married applicants had another member of the family living with them and also receiving benefit, districts had been treating them in different ways, with varying effect in the application of the formula. Consequently, on 17 January 1966 the Commission decided that as a general rule such a member was to be treated as a boarder. An assessed profit from board of £1 a week was to be included in the income when determining the amount of assistance payable, reducing to 10/- if the member was not 21; and no assistance would be granted in respect of this or any subsequent member of the family unit. In August 1968, with the implementation of the Family Maintenance Allowance scheme, the family unit again

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(1) Brocklehurst to Minister, 12 March 1965.

came under review. With this new allowance, the additional supplementary assistance payment to married couples of fifty cents a week for each dependent child in a family of two or more children has been dropped. As a result, all supplementary grants were to be reviewed automatically once F.M.A. was granted.

Still, despite the increasing amounts being paid out, the time has yet to arrive when the underlying principles of the scheme are accepted unconditionally. An Auckland City Councillor detected overtones of "humiliation" in the supplementary assistance arrangement. To ask a person to go to the "impersonal counter" of the Social Security Department when faced with a rate burden he could not meet was "one of the most humiliating things" that could be asked of him. (1)

Such feelings were often unnecessarily inhibitive:

"I noticed this reluctance to apply for supplementary assistance from other old folk I spoke to. They seemed to dislike having to go along and 'beg' for a few extra shillings to get by on. Most of them preferred to just struggle along on their inadequate pension and preserve their self-respect."

This extract comes from a report on conditions for old people published by New Zealand Truth. (2) The impression was hardly original, the date could be any time since 1951. For many people, pride still remains the stumbling block to a relief of hardship.

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(1) Auckland Star, 15 September 1964.

(2) 8 September 1964.

## CHAPTER VII - AN APPRAISAL

### 1. The Unsystematic System:

Supplementary assistance has been allowed to develop into an additional benefit structure without much questioning of the original underlying assumptions made hurriedly in 1951. When a scheme is tailored to meet individual needs, the term "need" becomes the keystone of the whole structure. However, in this instance, the term has never been satisfactorily defined, so that the structure has appeared shaky and uneven.

"Need" of course is a relative thing, varying from year to year accordingly as national prosperity, aspirations and standards fluctuate and change. Similarly, needs vary between individuals according to age, marital status, family size, resources, location, etc.

If the pattern of human need is relative, it is also partly subjective. It relates not only to the community's standard of living (which can be defined statistically) but also to the conventions of the immediate environment. These are less distinct but often more rigid. They can make something indispensable if only as a means to conformity. This factor, so relevant to supplementary assistance, cannot be ignored, nor can it be precisely defined.

At the same time, concepts of relative need are not the same as concepts of financial adequacy. All social security schemes reflect some concept of adequacy. Such concepts derive usually either from a measure of consensus opinion, sometimes resulting from or associated with research into financial needs, or from the dictates of expediency, financial, political, etc.

Supplementary assistance was founded upon, and subsequently operated on, a definition of "hardship" that was taken as being synonymous with "need" (though lacking the personal emphasis which the term "need" connotes). The Commission would consider "hardship" as being established:

"Where in its opinion there are necessary commitments which cannot be met out of the basic benefit, applicants have insufficient other means available to them and there is no possibility of their helping themselves."

Payment to specified limits could be made to any one person and his dependants, but only in "special cases... with the approval of the Minister", would additional sums be granted. Payments were not loans, and any grant made in respect of an emergency occasioned by an accident was recoverable if compensation, damages or an ex gratia payment were made. (1)

Thus district officers had to interpret basic definitions with little room to manoeuvre. They had to meet the need for assistance where it existed in their area of authority, yet at the same time their treatment of applications had to be fairly stringent.

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(1) Circular 360, 30 November 1951.

Consequently, and with no background of statistics to work from, the volume and variety of this need remained an unknown factor. Auckland, with its large population, was considered (correctly as it turned out) to have the biggest requirement, but the Commission had no clear picture of the relative size of each urban problem.

Moreover, neither the government nor the Commission could envisage the possible scope of the new scheme. The original memorandum, by emphasising urgency in the treatment of applications and a clear indication of the grounds of a particular claim, confused supplementary assistance with the concept of an 'emergency fund'. It was a long time before this confusion was removed. The scheme was designed to meet a continuing need, but was flexible enough to give rapid financial remedy to sudden, unforeseen hardships. A report after three months of operation revealed a variety of grounds for claims, mainly because the district officer had to choose some ground. Again it was some months before the administrators realised that there was really only one ground for granting continuing assistance, and this was a calculation of the general deficiency between income and necessary expenditure.

This is where the formula came in. Initially the Commission took into account the current benefit rates, presumed to be adequate, when searching for a suitable set of figures. (The government supposed that an income of £2. 17. 6 and £5. 15. 0 was sufficient for the usual needs of single people and married couples respectively.) The Commission considered that the degree of hardship would vary accordingly as the applicant either owned his property himself, rented a home or was paying board. Accommodation would be a prime determinant of need, but more important, it was the area of administration where the greatest amount of flexibility could be employed. Accommodation costs were likely to vary from case to case more than the costs of food or clothing. Thus by an apparently ad hoc process, and without any substantiating proof, assessed living costs, amounting to £2. 5. 0 and £4. 5. 0 and excluding accommodation costs, were set out in the official formula. The process of assessment was quite simple: take the applicable living cost, add accommodation costs and extraordinary expenses, and subtract income, including benefit. The result was a figure representing a deficiency, which might be filled by way of an assistance grant, at the discretion of the Commission. The formula was intended as a guideline, but even then it was a doubtful tool. As has already been seen, much of the history of supplementary assistance has been tied up with adjustment made to the formula, its scope and financial terms. One or two of the most obvious problems can be mentioned here.

Since assistance was usually paid in addition to a social security benefit, there had to be some sort of theory underlying both ordinary and supplementary benefits to ensure a just, equitable and consistent administration. That no such theory was thought out becomes obvious when the question of increases is considered. The policy has been to raise the figure for assessed weekly living costs by the amount equivalent to the increase in ordinary benefit. Thus while benefits go up according to a percentage calculation, the formula living costs go up by the absolute increase of the benefit rate. This is administratively easier, and less complicated, but also, as the Commission itself has realised, basically unsound, in that it is productive of anomalies.



Still, while the public remains more unaware of these defects than the administrators, the system will be allowed to continue, because it does work.

By fixing upon the area of housing costs as the area distinguishing those who were in need from those who were not, the Commission in effect defined "need" as rent or outgoings in excess of a certain amount a week plus any extraordinary expenditure. Consequently, the nature of the scheme had to be quickly adjusted. The Commission could not give assistance where there was a serious need for clothing because this was an element in the assessment for living costs. It soon became clear however, that there were many such cases. The system of lump sum grants was introduced as a consequence, but only for clothing. Dentures, spectacles etc, remained outside the scope of the Fund for many years.

All this is not to deny entirely the value of the formula. The use of the assessed living costs has avoided a separate budget for each person or family applying for assistance. While it is easy to criticise their arbitrary nature, it must in fairness be remembered that they have to be kept at a particular level so that the grant of assistance relates reasonably to the basic benefit and to the applicant's financial needs.

The lack of preliminary surveys, the absence of a corpus of carefully thought out principles, the vagueness and uncertainty as to policy directions and objectives (the pervading sense of 'muddling through'), all indicate that supplementary assistance originated as an election child. Hence it was politically expedient that the Fund be launched as quickly as possible. Given these circumstances, the factors above are understandable, perhaps forgivable, but that they were allowed to continue is not.

## 2. Aspects of Administration:

Once the initial political impetus had been given, supplementary assistance quickly became an administrative responsibility. Unlike the British National Assistance Scheme, (1) it was not constructed from a blueprint in an Act of Parliament. In fact, it was more than ten years before the scheme received statutory recognition. Even then, section 124 of the Social Security Act 1964, which was passed to consolidate all existing legislation, merely states that "Any money... may be appropriated by Parliament for the purpose of granting supplementary assistance under any welfare programme approved by the Minister of Social Security". All grants are made at the "discretion" of the Commission, so there are no legislative provisions binding the Department in its actions and policies relating to the scheme. Consequently, with no document available for public reference, the Department has been open to criticism simply because it is difficult to explain sound administrative principles and decisions to people who are habitually suspicious of bureaucracy and 'red tape'.

Departmental responsibility for the scheme made confidential files, applications forms, (2) detailed investigation of each case an automatic and necessary procedure. Dissatisfaction on the part of the general public and local welfare organisations was equally automatic:

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(1) For a comparison of the two schemes see Appendix III.

(2) See Appendix V.

"To go to the Government's special assistance fund is like crawling on your knees to beg - they make it so hard for you." (1)

Reactions similar to this, plus accusations against the 'inquisition' the 'catechism' and the 'interrogation' to which applicants were subjected, have been noted on more than one occasion. The application form and its accompanying personal interview were intended to give the Department as full a picture as possible of the individual circumstances, because the disbursement of public money was involved. Like most problems there are two sides to consider. People are either embarrassed to reveal, or object to revealing personal information to unknown departmental officers; but by the same token, some have no hesitation in drawing aid from as many agencies as possible. The Department sought from the beginning to prevent this from occurring by means of a detailed application form and cooperation with local bodies, but it took a year or two for separate interview rooms and trained counsellors to ease the problem of embarrassment.

The attempt to devolve a wide degree of authority on Registrars and District Agents within a framework of Head Office decision making has not been entirely successful. To begin with, the original policy of limiting expenditure by strict adherence to the rules effectively hand-cuffed individual initiative. Then, as their powers were progressively widened, the district officers were confronted with such a variety of cases, many of them raising quite new situations, that they had to refer them to Wellington, if not for decision, at least for confirmation. The consequent delays and countermands did not help the public image. Moreover, the retention of power by district officers effectively wrecked the promising district advisory scheme, because committee members could see little future in rubber stamping official decisions. On the other hand, the amount of local initiative given to district officers has helped towards a better coordination of activities.

Various projects have been developed within the framework of supplementary assistance, projects that mark out the growth of a welfare service. Domestic aid and a scheme to help the occupants of rest homes came early, in 1953, followed by participation in the "meals on wheels" service and the advances for major repairs scheme in 1957-58. The 1960's have brought a widening of the scope of lump sum grants, to include, for example, dentures, spectacles, hearing aids, transport costs for medical treatment, and telephone installation costs. Wheelchairs are now issued on loan to people who need not necessarily be receiving benefits; consideration is given to helping the repayment of debt in cases where the circumstances are exceptional; and telephone rentals are allowed as an extra commitment where the applicant lives in an isolated district or is confined to his home by reason of age, sickness or infirmity. Many of these schemes involve close liaison with hospital boards, and this has been generally achieved, in ironic contrast to the troubles in the very early period of supplementary assistance.

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(1) Evening Post, 27 July 1956.

It was not until 1958 that expenditure rose above the original allowance of £200,000. The reason was two-fold: first, it was departmental policy to keep a firm hand on grants, and second, public use of the scheme grew very slowly. The Department's efforts to educate the public lacked consistency, and with public knowledge so sketchy, one wonders just how effective was the progressive "liberalisation" of the formula. Increasing continuing grants by say 2/6 helped those already receiving assistance without necessarily attracting more applications.

An interesting sideline is the fate of the formula in the press. Initially, figures were allowed to be published, but this policy was soon reversed. The newspapers were naturally selective, so that although press releases contained full details, these were not always printed. Silence became the accepted policy more because it was not in the government's political interests to have the assessed weekly living costs publicised. After all, benefits and the cost of living were, and are, politically contentious subjects. On the other hand, people should know generally how supplementary assistance is worked out. They are paying the taxes; they should know at least what they could be entitled to.

Public reaction to the scheme was mixed. Some called supplementary assistance a form of charity; others welcomed it as a progressive development in the field of welfare. In general, public reaction was motivated by an admixture of factors: pride, ignorance of the finer points of the scheme, hostility to the extension of the welfare state, suspicion of government and preference for local relief organisations. These were all given voice in Parliament, where members, especially those representing Auckland electorates, sought to keep the Department on its toes. Party approaches to supplementary assistance have not changed that much, nor have the arguments used in the annual debate on the Welfare item of the Estimates. Like most Parliamentary debates, the particular discussions have contained as much woolly thinking and irrelevant oratory as good sense.

Despite its hesitant, uncertain beginnings, the supplementary assistance scheme has come to fill an important role in the social security system. Its inception signalled a change in the Department's character and functions: from providing benefits and pensions to those entitled by statute to receive them, to meeting the needs of the people according to their individual commitments. Owing to its adaptability, the scheme has continued to expand as the Department took upon itself the responsibility of giving the public a better welfare and advice service. Today it accounts for over \$2 million a year and requires a highly organised administrative machine. The emphasis is on speed, efficiency and humanity: people in distress need help: supplementary assistance aims to help them.

However, some areas of the scheme require thorough examination. Certain of the original problems and questions surround the working of supplementary assistance have shown unfortunate stamina. The arbitrary nature of the formula, possibly acceptable in the early 1950's (if at all), is now anachronistic. Living costs should be computed from the results of statistical analyses, not increased haphazardly as benefit rates rise. If the aim should be the widest

possible coverage of essential needs, why can supplementary assistance not become a more automatic process? More and frequent surveys are required to test both the extent of coverage and the effectiveness of the grants. Is supplementary assistance getting through to all potential clients, or only to the most vociferous of the population? Do the general public know all they could or should, about the scheme? Should the wrappings be allowed to remain around the scheme or should they be removed? The odour of charity still disqualifies the scheme in the eyes of some sensitive people, suggesting that a fresh burst of publicity is overdue. As expenditure rises, these questions become more crucial, and the answers more urgent. Past experience must serve as a guide, not as a justification for present anomalies.

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APPENDIX I

The following table shows the number of continuing grants in force and the total expenditure for supplementary assistance in each year ending 31 March.

<u>Year</u>	<u>Number in force</u>	<u>Expenditure (\$)</u>
1952	57	5,384
1953	1,127	42,574
1954	2,687	204,658
1955	3,229	270,324
1956	3,521	326,668
1957	4,264	368,552
1958	4,721	436,402
1959	5,117	513,624
1960	5,525	546,020
1961	5,743	615,718
1962	6,564	647,466
1963	6,864	664,344
1964	7,660	1,176,980
1965	8,763	1,367,748
1966	9,698	1,799,790
1967	10,581	2,108,168
1968	12,625	2,520,044

Source: Annual Reports, 1952 - 1968

BENEFIT RATES AND ASSESSED LIVING COSTS FOR SUPPLEMENTARY  
ASSISTANCE AS FROM 14.5.69

Benefit rate - unmarried	\$13.25
- married couple	24.00
Amount of increase - single	1.00
- married	1.50
 <u>Assessed Living Costs</u>	
Renting or own home - unmarried - alone	12.75
"          - sharing	12.25
- married couple	22.25
Paying Board - unmarried	6.00
- married couple	11.00
Children of sole parent - First child	6.50
- Second child	2.00
- Third child	1.50
- Fourth and subsequent	1.00
Child of married couple - First child	1.50
- Second child	1.75
- Third and subsequent	1.00
Child at secondary school	0.25
In hospital - unmarried	-
- spouse without children	17.25
- married with children	No rate fixed
In homes - assessed board	12.25
- assessed living costs	4.50

Circular No. 936/939

24.9.52

Benefit Rates and Assessed Living Costs for Supplementary Assistance from 1951.

Date of Increase	18.7.52	15.9.53	18.11.54	1.8.55	19.11.56	1.9.57	1.10.58	30.3.60	18.7.62	17.7.63	9.9.64	16.6.65	18.5.66	25.1.67	12.6.68	
Benefit rate - unmarried	5.75	6.75	7.00	7.50	7.90	8.25	9.00	9.50	9.75	10.00	10.60	10.60	11.50	11.75	12.25	
- married couple	11.50	13.50	14.00	14.00	14.80	15.50	16.00	17.00	17.50	18.00	19.20	19.20	21.00	21.50	22.50	
Amount of increase: single	0.50	1.00	0.25	0.50	0.40	0.35	0.75	0.50	0.25	0.25	0.60	-	0.90	0.25	0.50	
married	1.00	2.00	0.50	-	0.80	0.70	0.50	1.00	0.50	0.50	1.20	-	1.80	0.50	1.00	
<u>Assessed Living Costs:</u>																
Renting or own home - unmarried - alone	4.50	5.00	6.50	6.75	7.25	7.65	8.00	8.75	9.25	9.50	9.75	10.35	10.35	11.25	11.50	12.00
" " - sharing			6.00	6.25	6.75	7.15	7.50	8.25	8.75	9.00	9.25	9.85	9.85	10.75	11.00	11.50
- married couple	8.50	9.25	11.25	11.75	11.75	12.55	13.25	13.75	14.75	15.25	15.75	16.95	17.45	19.25	19.75	20.75
Paying Board - unmarried	1.75	2.75	3.00	3.50	3.65	4.00	4.75	5.25	5.50	5.75	6.35	5.85	6.00	6.00	6.00	
- married couple	3.50	5.50	6.00	6.00	6.30	7.00	7.50	8.50	9.00	9.50	10.70	10.70	11.00	11.00	11.00	
Children of sole parent - First child	1.00	1.00	1.50	1.75	2.15	2.50	2.50	3.00	3.25	3.50	4.10	4.10	5.00	5.25	5.75	
- second child	0.50	0.75	0.75	0.75	1.25	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	
- third child	0.50	0.75	0.75	0.75	0.75	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	
- fourth & subsequent	0.50	0.50	0.50	0.50	0.50	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	
Child of married couple - First child	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.50	1.50	1.50	1.50	1.50	
- second child	0.25	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.75	0.75	1.50	1.50	1.50	
- third & subsequent	0.25	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.75	0.75	1.00	1.00	1.00	
Child at secondary school	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	
In hospital - unmarried	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
- spouse without children	-	6.50	6.75	7.65	7.65	8.00	8.75	9.25	9.50	9.75	10.35	10.35	11.25	16.00	16.50	
- married with children	-	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	
In homes - assessed board	-	5.50	5.50	6.00	-	6.40	6.50	6.50	6.75	7.00	8.60	8.60	10.50	10.75	11.25	
- assessed living costs	1.75	2.75	3.00	3.00	3.00	3.35	4.00	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	
Circular No.	369	372	401	430	455	478	496	527	595	651	688	744	772	809	832	889

APPENDIX III

For the purpose of comparison with the supplementary assistance formula, the scale rates used in the British National Assistance scheme, after 1965 in computing supplementary benefits, are set out below:

Purpose: to bring weekly income up to an appropriate guaranteed level.

<u>Level of weekly income:</u>	£	s	d
(1) persons over pension age			
single householder	4	15	0
married couple	7	10	0
someone living in another person's household	4	0	0
(2) persons under pension age			
single householder	4	6	0
married couple	7	1	0
someone living in another person's household			
aged 21 or over	3	11	0
aged 18 - 20	2	18	0
aged 16 - 17	2	10	0
children 11 - 15	1	17	0
5 - 10	1	10	0
under 5	1	5	0

Weekly income:

- (a) National Insurance Benefits --- counted in full.
- (b) Maintenance Payments --- counted in full, whether voluntary or Court Order.
- (c) Part-time earnings --- the first 40/- not counted at all.
- (d) Disability pensions --- up to 40/- a week of the total amount not counted.
- (e) Other income --- the first 20/- a week of the total, including such items as any sick pay from employers or Friendly Society, regular payments from friends or relatives, and the (calculated) assumed income from capital, not counted.

Rent:

- (1) For a householder, rent (less any payments from subtenants) together with rates is allowed in full except in the following circumstances:
  - (a) if rent includes heating, lighting etc. a deduction is made, as these expenses are allowed for in the amounts;



- (b) if anyone else, apart from wife or dependent children, are living in the household, only a share of the rent is allowed;
- (c) if rent is unreasonably high.
- (2) Where applicant or his wife owns the house, the rent addition consists of an allowance for rates and repairs and insurance, along with any mortgage interest, but not repayments of capital.
- (3) If applicant is over 18 and lives as a member of someone else's household a standard allowance of 10/- a week is made instead of the rent addition.
- (4) If applicant pays an inclusive charge for board and lodging the level of the weekly income will be the amount of the board and lodging charge up to a reasonable figure, plus £1.7.6 a week for personal expenses.

Source: Ministry of Social Security, Information Leaflet, September 1967

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APPENDIX IV

The following is a copy of the first pamphlet released by the Department to explain the functions of supplementary assistance. A covering letter was sent to each Member of Parliament, but it later became policy to send such pamphlets to government members only.

"Office of the Minister of Social Security,  
Wellington, C. 1.

6th November, 1952.

Dear Mr

Members will recall that during the discussion in the House on the Special Assistance Fund I promised that I would issue a statement showing the manner in which assistance was decided.

The attached leaflet setting out the salient features of the Special Funds available for social security beneficiaries, war pensioners and others, has accordingly been prepared and I trust will be of help to Members in dealing with any enquiries.

It is the Government's desire that any persons who need help and who are eligible for supplementary assistance, should receive that assistance and anything you can do to put this desire into effect would be appreciated.

If any member feels that any constituent might be assisted from the Fund I would like to suggest that he arrange for the Social Security Department to be notified, or alternatively, for the person concerned to interview the local representative of the Department.

Yours faithfully,

Minister of Social Security"

SPECIAL ASSISTANCE ADMINISTERED BY SOCIAL SECURITY  
AND WAR PENSIONS DEPARTMENT -  
BASIS OF AWARDS

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Government has provided a special fund to assist social security beneficiaries and others who are suffering hardship through inability to meet necessary commitments out of current income, and who have no alternative means of helping themselves. This Fund is administered in the discretion of the Social Security Commission. A second Fund has also been established to assist recipients of New Zealand war pensions, war veterans' allowances and their dependants in a similar manner. This Fund is being administered by the War Pensions Board through the Secretary for War Pensions.

Applications for assistance from either Fund should be lodged at the nearest office of the Social Security and War Pensions Department.

To assist in determining the amount of help required, guiding principles have been established but as the circumstances of individual cases vary a number of factors must be taken into account and each application is decided on its merits.

As a basis for determining applications, the authorities administering the Funds have fixed the amount for normal living costs, other than the provision of shelter, at £2.10.0 a week for a single person and £4.12.6 a week for a married couple, and these amounts may be increased in cases where there are dependent children, especially children attending secondary schools.

Where the applicant is paying board, personal expenses over and above food and shelter (board and lodgings) have been fixed at 17/6d a week for a single person and £1.15.0 a week for a married couple.

In determining whether the applicant has sufficient other means available to meet his commitments, account is taken of assets held, excluding the home, but the possession of other assets of £50 for single persons and £100 in the case of married couples, will not debar provision of assistance. The fact that an applicant has in his home members of the family or other boarders who are expected to contribute a reasonable amount for board and lodgings is a material factor in deciding whether any assistance should be given.

In determining necessary commitments other than those coming under the heading of normal living costs, regard is taken of the necessity for any special foods, nursing or domestic assistance, medical expenses not available under the heading of Medical and Health Benefits or any other reasonable expenditure above the normal requirements of a household.

Claimants are divided into the following categories:

- (1) Persons residing in their own home.
- (2) Persons renting a home.
- (3) Persons paying board.

## 1. PERSONS RESIDING IN THEIR OWN HOME

The actual outgoings on the home such as mortgage interest, rates, repairs, etc., are ascertained, and to this is added the amount of such extraordinary expenditure as may be necessitated by the particular circumstances of the applicant, e.g. special diet, nursing or domestic assistance, etc., and the amount for normal living costs assessed at £2.10.0 for a single person and £4.12.6 for a married couple. From the total of these items is subtracted the amount of benefit and any other income of the applicant and the balance is an indication of the amount of additional assistance which should be given.

It is not intended that payments from the Fund be used to create a permanent asset and for this reason, except in special circumstances, the amount paid in reduction of mortgage principal is not generally included when arriving at the outgoings on a home property. In some cases it is possible for people to re-arrange a mortgage in order to reduce their commitments.

### Example:

## 2. PERSONS RESIDING IN A RENTED HOME OR RENTING A ROOM

If the rent paid exceeds 7/6 a week in the case of a single person and £1.2.6 in the case of a married couple, grants may be made if the applicant has no income other than the benefit, and provided there are no other resources or assets from which applicant could meet his commitments.

### Example:

Any of these awards may be reduced if the applicant has assets and may be increased if the applicant has commitments outside the ordinary or is required to maintain dependent children.

## 3. PERSONS PAYING BOARD

In the case of persons who are boarding, the living costs over and above board and lodging paid have been assessed at 17/6 a week in the case of a single person and £1.15.0 a week in the case of a married couple.

### Example:

Depending on the circumstances in individual cases assistance may be afforded either as a continuing weekly or monthly grant or by a lump sum payment, or both. Continuing grants are subject to review from time to time or in the event of any change in the applicant's circumstances.

Save in exceptional circumstances, grants will not be made in excess of 15/- a week for single persons and £1.10.0 a week in the case of married couples.

A lump sum grant towards purchase of clothing may be authorised in cases where applicants have been unable to maintain their personal clothing at a reasonable standard through having to pay a high rental or meet extraordinary expenditure out of limited income or resources.

As a general rule it is not the practice to make grants to liquidate past debts or meet the payments on goods under any hire-purchase arrangement.

The foregoing explanation and examples give a broad outline of present entitlement but the basis is subject to review from time to time and may be varied in accordance with changing conditions.

As already indicated there are many varying factors which require to be taken into account in determining the degree of hardship and the necessity for assistance. Any additional information is available at all district offices of the Social Security and War Pensions Department and any person concerned is invited to discuss his individual case with local officers of the Department.

ISSUED BY AUTHORITY OF SOCIAL SECURITY AND  
WAR PENSIONS DEPARTMENT

Wellington, 4/11/52

APPENDIX V

Mention has been made throughout this paper of the nature of the application form, the difficulty people had in completing it and the type of questions asked. Since the form has not altered very significantly over the years, a copy of the current form is reproduced here, to permit an evaluation of the arguments raised.

*Handwritten notes in blue ink, possibly a signature or initials, are visible in the center of the page.*



