

## **STILL KICKING? THE ROYAL COMMISSION ON SOCIAL POLICY, 20 YEARS ON**

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### **Abstract**

In 1988 the report of the Royal Commission on Social Policy was published. This massive five-book opus included an extremely wide range of issues within its definition of social policy. The report was controversial and highly criticised at the time and has continued to arouse criticism since. In this paper we consider both the content of the report and its impact on a number of areas of continuing social policy significance. We find that, within those areas, a surprisingly high number of the proposals and recommendations have been put into practice, to a greater or lesser extent. Accordingly, we conclude that the report deserves to be evaluated in a more positive light than has often been the case.

### **INTRODUCTION**

The evil that men do lives after them,  
The good is oft interred with their bones.  
(Mark Anthony in *Julius Caesar*)

The purpose of this paper is to consider what effects the Royal Commission on Social Policy has had 20 years after its 1988 report. The content of the report was controversial at that time and much of it was criticised or dismissed. Our interest is in trying to establish what influences, if any, the report's findings have had on social policy developments since 1988. To put it more simply, we wish to investigate the extent to which the Commission was either a waste of time, energy and money or, on the contrary, a relevant and valuable contribution to debates on, and the development of, social policy.

### **THE CONTEXT OF THE REPORT**

The basis for social security, social welfare and social policy in New Zealand through the mid-to-late 20th century was laid down in 1938 by the (then) Labour Government's Social Security Act, which established a comprehensive modern welfare state funded by general taxation (Knutson 1998). In 1972 a Royal Commission on Social Security reviewed the benefits-related aspects of social security, concentrating on the extent, adequacies and levels of various benefits available to those deemed to be in need. Its report was written in what

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Sadly, Paul Harris passed away in December 2010.

later proved to be the quite exceptional circumstances of the long boom that followed the Second World War. This boom in the developed industrialised democracies saw rising productivity levels, which were the basis of continuing low inflation, economic growth and increased social spending (Marglin and Schor 1990, Glynn et al. 1992, Royal Commission of Inquiry 1972:6–7). In those circumstances, the Commission’s recommendations that there should be a substantial increase in the benefit system as a whole, which would allow beneficiaries to enjoy a standard of living “much like” that of the rest of the community and which would enable them to participate in and belong to the community (Royal Commission of Inquiry 1972:65), was both socially acceptable and fiscally affordable.

Unfortunately, shortly after the Commission released its report, the golden age came to an end. What followed at the global level for Western democracies was a prolonged period of recession, characterised by “continuing inflation and stagnant business activity, together with an increasing unemployment rate” (Conte and Karr 2001:n.p.). For New Zealand, “The period from 1973 to 1984 saw deteriorating terms of trade, declining balance of payments, increasing inflation, rising unemployment and minuscule or negative economic growth rates” (Knutson 1998:16). New Zealand was engulfed in the same stagflationary recession that was blighting all the major industrialised democracies. From 1975 to 1984 the government, under the leadership of Prime Minister Muldoon, increasingly intervened in the economy to try to resolve this crisis. When a snap election was called in 1984, sufficient former National supporters voted for a “free market” New Zealand Party, newly established by property investor Bob Jones, to enable Labour to win the election comfortably (Kelsey 1995).

### LABOUR, ECONOMIC CHANGE AND SOCIAL POLICY

The new government chose to deal with the crisis by implementing a series of radically neo-liberal economic policies, a move unprecedented in the Labour Party’s own history and in the history of social democratic parties in the developed nations (Kelsey 1995, Castles et al. 1996, Easton 1997). The government deregulated, liberalised and privatised at a rapid pace. Its approach was popularised as “Rogernomics”, in recognition of the key role played by free marketeer Finance Minister Roger Douglas. His political agenda for change was backed by the intellectual support of Treasury and the leaders of those major corporations affiliated to the Business Roundtable (Kelsey 1995, Harris and Twiname 1998).

Within the maelstrom of successive New Right economic reforms and the heated debates about them, in 1986 the government established a Royal Commission on Social Policy. Why did it do so? It can be argued that it was an attempt by Prime Minister Lange to salvage some of Labour’s social democratic heritage and to ring-fence social policy from the more extreme elements within neo-liberalism who wanted to restructure the welfare state on US lines (Easton 1997, O’Brien 2008). Treasury opposed the establishment of the Commission (Kelsey 1995), and it has been argued that the Commission was to be “hindered by Treasury at every stage of its deliberations” (Castles and Shirley 1996:99, Cheyne et al. 2005:11–12)

The remit given by the warrant to the Commission was both extremely wide-ranging and at the same time highly constrained. Its terms of reference “were in two parts. The first half set out what was to be investigated, the second set out the standards of a fair society and the principle of the social and economic foundations of New Zealand” (Easton 1997:135). The standards and foundations contained a number of “non-negotiables”; for example, adherence to the principles of the Treaty of Waitangi but also acceptance of a “mixed economy” and the “responsibility of all people to be self reliant” (Cheyne et al. 2005:49). Within this

framework, the Commission was to determine what policy changes were needed to “secure a fairer, humanitarian, consistent, efficient and economical social policy” and thereby “achieve a more just society” (Royal Commission on Social Policy [RCSP] 1988 I:v).

The potential conflicts and contradictions within that list of policies and goals were enormous. For example, it does not necessarily follow that a “more fair” society is also a “more just” one, as political philosophers have long been well aware (see, e.g., Rawls 1972). And a fairer and more humanitarian policy might well be in contradiction to one that is efficient and economical. The Commission was left with a difficult task, to say the least.

The Commission was meant to submit its report in September 1988. Its warrant also instructed it to consult widely and to adopt procedures “which encourage people to participate in your proceedings” (RCSP 1988 I:vii). In response it constructed an elaborate mechanism of public and interest group consultation that generated approximately 6,000 submissions. It held meetings throughout the nation, many of which took place on marae (McClure 1998, RCSP 1987). But its deliberations seem to have been undermined by other activities of the government.<sup>2</sup> In December 1987 the government established 17 task forces to enquire into social policy issues, and also introduced an “economic package” that covered relevant social policy issues such as taxation, income maintenance and superannuation (RCSP 1988 I:721–722). These were in addition to the investigating committees into hospitals, education and social security administration which the government had previously established (Easton 1997:135). It is difficult not to conclude that this Commission was set up to fail.

Facing the prospect of its report being marginalised and all the work that it had done being made irrelevant (O’Brien 2008), the Commission decided to issue an “interim” report in April 1988. Published under the title *The April Report*, it was intended to be its “first Report” (RCSP 1988 I:722), but it was to be the final document produced by the Commission. The 1972 Royal Commission’s report was contained within a single volume, but *The April Report* comprised four volumes in five separate and lengthy books.

The report incurred, or has since gathered, criticism for a range of reasons. For instance, Easton (1997:135) characterised the report as comprising “four volumes and 4,004 pages ... of essays of varying quality – many mediocre, some downright embarrassing and a few of merit”, and goes on to criticise it because it “almost entirely ignored poverty” (as a deciding theme of social policy) “covering the topic in a brief two (out of four thousand) pages”. Shirley (2005) accused the Commission of having failed to provide a coherent framework for addressing social issues. McClure claims that the report was in fact used as a doorstop at the Commission’s farewell celebration party, that it was presented in an unwieldy form, that it failed to tackle the issue of social policy funding at a time of budget deficit, that “few read it” and that it was “easily ignored by public servants and politicians” (1998:227–228).

There have also been more positive comments on the report. Kelsey (1995), for example, locates the values it identified (such as support for public spending on and provision of education and health services) as being important to New Zealanders as a core element of what they thought of as being a “good society”. Cheyne et al. (2005:11, 50) argue that the Commission interconnected “physical, human, spiritual and cultural dimensions of life” in its attempt to define social policy in a fair and just society and pushed the boundaries out in

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<sup>2</sup> Labour was re-elected in 1987.

determining which policy areas should be considered when making social policy. James (1992), Higgins (1999), Duncan (2004), McClelland and St John (2006) and O'Brien (2008) note the continuity between the Commission's report and that of the 1972 Royal Commission in seeking to promote a sense of citizenship, of participation and belonging within the community. McClure also found the Commission to have been hampered by "almost unmanageable" terms of reference, despite which it produced a report that "echoed the views of ordinary people", expressed "generous ideals" and sought to revive the "spirit of enabling people to 'belong and participate'" (1998:227–228).

## THE REPORT AND SOCIAL POLICY

One major problem in assessing the impact of the report on social policy is that it is very difficult to determine precisely what the Royal Commission advocated. The references to the report's ideals and its spirit made by McClure (1998) reflect this problem. The broad principles upheld by the Commission are to be found in the introduction to Volume II of the Report. Therein (RCSP 1988 II:3–23), the Commission endorsed a number of standards and foundations for a fair society, such as that resources should be allocated justly, that individuals, families and communities should have self-determination, and that society should adhere to the principles of the Treaty of Waitangi. There is nothing here that is inconsistent with the traditions of social liberalism, social democracy and one-nation conservatism<sup>3</sup> that have played such a significant role in shaping New Zealand society and its social policies. In 1988, few players in the political arena would have found serious fault with those sentiments.

But what did those sentiments mean in practice? Or, by what particular measures did the Commission recommend that its perspectives be transformed into policies? For anyone analysing it, this is where a number of deficiencies in *The April Report* become apparent. For example, there is no particular order in which the issues covered by the report are addressed and there is a tendency to repeat themes across Volumes II to IV. The fact that none of the volumes has an index makes it extremely difficult to track the themes and compare material across volumes. There is no executive summary to the report, nor is there any list of policy recommendations, which places major obstacles before anyone seeking to comprehend the Commission's policy approach. At various points the report contains proposals or states principals or actually makes recommendations, but it does not weigh these according to any scale of significance or values (e.g. a recommendation might outweigh a proposal). The report does note that "all social goals cannot be achieved overnight. A ranking must be made and priorities set" (RCSP 1988 II:23), but it does not attempt this task with regard to its own content.

Another problem is that the Commission cast its net very widely. Few areas of everyday life in New Zealand or of governmental policy were excluded from its very broad definition of social policy. Among those few were defence and foreign policy. But the Commission argued that "social policy is about people" (RSCP 2:3), and there is no apparent reason why those two areas should have been excluded, nor, indeed, why virtually any policy should have been included, given that it is hard to envisage any policy that does not, in one way or another – as workers, or consumers, or clients, or customers – involve people. Also, as an unedited set of volumes, drawing upon a wide range of providers and authors, the Report is politically and ideologically uneven and diverse. It gives expression to, for example, feminist, Māori, neo-liberal and social democratic voices. Anyone who is prepared to dismiss the Report as simply

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<sup>3</sup> Exemplified, perhaps, by Seddon, Savage and Holyoake, respectively.

“liberal” or “right” or “left” wing has not read it carefully, or perhaps has not read it at all. It is the diversity of viewpoints within its many pages that, for us at least, constitutes one of its most attractive elements and helps to explain its continuing relevance to current social policy debates.

It is possible to say the Report broadened what issues could be considered as social policy as well as influencing the development of later, more holistic, approaches to social policy. For example, the first *Social Report*, produced in 2001 (Ministry of Social Development 2001), recognised the importance of the Royal Commission’s work in contributing to debates on the quality of life in this country (p.3). The *Social Reports* produced annually since 2003 have included issues such as civil liberties and the environment as being important in the determination of social wellbeing.

### SOME PROPOSALS/RECOMMENDATIONS AND THE RESPONSES TO THEM

What we wish to do next is to identify what we consider to be some of the more significant proposals/recommendations the Commission made in what we would call “mainstream” areas of social policy in this country. Because the Commission cast its net so widely, to attempt to follow through on all the areas in which it had proposals or recommendations would take this exercise beyond the permissible word length of any academic journal. Consequently, we will concentrate on the Commission’s policy viewpoints on the reasonably well-specified and currently still relevant areas of Māori and te Tiriti o Waitangi (the Treaty of Waitangi), women and equity, deinstitutionalisation, benefits, superannuation and the Accident Compensation Corporation.

### MĀORI AND TE TIRITI

The Commission argued for electoral reform and an increase in the number of Māori seats in Parliament. It called for the establishment of a senate divided between Māori and non-Māori, for a Bill of Rights entrenching Te Tiriti, that Te Tiriti should become the constitution, and that all legislation should be compatible with the principles of Te Tiriti (RCSP 1988 II:77). Further, a Treaty of Waitangi Commission should be established “to give consistent attention to the implications of the Treaty for the full range of social and economic policies” (RCSP 1988 II:78). It went on to argue for official bilingualism, for Māori gaining control of kōiwi tangata (human remains) in museums, and for a Māori community college, staffed mainly by Māori, in order to achieve a genuine bicultural partnership (RCSP 1988 III:79–220).

There has been mixed progress on these demands. Politically, a senate was not established and there seems to be little or no support for a second House. New Zealand has not adopted a constitution nor a Bill of Rights entrenching the Treaty of Waitangi, nor a Treaty of Waitangi Commission. But with the adoption of MMP (a Mixed Member Proportional electoral system), the increased Māori electoral roll has seen the number of Māori seats increase from four in 1988 to seven today. Since 1999, Labour-led governments sought to ensure that relevant legislation was compatible with the principles of the Treaty. The government, via the Ministry of Justice, issued Cabinet-approved guidelines for how and in what context official statements are to be made on Treaty policies and obligations and, interestingly, these included “those recommendations of the 1988 Royal Commission on Social Policy which the Government has approved” (Ministry of Justice 2006). However, from about 2006 onwards questions were raised about the status and meaning in practice of Treaty principles, and references to the Treaty became relatively rare after then.

The Maori Language Act 1987 had previously made Māori one of the two official languages. A number of museums did take steps to involve Māori as partners in decision making over *koiwi tangata* (Gillies and O'Reagan 1994, Butts 2003). Rather than a community college, in 1993 Te Wananga o Aotearoa was established under the Education Amendment Act 1990 (Ministry of Justice 1999).

## WOMEN AND EQUITY

In the mid- and late 1980s the interrelated issues of equal opportunities and pay/employment equity were being articulated and canvassed by women's organisations and (although not exclusively) female-dominant trade unions (Department of Labour 2008a). The Commission considered the issues within the context of its extensive exploration of social wellbeing, economic policy, work, paid and unpaid labour, and labour market inequalities that occupy pages 449–597 of Volume II.

The Commission reached certain conclusions about the need to recognise the value of unpaid labour and to enable people to better combine paid and unpaid labour.<sup>4</sup> The Report stated that there was an urgent need to develop adequate measures of unpaid work, that certain work that was unpaid should be paid (specifically, there should be a carer's allowance for those doing unpaid caring work), and that the state should enable people to combine paid and unpaid work and be able to work without suffering discrimination (RCSP 1988 II:480). It supported legislation to help combat discrimination in the workplace and to promote pay equity to reduce the gender wage gap. It endorsed an "uncomplicated" system of pay equity that could be used in the context of employer–union collective bargaining. Further, in pursuit of eliminating inequalities, it supported paid parental leave and a policy for those with disabilities.

These sets of conclusions/recommendations were to have a mainly negative future, with some of them eventually being put into practice only a decade or more after the Report. With reference to the conclusions, we would argue that the only substantive effort to develop a nationally adequate measure of unpaid labour was the Time Use Survey that was commissioned by the Ministry of Women's Affairs and carried out by Statistics New Zealand from June 1998 to June 1999 (Murphy and Satherly 2000). New Zealand did not develop a specific carer's allowance, although provision for carers has been made within the confines of specific social benefit categories. For example, within its accident compensation portfolio, in the 2008 Budget the current government increased the rates of payment to non-agency providers of home-based support for injured people (Street 2008). It has also committed itself to developing a carer's allowance as part of its carers' strategy and action plan (Ministry of Social Development 2008). The recommendation for an improvement in people's ability to combine paid and unpaid labour seems not to have led to any particular policy, but it can be seen to be contained within the broader concept of promoting a better work–life balance – an objective to which the current government, Business New Zealand and the New Zealand Council of Trade Unions all subscribe – though not necessarily for the same reasons nor to the same degree (e.g. New Zealand Council of Trade Unions 2004, Business New Zealand 2006, Department of Labour 2008b).

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<sup>4</sup> For reasons of space, we cannot deal with the related Report discussions and conclusions on labour market flexibility, the minimum wage and associated matters.

For those with disabilities, the 1993 Human Rights Act included disability as one of a wide number of grounds on which it was illegal to discriminate in the workplace (Human Rights Act 1993 Part II). In 2000 the Government appointed the first Minister of Disability Issues; it adopted a disability strategy in 2001, and in 2002 an Office of Disability Issues was established within the Ministry of Social Development (Office of Disability Issues 2008a, 2008b).

Actions to counter discrimination against, and to promote the interests of, people with disabilities proved to be far less controversial and less open to reversal than those intended to further equal opportunities and to facilitate the delivery of pay equity. In the 1988 State Sector Act the government had required the state sector to be an equal opportunities employer (State Sector Act 1988, Section 58). This requirement remains in effect. In 1990, through the Employment Equity Act, equal opportunities policies were made mandatory for large-scale private sector employers, and a statutory pay equity system was introduced. These provisions were repealed by the National government in 1991 (Department of Labour 2008a). Currently, equal opportunities remain optional for the private sector, and although the previous government promoted pay equity in the state sector, the current National-led government might well have different objectives.

### DEINSTITUTIONALISATION

*The April Report* carried two individually authored chapters that incorporated and advocated a humanist policy of deinstitutionalisation for the intellectually and psychologically handicapped/impaired (i.e. of releasing people from the institutions, in which they were contained) – and for their “normalisation” as members of the community (Błaszczuk 1988, McKinlay 1988). This line of thought was more in keeping with the deinstitutionalising discourse of Ivan Illich (e.g. Illich 1971, 1976, 1977) and with Foucault’s (1965) critique of the archaeology of, and societal systemisation of, “madness” as a “disease” and the “institutional” response to “madness”. By the 1970s, deinstitutionalisation had become an established practice (for people with intellectual disabilities in particular) in many European nations and in the United States (Hudson 1991, Hamlin and Oakes 2008), while Australia was a later starter. (Young et al. 1996).

Durie (1999) argues that the deinstitutionalisation of New Zealand patients with psychological illnesses began in a small way in the 1970s. What appears to have facilitated deinstitutionalisation after the Royal Commission report was that it was also highly resonant with the then prevalent New Right discourse of reducing the role of the state and the extent of its involvement in both our economy and society. For the psychologically ill, the Mental Health (Compulsory Treatment and Assessment) Act 1992, which endorsed the concept that “community care is best”, smoothed the way for deinstitutionalisation (Kearns and Joseph 2000).

This Mental Health Act needs locating in the broader framework of a series of health sector reforms during the tenure of the 1990–1993 National Government that, *inter alia*, included having non-government and community organisations take a greater role, on a contractual basis, as service providers (Ashton 1999, Gauld 2001). The “contract state”, of which mental health and disability services were a part, saw a significant decline in the share of mental health spending as a percentage of all public spending on health (Kearns and Joseph 2000:161). It has been argued that in the name of “deinstitutionalization, individual self-reliance, and community care, the government proposed transferring its services to the private

market of the community” (Cheyne et al. 2005:40), from which the cynical conclusion could be drawn that deinstitutionalisation was not embraced on moral but on cost-cutting grounds.

It is quite correct to argue, as Andréasson does, that “Community mental health services in Aotearoa ... emerged partly as a response to growing economic and humanitarian problems posed by the large psychiatric institutions” (2006:17). The subsequent debate has been over whether New Right economic or old Right and Left humanitarian perspectives prevailed. The harshest criticism of deinstitutionalisation comes from those involved with or commenting on the psychologically ill. Durie is scathing about the process, stating that the process of deinstitutionalising Māori with psychological illnesses was characterised by

barriers based on stigma, discrimination, inadequate social functioning and limited financial means. Further, left to the unsympathetic forces of the market, ghettos developed in most communities and the ongoing shortage of appropriate residential accommodation ... meant that homelessness was to become a significant problem for the mentally ill. (Durie 1999:7)

More positive accounts can be found of the deinstitutionalisation of the intellectually handicapped. The then service provider body Midland Health, which obviously had a bias in its own favour, strongly denied that its closure of Tokanui Hospital was a cost-cutting measure and stressed the support available for the former patients with an intellectual disability (Midland Health 1996). More objectively, a private sector research body investigated the effects of the deinstitutionalisation of people with intellectual disabilities from the Templeton Centre in Christchurch and found that, within a year or two of the process having occurred, there was overwhelming support for it from the families of those who were deinstitutionalised (Mirfin-Veitch et al. 2000). Although these different outcomes might be explained in different ways, the Commission’s wish for deinstitutionalisation was granted, although not necessarily with the outcomes it desired. It might have been the case that the left and liberal deinstitutionalists had entered the room bearing the trophy, but that the New Right cost-cutters walked away with the prize.

## BENEFITS, SUPERANNUATION AND ACC

The Commission’s comments on, and proposals for, the social security system as a whole – that is, on its funding, provisions, coverage and delivery – are scattered throughout the report, though two extremely lengthy contributions can be found in Volume II, pages 657–811, and Volume III, part two, pages 407–702. There is a great deal of overlap in the content of these two sections of the report. The starting point of the Commission’s approach was explained in one short and pertinent sentence: “We are satisfied that the social security system has served this country well for 50 years” (RCSP 1988 II:747). The Commission, therefore, rejected the neo-liberal demand to abolish or to privatise social security, just as it also rejected – on the grounds of cost – radical calls for the replacement of all benefits by a guaranteed minimum income for all people (RCSP 1988 II:741-742, III(2):439–440.). It wanted to improve the system and consequently made eight major recommendations:

- 1) Income tested benefits should be divided into short-term – sickness and unemployment – and long-term – domestic purposes, invalids and widows – benefits.
- 2) The abatement of benefits for other income should be less restrictive for long-term benefits than for short-term ones.
- 3) The present levels of benefit should not be eroded.
- 4) The level of unemployment benefit for adults without children should be brought to the same level as other benefits.



- 5) Benefit levels should be regularly adjusted in accordance with movements in after-tax wage levels.
- 6) Widows and domestic purposes beneficiaries who at some point cease to have the care of dependent children should be catered for by other benefits for which they are eligible.
- 7) There should be a standard individual rate of benefit at half the married couple rate plus an additional 20 per cent of the benefit for persons living alone.
- 8) The basis of entitlement for two-adult families should move to individual entitlement. (RCSP 1988 III(2):491–492)

In analysing those recommendations, we can say that numbers 4, 5, 6 and 8 have not eventuated, nor has 7, although adult single unemployed people do get a higher benefit than a married adult or one living in a *de facto* relationship. The Commission failed to provide a convincing explanation of why it thought that unemployment and sickness were necessarily short-term conditions while solo parenthood and widowhood were necessarily long term. No short-term / long-term distinction on that basis has ever come to pass. The hope that existing benefit levels would not be eroded was dashed by the drastic cuts to benefit levels made in 1991 by the National government of the day (Kelsey 1995), and benefits in real terms remain below what they were before those cuts. The 1972 Royal Commission had tried to establish a “bottom line” poverty level below which no one’s income should be allowed to fall. National’s cuts meant that almost all social security benefits were driven well below what was then the equivalent income level (Easton 1997, Stephens 1999).

O’Brien (2008) argues that although the Labour-led governments since 1999 have represented a move away from “the punitive, hard workfare and controlling focus of the 1990’s” (2008:201), they nonetheless also represent a move away from the citizenship focus of both the 1972 and 1988 Royal Commissions. In this perspective, “in the work of both the 1972 and 1988 Royal Commissions was an approach to citizenship and to social rights informed by social democratic arguments in which social citizenship was central” (O’Brien 2008:225), whereas in today’s policy framework the 1972/1988 focus on participation has been “firmly and finally replaced by a focus on participation on paid work” in which “Beneficiaries are treated as the undeserving poor” (O’Brien 2008:217). There is plenty of scope for disagreement about the validity of those statements/findings, such as the assumption that social democratic arguments seem to be *de facto* superior to other arguments, but they are outside the scope of this discussion.

The Commission’s major recommendation for superannuation met with as little success as its proposals on benefits. It recommended that there be a two-tier system (RCSP 1988 II:767–769, III(2):617–651). Persons aged 65 and over would get a pension at the same level as other benefits. At age 68 they would get a “top up” second tier, worth half the first tier rate. This change should be phased in from 1995 to 2007. This concept failed to gain support from Labour or National and has subsequently not been taken up by any of the parliamentary parties.

The Commission’s views on the accident compensation scheme were to be much more fruitful during the 1990s. Unlike its views on the benefit system, its approach to accident compensation both reflected the position of – and would have brought joy to – those who took a neo-liberal position on the topic. Its major recommendations are found in Volume II, page 759–760, and Volume III(2), page 573–607. It believed that the system was under financial stress due to cost increases involved in paying earnings-related compensation, lump-sum payments for non-economic loss, and medical and hospital costs. Furthermore, the accident compensation scheme was discriminatory in its effects against the sick and the

disabled, hence more support was needed for the “long-term sick” and the disabled, and this “differential treatment cannot be allowed to continue” (RCSP 1988 II: 760–761). The Woodhouse Report, on which the ACC system was based, had stated, “It may be asked how incapacity arising from sickness and disease can be left aside. In logic there is no answer ... the proposals now put forward for injury leave the way entirely open for sickness to follow whenever the relevant decision is taken” (Royal Commission of Inquiry 1967:26), but that decision was not to be forthcoming.

The Royal Commission recommended that the pause period before earnings-related compensation (ERC) to accident victims be extended from one to four weeks. After two years, ERC should be succeeded by a “generous” flat-rate benefit, and compensation for non-economic loss in relation to pain and suffering and loss of enjoyment of life should be abolished (RCSP 1988 II:759–760, III(2):583–594). The National government in 1992 abolished lump-sum payments for pain, suffering and enjoyment of life, and it also abolished those payments for loss of physical faculty. An allowance of “miserly proportions” replaced it, and non-earning women thereby lost any entitlement to lump-sum compensation, as did women who were traumatised victims of rape or sexual abuse (St John 1999:162–163).

The above changes that negatively affected women followed from what the Commission had recommended. But the Commission had supported its own truncated vision of the scheme, and the decision made in 1998 by the then government to, in essence, privatise the Accident Compensation Corporation (ACC) was not what the Commission had wanted. This move lasted only a short time, as the incoming Labour–Alliance coalition government moved quickly to restore ACC’s “monopoly” on accident insurance and lump-sum payments for physical impairment (ACC 2008).

## CONCLUSION

*The April Report* of the Royal Commission on Social Policy was a rushed, mammoth, convoluted, in some places repetitive and in other places contradictory, poorly organised and – then and ever since – frequently criticised, ignored or rubbished document. Yet by its very nature it retains an attraction for us, because it does exist as a vehicle for the often discordant voices of 1988: neo-liberals, social democrats, men, women, Māori, Pākehā and Pacific peoples, for example. Although the Commission can be seen as picking up on ideas and issues that were already underway and might well have become policy without its ever having existed, it broadened the scope of what could be considered as social policy, and added a consultative dimension to ideas of how the process of social policy might take place. Many of its proposals did become policy and/or law, while many of its ideas continue to inform contemporary debate and discourse on social policy. It might well have had a more positive and continuing impact on our society than its detractors believe.

## POSTSCRIPT

In March 2010 the New Zealand Cabinet approved a document from the Hon. Paula Bennett, the Minister for Social Development and Employment, establishing a Welfare Working Group that would focus on addressing long-term welfare dependency (Minister for Social Development and Employment 2010). The Group has since commenced its activities; for example, by holding a two-day forum in June 2010 in Wellington (Welfare Working Group 2010). Thus, the nation has embarked on its third major post-war investigation into its welfare system. As we have noted, the first such investigation was made at a time of

economic boom. The Royal Commission did its work at a time of significant economic and institutional restructuring. The Working Group finds itself in a far different environment: one of continuing global recession, which has seen some developed nations go bankrupt or fall deeply into debt (e.g. Greece, Iceland, Ireland). As a result, many EU countries are making major changes to their social policies. It is against this background that it must manage its remit. To what extent the legacy of the Royal Commission is sustained or challenged by the findings of the Working Group remains to be seen.

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