

1940-41.

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA.

INTERIM REPORT

FROM THE

JOINT COMMITTEE ON SOCIAL
SECURITY,

DATED

24TH SEPTEMBER, 1941.

Brought up and ordered to be printed, 24th September, 1941.

[Cost of Paper.—Preparation, not given; 730 copies; approximate cost of printing and publishing, £10.]

Printed and Published for the GOVERNMENT of the COMMONWEALTH OF AUSTRALIA by
L. F. JOHNSTON, Commonwealth Government Printer, Canberra.
(Printed in Australia.)

No. 48. [GROUP H.]—F.503.—PRICE 9D.

MEMBERS OF THE COMMONWEALTH PARLIAMENTARY JOINT COMMITTEE ON SOCIAL SECURITY.

(Appointed 3rd July, 1941.)

The Honorable JOHN ARTHUR PERKINS, M.P., Chairman.

Senate.

Senator WALTER JACKSON COOPER, M.B.E.
Senator RICHARD VALENTINE KEANE (Deputy
Chairman).

House of Representatives.

HERBERT CLAUDE BARNARD, Esquire, M.P.
MAURICE McCRAE BLACKBURN, Esquire, M.P.
RUPERT SUMNER RYAN, Esquire, C.M.G., D.S.O.,
M.P.

JOINT COMMITTEE ON SOCIAL SECURITY.

INTERIM REPORT.

The Joint Committee on Social Security appointed by resolution of Parliament on the 3rd July, 1941, "to inquire into and, from time to time, report upon ways and means of improving social and living conditions in Australia and of rectifying anomalies in existing legislation", has the honour to present the following interim report:—

INTRODUCTION.

1. *A Plan Against Poverty.*—In comparison with most countries in the world to-day, Australia is a very oasis of justice and security, but our apparent immunity from the grosser forms of oppression and want should not make us complacent. There is still far too much malnutrition and bad housing; there are still people who must struggle from day to day to provide themselves and their children with the bare necessities of existence. Nor are these people few in number. Statistical data and the evidence of persons in constant contact with those in want lead us to believe that a considerable proportion of Australia's citizens are poorly housed, ill-clothed or ill-nourished—living in conditions which reflect no credit on a country such as ours.

It would be unjust to say that the Governments and people of Australia have been insensible to this state of affairs. On the contrary a great part of our legislation has been devoted to the improvement of living conditions and the redressing of abuses. But no longer can we sustain the claim that Australia is the social laboratory of the world.

Successive Governments have endeavoured to prevent injustice and remove abuses in two fashions. Firstly they have passed legislation designed to prevent exploitation and to secure for the lower income classes a fair share in the product of their industry, and secondly on the positive side of social legislation they have endeavoured to give effect to the popular democratic belief that every individual should have as good an opportunity in life as his neighbour. To this end every State has provided free elementary education, and all have subsidized higher education in part or in full. Further, those who are poverty stricken have been assisted and protected. Thus needy children may receive grants from Child Welfare Departments, and those who by reason of age or enfeeblement are unable to work are given a pension which, while not high, enables them to live without extreme want.

One explanation of the continuance of poverty is that unemployment has baffled and prevented our efforts to safeguard living standards. For the man in work our system of wage fixation seeks to provide an adequate standard of living. Unfortunately, however, regular employment has been enjoyed by too few of the wage-earners, and in the face of mass and short time unemployment, no system of relief has brought security. A further reason is found in our failure to muster the whole of our resources in an endeavour to increase permanent employment, and one of our principal post-war tasks must be the perfecting of our social and economic organization so that unemployment be abolished or, if that is found impossible, reduced to a minimum.

Poverty is made up of the individual shortages of thousands of persons, and each Government has been at pains to alleviate those conditions which for special

reasons, such as the advocacy of some citizen or group, appeared to it most urgent at the moment. Thus New South Wales has a widows' pensions scheme, but no adequate slum clearance policy; Victoria has a slum clearance policy, but a less adequate provision for widows; Tasmania has developed a country medical service, but as yet no slum clearance policy, nor a general widows' pension scheme. The same story might be told of many other services, yet the need in each State is much the same. If the campaign against poverty is to be successful, it must be seen as a whole, and for this we need an Australian outlook and to satisfy this, it is essential that a national policy be developed.

In a democratic community the right of an individual to share in community production must be accompanied by an obligation to contribute to community welfare to the utmost of his physical and mental capacity. There is abundant evidence that economic security is fundamental to the survival of democracy.

2. *Social Services.*—Social services are generally given to citizens of the community who fulfil certain conditions, of which proof of need is the most frequent. It is widely held that the services should have a regenerative or moral side, that the disbursing authorities should avoid demoralizing the recipients of moneys or services, and that little help should be given to the undeserving, to those who by their vicious or improvident conduct have proved themselves unworthy of assistance. This latter attitude, however, brings up the whole question of the cause of poverty. For long it was held that poverty was the fault of the individual and was solely due to inefficiency, improvidence, dishonesty, drunkenness and the like. More modern opinion is that poverty is mostly not the fault of the individual but of the environment in which he lives. Social services were developed largely because of the conviction that it is misfortune, not inherent evil, which brings people into want, and therefore it is the duty of the community to mitigate the worst effects of that want.

3. *A Plan of Social Development.*—It has been pointed out that Australian social services have tended to develop in a piecemeal fashion, that we have suffered from the lack of a general plan, that certain services have expanded in some States more than others, and that some States have spent much more per head than others. This is unjust, because all Australians should be able to obtain similar treatment, wherever they live. The Committee is of the opinion that the time has arrived for the working out of a comprehensive plan of social development, so that all future social services can be introduced as part of a pre-determined plan which will cater for the most urgent needs first. Such a plan would enable us to introduce new services as national income expands or administrative techniques improve.

The Committee has studied social service measures in other Dominions and foreign countries, in particular the Social Security Acts of the Dominion of New Zealand and the United States of America. The principle of a single plan of social security embodied in one piece of legislation seems eminently satisfactory for adoption in Australia. The Committee also believes

that uniformity can best be secured and injustices as between States prevented if future social services are administered on a basis of Commonwealth-State co-operation. In many cases this can best be achieved by means of Commonwealth grants-in-aid to States undertaking specific social services along lines laid down in Commonwealth legislation.

The needs of the war greatly limit the type of social service which can be introduced at the moment, but social services should not be thought of as detracting from the war effort. They can assist that effort in two ways: by improving the morale and willingness to work of the employees, who will feel that a régime which is prepared, even at this time of emergency, to improve their conditions is worth working and fighting for, and secondly, by directly increasing the welfare of war workers through improved nutrition, housing and the like, and thus increasing their productivity. Services which would reduce man-power or compete with the war industries for materials should not be introduced at present, but those which would increase security and general welfare, such as widows' pensions and protection or insurance against unemployment, should be proceeded with at once.

4. *Protecting the Family.*—Impressive evidence has been placed before the Committee concerning the effect of present economic conditions on the safety and welfare of the family. From many angles it has been made clear to us that under conditions of unemployment and bad housing, and where the head of the family through age or ill health is unable to earn a satisfactory living, the family is the greatest sufferer. Too many factors tend to militate against the bringing up of a family under satisfactory conditions and to discourage the birth of children. The new Commonwealth child endowment legislation will no doubt improve to some extent the conditions of poor families.

In this connexion we may mention the plight of dependants of Commonwealth invalid and old-age pensioners. One of the duties placed on this Committee is that of reporting on means of rectifying any anomalies in existing legislation. This we have taken as referring to what may be described as the Commonwealth's own recognized sphere of responsibility, that is, the fields in which it has already legislated—maternity allowances, child endowment, invalid and old-age pensions. In this sphere there are certain definite anomalies which in the opinion of the Committee require rectification.

5. *Administering Social Services.*—In recent years marked advances have been made in Great Britain, the United States and elsewhere, in the administration of social services. In the first instance, these countries have tended to rely to an increasing extent on the trained social worker and research officer, and in the second they have perfected the principle of grant-in-aid from central to local bodies for the purpose of social administration. The principle of grant-in-aid is not entirely new to Australia, for it has been used in the case of the Federal Aid Roads Agreement. The principle has long been used in Great Britain in connexion with housing and education, to mention outstanding examples, and it is favoured throughout President Roosevelt's New Deal legislation. This Committee feels that the method has much to offer for Australia, because it provides a logical division of functions as between Commonwealth and States. A means is needed whereby uniformity can be secured on broad principles and detailed administration can be left to State authorities, and grants-in-aid can provide this.

6. *Reference by Government.*—At the commencement of the hearing of evidence by the Committee, the Minister for Social Services, the Honorable Sir Frederick H. Stewart, M.P., attended, and, on behalf

of the Government, referred to the Committee for investigation the following proposals:—

- (1) Widows' and orphans' contributory pensions.
- (2) Unemployment insurance.
- (3) Contributory invalid and old-age pensions.
- (4) A comprehensive health scheme including—
 - (a) Child welfare;
 - (b) Maternal welfare;
 - (c) Nutrition;
 - (d) Community medical service, including hospitalization.
- (5) ~~(c)~~ A national housing scheme.

FORM OF REPORT.

7. The remainder of this report is devoted to—

- (1) A proposal for a Commonwealth Social Security Act.
- (2) Anomalies in existing Commonwealth social legislation.
- (3) Measures calling for early action on the part of the Commonwealth, including pensions for widows and children, a general authority for planning and fostering the development of Australian housing, and unemployment insurance.
- (4) Measures which for a variety of reasons cannot be introduced at present, but which should be introduced at the earliest practicable moment after the end of the war.
- (5) Recommendations.

8. *A Commonwealth Social Security Act.*—Further developments of Australian social services should proceed according to an organized plan. To achieve this purpose and to ensure that the Commonwealth and the States co-operate to the maximum extent, and that the services are administered as economically and efficiently as possible, the Committee considers the passing of a Commonwealth Social Security Act is essential.

The Committee has examined the organization of the United States Federal Security Agency and in particular the Social Security legislation which forms part of that Agency. Many of the features of the American organization could, with great advantage, be applied in Australia, where somewhat similar legislative authorities exist and where close and harmonious co-operation between the Commonwealth and the States is vital to the success of any measures having as their objective improved social and living conditions for the people.

The Committee is giving further consideration to details of a complete plan of social security to be embraced by a Commonwealth Social Security Act, and at a later date will report its findings. Meanwhile, the recommendations which follow refer to specific measures which should constitute the first instalment of Social Security legislation for inclusion in such an Act.

The Committee has given considerable thought to the finance of future social services. The present war situation with its demand on the taxable capacity of all classes greatly complicates financial problems and what would be appropriate for a war period would not necessarily be acceptable in peace-time. It is intended to pursue these investigations, and recommendations in due course will be embodied in a further report.

ANOMALIES.

9. In its inquiry into anomalies in existing Commonwealth legislation the Committee has had brought to its notice a number of provisions in the Invalid and Old-age Pensions Act which operate harshly upon certain sections of people excluded from benefits under the Act, and others whose benefits are restricted. While

acknowledging that the present Minister has administered the Act most sympathetically, the Committee, for various reasons, is of opinion that such exemptions and restrictions should be removed in the following cases:—

INVALID PENSIONS.

10. *Total and Permanent Incapacity.*—Since the inception of the Act, the Pensions Commissioner has interpreted “Permanently incapacitated for work” as “Totally and permanently incapacitated for work” and the Act is administered accordingly.

The appointment of Medical Appeal Boards by the Minister has removed causes of complaint in a number of border-line cases. The official interpretation referred to, however, imposes considerable hardship upon a number of persons who suffer permanent disablement to a degree which, while it cannot be classified as “total”, precludes the earning of more than a small percentage of a living wage. Many such persons are refused an invalid pension under the existing provisions of the Act.

11. *Deaf and Dumb.*—Deaf and dumb persons who are not classified as “totally and permanently incapacitated for work” cannot be paid an invalid pension. Provision is made for the payment to “totally blind” persons of an invalid pension at the maximum rate, provided the income of the husband and wife does not exceed £231 8s. per annum.

Deaf and dumb persons suffer comparable economic and physical disabilities to the “totally blind” and it is considered they should be similarly treated.

12. *Adequate Maintenance.*—Under the present calculation of adequate maintenance of a totally and permanently incapacitated invalid a full rate invalid pension cannot be paid if the family income, divided among the adult members and an invalid over the age of sixteen years exceeds £78 per annum each. A half pension is paid where the income figure does not exceed £104 per annum. Part allowance is made for children under sixteen years of age, viz.:—

Under fourteen years—£39 per annum, and

Fourteen to sixteen years—£52 per annum, in calculating income.

This imposes real hardship in many cases where the family income does not come within these prescribed limits, and it is considered that the basis for calculating adequate maintenance should be increased from £78 to £130 for a full pension and from £104 to £156 for a half rate pension.

13. *Vocational Training of Invalids.*—It has long been felt that the grant of an invalid pension to a youthful person is not altogether in his best interests for the reason that it retards initiative and frequently results in his becoming both mentally and physically stagnant.

Many persons whose claims for invalid pensions are rejected are suffering from disabilities of a permanent nature, but which only partially incapacitate them for work. A percentage of these claimants would be amenable to vocational training and rehabilitation which would enable them to become at least partially self supporting—an achievement most desirable in the interests of the patient and the community.

In Queensland considerable success has been achieved by voluntary endeavour in association with the invalid pensions administration and it has been conservatively estimated that 3 per cent. of invalid pensioners could be trained for vocations, while the proportion, if applied to all claimants for invalid pensions, might be substantially higher.

Unless it is clear, therefore, from the report of the Commonwealth Medical Referee that an applicant is

incapable of being trained for a suitable vocation, it is considered that the claimant, if circumstances permit, should be brought before a Committee or Board comprising—

- (a) A senior Commonwealth Medical Referee.
- (b) A medical practitioner who has specialized in the particular disability from which the claimant is suffering.
- (c) A vocational adviser.
- (d) A representative of the Department of Social Services.

Invalid claims should be classified on the advice of the Commonwealth Medical Referee and the sittings of the Committee or Board so arranged as to ensure that the appropriate specialist is in attendance to examine the claimant, and discuss with the Committee his suitability or otherwise for vocational training.

In cases where a claimant may be deemed reasonably capable of undertaking a course of training with a view to making him self-supporting, provision might be made for a specially appointed employment committee to which representatives of employers and employees might be appointed, to undertake the responsibility of placing the applicant in a suitable place of training at a wage fixed with the approval of the State Labour Department. In other cases, when an educational course is first necessary, arrangements might be made for the payment of pension, subject to periodical review for the purpose of noting the progress made by the trainee.

It is probable that the best results would be obtained if means could be found for contacting invalids at an earlier age than sixteen years (the earliest age at which an invalid pension is paid). This, however, is outside the sphere of Commonwealth control but the problem is one which the Minister might well discuss with State authorities who have vocational training facilities at their disposal, and have opportunities for contacting the children which are not available to the Commonwealth.

14. *Tax Exemptions.*—It has been brought under notice in a number of cases that parents maintaining an invalid over the age of sixteen years for whom an invalid pension has been rejected on the grounds of adequate maintenance by the parents of the invalid, are not allowed any exemption from income tax for the maintenance of such invalid. On the present basis of calculation of adequate maintenance, namely £78 per annum referred to in paragraph (12) above, this entails real hardship in a great number of cases. Even in the event of the basis for adequate maintenance calculation being raised to the £130 figure herein suggested, it is considered that the amount normally allowed for the maintenance of a dependant (£50) by the Commissioner of Taxation, should be allowed in all cases where the taxpayer is maintaining an invalid over the age of sixteen years who is not receiving an invalid pension.

OLD-AGE PENSIONS.

15. *Accumulated Property.*—Cases of hardship have been cited, concerning the rejection of applications for old-age pensions or a reduction in the rate of pension, in which the applicant has an equity in property which is encumbered and, consequently, cannot be transferred to the Commissioner under the present provisions of the Invalid and Old-age Pensions Act to enable the owner to receive a pension. The hardship is particularly severe in cases where the equity is in vacant land, possesses little or no earning capacity and is not realizable, except at an unreasonable figure. The land in such instances is, in fact, a liability in respect of rates and other charges rather than an asset

to its owner, and causes hardship when he is in poor circumstances.

In such cases discretionary power should be vested in the Commissioner to accept the transfer of encumbered property or, in cases of hardship, to disregard the value of such property.

The Commissioner should also disregard the value of property irrevocably alienated by a claimant unless he is satisfied that the object of such alienation was to qualify the claimant for a pension.

The surrender value of an assurance policy of a pensioner is deemed to be personal property and as such is taken into account when determining a pension claim or the rate of pension. The Commissioner regards the surrender value as comparable to money invested by the pensioner and as a realizable asset.

It is considered that the surrender value of such a policy should not be so regarded where the beneficiary is the wife, or husband, or a dependant of the pensioner.

16. *Property Exemption.*—Property to the value of £50 is allowed a pensioner without reduction of pension. In the case of man and wife who are both pensioners this amount is divided, allowing £25 each without reduction of pension. In such cases the maximum rate of pension is reduced by £1 for every complete £10 by which each pensioner's property exceeds £25.

The result is that, in the case of man and wife, who are both pensioners, each receives £2 less per annum as pension than would otherwise be the case.

If the statutory exemption were fixed at a flat rate of £50 irrespective of the fact that husband and wife were both pensioners, married pensioners would be at no disadvantage compared with single or widowed pensioners.

17. *Income Provisions.*—A strong case has been presented for increasing from 12s. 6d. per week to £1 per week, the amount of permissible income which an old-age pensioner may earn without suffering a reduction in the maximum rate of pension. Evidence given indicates that in many instances pensioners are charged extortionate rentals for rooms in which they reside, and against which they have no effective redress, leaving a very small sum indeed for the provision of necessities in food and clothing, apart from other needs of elderly people.

18. *Homes for Pensioners.*—It is apparent from the evidence submitted that there is a very real need for the provision of homes for many persons receiving old-age pensions. The excessive rents charged pensioners for single rooms indicate not only the exploitation of this section of the people, but also the scarcity of suitable accommodation for them. Up to the present no authority or organization has accepted responsibility for the accommodation of old-age pensioners as such. It is true that a number are accommodated in State institutions but they represent a relatively small proportion of those receiving the old-age pension and, in any case, the conditions of entry into such institutions frequently mean breaking domestic ties in the case of man and wife who are both in the receipt of a pension. Furthermore, a great majority of pensioners, unprovided for by relatives, have to fend for themselves when it comes to finding suitable living accommodation.

The time has arrived when the Commonwealth must accept some responsibility for accommodating pensioners so circumstanced, at a nominal rental. Cottage settlements under the care of an experienced caretaker and matron who could be man and wife, are suggested as the most suitable form of accommodation to preserve the domestic relationships of pensioners, while at the same time providing congenial living conditions and surroundings.

19. *Pensioners (Husband and Wife) Living Apart.*—In the case of husband and wife, even if only one is a pensioner, the income of each is deemed to be half the total income of both. The foregoing position, however, does not apply where the husband and wife are living apart pursuant to a decree, judgment, order or deed of separation, or in any case where for any special reason the Commissioner is of opinion that the provision should not apply.

The discretionary power referred to in the latter portion of the preceding paragraph, however, is not generally known to pensioners and it is considered that they should be informed of their right of appeal to the Commissioner in cases where husband and wife are separated under conditions which might reasonably be considered to be the equivalent of a judicial separation, or where the circumstances of any particular case justifies the non-application of sub-clause (b) of Section 26 of the Act.

INVALID AND OLD-AGE PENSIONS.

20. *Dependants' Allowances.*—Most countries which have awarded pensions for old-age or invalidity have supplemented these amounts by allowances to the dependants of pensioners. The usual pension is insufficient to cover more than the bare needs of the pensioner, and where he has a dependent wife or children these must seek charity in the absence of other income or more adequate provision. This principle, based not on the amount given to any individual pensioner so much as on the needs of the family, is firmly established in Australian policy by living wage declarations, supplemented by child endowment.

Commonwealth old-age and invalid pensions in themselves were not intended, nor have they been held to be sufficient to provide adequately for a pensioner and his dependants. If an invalid or old-age pensioner has to support a wife or children, he, and certainly the family, will suffer undue hardship. When the wife of an old-age pensioner reaches 60 years of age, she will also be entitled to receive a pension, but it is probable that in the period immediately before she attains pensionable age she will be undergoing some hardship, especially if her husband is getting a pension, the payment of which is conditional upon the somewhat severe limits of income prescribed under the Act. There is, therefore, justification for payment of an allowance to the wife of an old-age pensioner, when she reaches the age of 50 years, and previously in cases of hardship.

The case of invalid pensioners is clear-cut and even more pressing. At present an invalid pensioner is not permitted to earn any money at all, and if, as is often the case, he has little property or income, and is endeavouring to support a wife and children, general family distress may be anticipated. In such cases the present position is probably that the family is receiving voluntary or State charity. Many cases are known where the invalid husband has seriously endangered his chances of recovery by remaining at work instead of undergoing treatment for fear of leaving his family destitute.

There are many precedents for the payment of allowances to the dependents of pensioners. The *National Health and Pensions Insurance Act 1938* provided for an allowance of 3s. 6d. per week for dependent children under fifteen years of age. New Zealand pays a contributory invalid pension of £78 a year, increased by £26 a year for a wife and a similar amount for each child, up to a maximum of £208 per annum.

Under the United States Social Security Act of 1939 the wife of an insured man 65 years of age and over may receive a pension equal to one-half of his pension when she reaches 65 years. Children or orphans of an insured person are each entitled to receive a monthly sum equal to one-half of the pension

to which he is or would have been entitled. Widows of insured persons who have dependent children or who have reached the age of 65 years are entitled to a pension of three-quarters of the insured man's full benefit.

The principle of dependants' allowances to the children of invalid and old-age pensioners under contributory schemes has been accepted by Czechoslovakia, Finland, Hungary, Italy, Peru, Poland and Germany, while France pays such allowances in respect of invalidity.

Those countries with compulsory sickness insurance schemes frequently give extra payments where the beneficiary has dependent children. Amongst such schemes may be noted the Bulgarian, Czechoslovakian (which ensured half the benefit to dependants if the insured person was hospitalized), French and British (payment to dependants where the insured was hospitalized).

Concerning non-contributory pensions for old age, invalidity and blindness, in Denmark pensions are increased on behalf of dependent children; in Great Britain the needs of dependants are taken into account when determining the amount of pensions for the blind; in Norway pensions equal a sum sufficiently large that 60 per cent. thereof will supply the necessities of life for the pensioner's family, and South Africa provides a pension of £42 a year according to the circumstances of the pensioner, and with an income limit of £72 annually, plus £12 for each dependent child under sixteen years.

As most countries have kept in mind not only the pensioner but those who may be in need because of the inability of the bread-winner to earn a satisfactory income, allowances to dependants of pensioners are the rule rather than the exception.

The Committee is convinced of the necessity for the payment of allowances to the dependants of invalid and old-age pensioners at the rates and under the conditions embodied in the recommendations contained hereunder.

INVALID AND OLD-AGE PENSIONS AND MATERNITY ALLOWANCES.

21. *Aboriginals.*—Consideration has been given to the evidence of authoritative witnesses concerning aboriginals and the varying conditions under which they live in Australia. A strong case has been presented for the granting of invalid and old-age pensions and maternity allowances to aboriginals living under conditions reasonably comparable to Australian living standards. Provision has been made in the Commonwealth Child Endowment Act for the payment of child endowment to aboriginals who prove to the satisfaction of the Commissioner that they are making a genuine endeavour to live approximately in conformity with accepted European standards. Such aboriginals must be non-nomadic. Subject to the above, child endowment is extended to those living—

- (a) in stations, settlements or reserves under Government supervision;
- (b) Mission stations with irregular employment on sheep and cattle stations, with the proviso that the Commissioner has authority at his discretion to pay any amount due as endowment either in money or in kind, or to the European officer-in-charge, for the benefit of the aboriginal community under his control.

The Committee is of opinion that aboriginals living under the conditions defined above should be entitled to participate in benefits provided under the Invalid and Old-age Pensions Act and the Maternity Allowance Act.

22. *Asiatics.*—Attention has been directed to the provisions of the Invalid and Old-age Pensions Act, maternity allowances, &c., excluding all Asiatics. This exclusion applies irrespective of whether the applicant is a naturalized British subject or not. Cases have come under notice of naturalized subjects of Australia who have resided in this country for a long period of years, and are highly respected in the communities in which they live. Cases in point are those of Lebanese and Syrians who are classified as Asiatics. Of this community in Australia, which approximates 2,000, 80 per cent. of those who have resided in Australia for five years or more have become naturalized. Many sons of naturalized members of this community served with the Commonwealth Forces during the World War 1914-1918, and 43 men and 2 women are members of the overseas forces of the Commonwealth in the present struggle. The Syrian-Lebanese community in Australia has contributed liberally to charitable and patriotic funds in Australia.

It is considered illogical and unfair to refuse pension and maternity allowance benefits to aliens who become naturalized British subjects, provided they are otherwise entitled to these benefits.

23. *Research and Social Workers.*—The attention of the Committee has been directed to our lack of knowledge of the effects of existing social legislation, Commonwealth and State, and the absence of facilities for research into social problems. It is certainly anomalous that despite, for example, the existence of a provision in the Commonwealth Child Endowment Act requiring that the endowment payments shall be applied for the maintenance, training and advancement of the child, the Department of Social Services, which has contingent responsibility to see that the moneys are so applied, has inadequate means of investigating the general social effects of the scheme, or of discovering how it should be altered or supplemented so as to obtain the desired results.

A somewhat similar situation arises in connexion with the Invalid and Old-age Pensions Act and the Maternity Allowance Act. To enable such investigations to be made, and to assist and advise families and individuals in the wise expenditure of pensions, allowances and endowment payments, it has been authoritatively urged that there should be appointed to the staff of the Commonwealth Department of Social Services a number of trained social workers.

Social workers are women who have been trained at a school of social study such as those now working in collaboration with the Universities of Adelaide, Melbourne and Sydney. These schools train women to act as hospital almoners, charitable workers, specialists in child welfare and advisers in all matters of family welfare. They go through an intensive course which includes social economics, psychology, biology, social history and philosophy, principles and practice of social case work, mental health, public administration and social organization, and nutrition and family budgeting.

In addition to the activities of social workers who should be field workers in continuous contact with the day-to-day administration of social services as they affect the lives of the beneficiaries, there is an urgent need for research of a wider nature which should be concerned with the broad aspects of social policy, the way in which new social services should be developed, with observing the development of social policy abroad, and with advancing attention to anomalies in administration or legislation.

In the opinion of this Committee, therefore, the Commonwealth Department of Social Services should have at its disposal a trained staff capable of undertaking research of the nature indicated.

Proposals have also been made to the Committee for the establishment of an independent research bureau outside the Department, to carry on long-term research into all types of social and economic problems, and these proposals are being given further consideration.

MEASURES CALLING FOR EARLY ACTION.

24. The Committee considers that a scheme of pensions for widows and children is urgently needed in Australia, and that this should be introduced at the earliest practicable moment. In view of the urgent need for improving the standard of Australian housing, and for additional homes, and in view of the length of time required to prepare the legislative and administrative details of a housing scheme, it considers also that provision should be made for the setting up of an authority to undertake the necessary planning.

25. *Unemployment Insurance.*—The need for insurance against unemployment is too well understood to need much further emphasis. But for the failure to agree on a basis for sharing costs between Commonwealth and States, unemployment insurance would probably have been introduced four years ago. Mr. Godfrey Ince, in his report to the Commonwealth Government, pointed out that three alternative systems were available for Australia—

- (i) a series of separate State schemes under the independent control of the State Governments;
- (ii) an Australia-wide scheme under the control of the Commonwealth Government; and
- (iii) a series of uniform State schemes with a measure of Commonwealth control to secure uniformity.

He felt that a series of separate State schemes, while enabling the differing conditions in the several States to be taken into account, would almost inevitably lead to a lack of uniformity throughout the Commonwealth and possibly lead to the institution of schemes in some States but not in others. An Australia-wide scheme under the control of the Commonwealth would ensure uniformity, spread the risk of unemployment throughout the Commonwealth and treat it as an industrial unit for insurance purposes. A series of uniform State schemes with a measure of Commonwealth control, while combining to some extent the advantages of a system of separate State schemes and an Australia-wide scheme, only partially avoids the demerits of the former, contains the disadvantages of dual control, and would be administratively more difficult to control.

The Committee has examined the Queensland unemployment insurance scheme and also the proposals made by Mr. Ince, and it is impressed with the arguments in favour of an Australia-wide scheme. It is anxious, however, that the States have some part in the administration of and responsibility for any scheme that may be introduced in Australia.

While the Committee has no reason to suppose that vital changes have occurred, the time which has elapsed since Mr. Ince made his report and since the Committee of Commonwealth and State officers made their comments on it, makes necessary further investigation of the details then available.

It is true that unemployment has decreased until it has now reached a record "low". Governments will no doubt make every effort to maintain this position but there is no guarantee that their efforts will be successful and the only tenable assumption is that our post-war unemployment will be similar to that of the last two decades.

It is clear that the maximising of employment is one of the most important social services which any Government can perform but despite the efforts of Governments, unemployment of at least a transitory character will occur, and the wage and salary earner needs some protection against loss of income in that period. The Committee recognizes the need for the introduction of unemployment insurance in Australia at the earliest practicable date. Details of a scheme are now being considered and will be the subject of a further report.

26. *Pensions for Widows and Children.*—It has long been recognized both in Australia and other countries that widows with dependent children are in a particularly unhappy position. Investigations have shown that a very large proportion of applicants for sustenance and other forms of charitable assistance are widows with dependent children. Provision for the needs of widows is a good example of that lack of unity of which we have spoken. New South Wales alone has a full widows' pension scheme; Victoria has a much more limited scheme, and the other States have no specific provisions for widows, although they may receive assistance from Child Welfare or Sustenance Departments. In the majority of cases the widows are without private means and must therefore work for a living in default of outside assistance. In that case they deprive their children of essential parental care and supervision. In caring for their children widows are performing a national service, and are entitled to community assistance both for themselves and for the one child not covered by child endowment. Widows without children are not in the same invidious position, except where they have passed the age of 50 years, or where they are in poor health. Widows in these categories should be assisted, and widows who find difficulty in obtaining employment should be helped for the first few months of widowhood by monetary grants and/or training.

Victoria and New South Wales are the only Australian States which give pensions to widows. In New South Wales pensions were first paid in 1926. The present maximum pension payable is £1 per week for the widow and 10s. per week for all eligible children under fourteen years. Widows over 50 years of age in destitute circumstances may get a pension, and widows left unprovided for on the death of their husbands can obtain a temporary pension for six months. A widow is subject to a residence, a means and a character test. In Victoria a widow in the past has been given 6s. to 10s. weekly and her children up to the age of fourteen years, 6s. to 12s. weekly, but less than 1,000 widows receive a pension. The Victorian Government has made provision in the 1941-42 Budget for an increase in widows' allowances to a maximum of 15s. a week.

It would be unnecessary and inequitable to cover all widows in a pensions scheme; a young widow without dependants whose marriage has not lasted for so long a period that she has lost the capacity for maintaining herself is hardly distinguishable from a single woman. It is considered necessary simply to cover those widows who are incapacitated from working by reason of age or the necessity of caring for their children. A widow under 50 years of age without dependants can therefore be omitted, as can any widow with a sufficient income. How many widows will be covered depends on the severity of the means test decided on.

As explained earlier, the Committee is recommending at this stage a non-contributory scheme. We are fully aware of the psychological advantages of a contributory scheme, and of the bad effect of a means test. But if we are to care for those widows already in distress there is no escape from a scheme administered somewhat on the lines of the existing Commonwealth Invalid and Old-age Pensions scheme.

A recommendation follows for a Commonwealth non-contributory pensions scheme for widows and children, providing under certain conditions for a pension of £1 1s. per week for a widow and 10s. per week for an orphan or one dependent child under sixteen years of age.

27. *Commonwealth Housing Authority.*—No evidence placed before the Committee has impressed it more than that referring to the existence of slum conditions in many parts of the Commonwealth, and the general shortage of low-rental houses of satisfactory quality. Witnesses have stressed the bad effect of poor-quality houses on the health and general welfare of the community. It is stated that from comparatively small areas in our big cities come the majority of juvenile delinquents who are potential criminals owing solely to their environment. It has been pointed out that many diseases tend to be higher in areas of poorer houses and that maternal and infant mortality is higher in these areas. There is ample evidence of a grave shortage of houses suitable for families with a number of small children.

The housing problem is not simple; it breaks up into a number of sections each of which requires different treatment. The principal division is into what may be called economic and sub-economic housing. Economic housing covers the building of houses for all those persons who can afford either to buy their houses or to pay a full economic rental. Sub-economic housing covers the activities of slum clearance and re-housing, which are really social services. If the Australian problem of housing is to be solved, it is necessary that a sufficient supply of economically built homes is available for the buyer or tenant who can afford to pay, and Commonwealth and State Governments must unite in a courageous slum clearance policy.

Expert witnesses have stated that the essential work of preparation involved in a Commonwealth-wide housing scheme is so great that a period of one or two years must elapse before any actual building on a large scale can take place. Prior to this a large amount of research and experimentation must be undertaken. If a housing programme is to be included in plans for absorbing our returned soldiers immediately after the war and also those whose labour is now engaged in war-time industries, an immediate start upon planning a housing programme is necessary.

It is the opinion of the Committee that this should be undertaken forthwith.

State housing authorities have covered between them practically the whole field of housing from the common practice of mortgage lending up to say two-thirds the value of house and land, to the sale of houses with a 10 per cent. deposit, or with no deposit (there is a no-deposit scheme financed through the State Bank in Tasmania and another through a co-operative society in New South Wales), and on to the large-scale economic rental project in South Australia, and finally to slum clearance and rehousing as in Victoria. They have taken what steps they could with the limited power and money at their disposal to overtake the shortage of homes suitable for lower wage-earners—a shortage which exists in almost every State. But, partly because of the lack of funds and partly because public opinion in some States is more alive than in others to the dangerous effects of bad housing on the health, morale, and the growth of good citizenship, they have only been partially successful. A Commonwealth housing authority could perform the dual task of facilitating the finance of housing and of pooling the experience and administrative resources of all the States in a uniform attack on the housing problem, which has now assumed national proportions.

F.503—2

OTHER MEASURES.

28. Other topics which the Government has referred to the Committee include proposals for a comprehensive health and medical services scheme and for the institution of contributory pensions. In addition, various suggestions have been made for the improvement of maternal and child welfare services. The Committee is in general sympathy with the object of these proposals, and intends to investigate them at further length. It will be obvious that any scheme involving a large expenditure on the part of the Commonwealth and a further considerable taxation on wage and salary earners and employers is difficult to introduce when so large a part of our national income is being devoted to essential war purposes. This does not necessarily prevent further investigation and preparation for the introduction of needed social services. These proposals will form the subject of a further report by the Committee.

RECOMMENDATIONS.

29. *A Commonwealth Social Security Act.*—That a Commonwealth Social Security Act to be administered by the Department of Social Services be passed by the Federal Parliament, the scope of the Act to be sufficiently comprehensive to embrace all Commonwealth social legislation, including those measures now in existence and those to be enacted from time to time as part of a Social Security Plan in Australia.

30. *Anomalies.*—That the *Invalid and Old-age Pensions Act 1908-1940*, and, where it applies, the *Maternity Allowance Act*, be amended to provide that—

INVALID PENSIONS.

31. *Incapacity for Work.*—Payment of an invalid pension at the maximum rate be made to a permanently incapacitated person whose disability precludes the earning of more than 15 per cent. of a living wage, provided that such person would otherwise be entitled to receive an invalid pension.

32. *Deaf and Dumb.*—Deaf and dumb persons be granted similar income rights to the totally blind in the payment of invalid pensions. The definition "deaf and dumb" to include those who are so deprived of the ordinary faculties of speech and hearing as to be precluded from earning more than 15 per cent. of a living wage.

33. *Adequate Maintenance.*—The basis for calculation of adequate maintenance in respect of invalids, otherwise entitled to an invalid pension at the maximum rate, be increased from £78 per annum per member of the family to £130, a half-rate pension to be paid where the income per member of the family does not exceed £156 per annum, with similar income allowances for children to those at present granted.

34. *Vocational Training of Invalids.*—The Minister be empowered to appoint a Committee or Board whose function it would be to investigate the disability of an invalid pensioner or a claimant for an invalid pension who is willing to be, or is considered capable of being trained for a vocation or physical rehabilitation.

Subject to the Act, and having regard to the age and the mental and physical capacity of any claimant for invalid pension or of any invalid pensioner, and to the facilities available for suitable training for a vocation or physical rehabilitation, the Commissioner be empowered to direct that a pension shall not be granted, or that a pension shall not be continued, unless the claimant or pensioner undertakes such training.

Provided that where a claimant or pensioner undertakes suitable training for a vocation or physical rehabilitation, or where an invalid pensioner is already undergoing such training, the claimant or pensioner may be deemed, during the period of such training, to be permanently incapacitated for work for the purpose of Section 20 of the Act.

OLD-AGE PENSIONS.

35. *Accumulated Property*.—The Commissioner be granted discretionary power to—

- (a) Disregard the value of encumbered property in which a claimant for pension has an equity but which cannot be realized except at a figure representing a considerable sacrifice to the pensioner.
- (b) Accept the transfer of encumbered property in cases of hardship.

36. *Property Exemption*.—The proviso attached to sub-clause (2) of Section 24 be deleted.

37. *Income Provisions*.—The amount of permissible income which an old-age pensioner may receive without reduction of pension be increased to £1 per week.

38. *Home for Pensioners*.—Inquiries be instituted by the Minister for Social Services to determine the most suitable means of caring for old-age pensioners under satisfactory living conditions and at a nominal rental only. Such accommodation as might be provided to include provision for the attention and care which the increasing helplessness of old age or infirmity renders necessary.

INVALID AND OLD-AGE PENSIONS.

39. *Dependants' Allowances*.—Allowances as under be paid to the dependent wives and children of invalid and old-age pensioners:—

- (a) Fifteen shillings per week for the wife and 10s. per week for one dependent child under sixteen years of age not covered by child endowment, provided that the wife of an old-age pensioner has reached the age of 50 years or has a dependent child or dependent children under sixteen years of age.
- (b) Ten shillings per week to a widowed female pensioner for one dependent child under the age of sixteen years not covered by child endowment.
- (c) Such allowances not to be taken into account in calculation of income for determining pension claims.

40. *Assurance Policy*.—The surrender value of an assurance policy of a pensioner be not treated as accumulated property when the beneficiary of the policy is the husband, or wife of the insured, or a person in fact dependent on him.

41. *Alienated Property*.—The Commissioner disregard the value of property irrevocably alienated by a claimant unless he is satisfied that the object of such alienation was to qualify the claimant for a pension.

INVALID AND OLD-AGE PENSIONS AND MATERNITY ALLOWANCES.

42. *Aboriginals*.—Aboriginals living under conditions defined in the Commonwealth Child Endowment Act and Regulations, 1941, be eligible to receive old-age and invalid pensions and maternity allowances.

43. *Asiatics*.—Any naturalized British subject shall be eligible to receive an invalid or an old-age pension or maternity allowance, provided he or she is otherwise entitled to same.

The Commissioner be granted discretionary power to grant an invalid or an old-age pension or a maternity allowance to an unnaturalized alien who has resided in Australia for not less than twenty years.

GENERAL.

44. *Social Services Department*.—That the Social Services Department be extended to include—

Facilities for research into social problems and the investigation and study of the effects of existing social legislation.

The employment of trained social workers in connexion with the administration of invalid and old-age pensions, maternity allowances and child endowment.

45. *Income Tax Assessment Acts*.—That the relative Income Tax Assessment Acts and/or Regulations be amended to provide that an exemption of £50 be granted to a taxpayer who is maintaining a permanently incapacitated invalid, within the meaning of the Invalid and Old-age Pensions Act who is not in receipt of an invalid pension.

46. *Pensions for Widows and Children*.—That pensions as under be paid to all widows with dependent children, widows over 50 years, widows in ill health, widows in destitute circumstances immediately after the death of their husbands, deserted wives and wives whose husbands are inmates of mental hospitals, and to dependent children under the age of sixteen years:—

- (a) One pound one shilling per week for widows and 10s. per week for one dependent child under the age of sixteen years not covered by child endowment.
- (b) Ten shillings per week for destitute orphans not in a public institution provided they are not covered by child endowment.

47. *A Housing Planning Authority*.—That a Housing Planning Authority be set up immediately to investigate the Australian housing situation and report to the Minister for Social Services on ways and means, including legislation, of—

- (a) Improving the standard, and increasing the quantity of economic and healthy housing available to the Australian people.
- (b) Abolishing existing slum conditions in urban and rural areas.

This authority to keep in mind the possibility of utilizing the knowledge and experience of existing State Housing Authorities. Any reports made to the Minister to be laid on the Table of Parliament.

CONCLUSION.

48. The first efforts of all Australians at the present time must be directed to winning the war. It has been said that the Allies won the Great War and lost the peace; this time we must win both. If we are to do that we must have ready a complete plan of social security. By improving our present social conditions to whatever extent is possible without impeding our war-time organization—and much may be done in this direction—we are not hindering but assisting the war effort. The Committee puts forward the proposals in the national interest.

(Signed)

J. A. PERKINS, Chairman.
R. V. KEANE, Deputy Chairman.
H. C. BARNARD, Member.
MAURICE BLACKBURN, Member.
WALTER J. COOPER, Member.
R. S. RYAN, Member.