



SOCIAL WELFARE INTO THE 1980'S

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Lau Kwok Yiu

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Foreword

i. This White Paper sets out the Government's broad aims in the development of social security and social welfare services in Hong Kong. It takes account of the public comments on the three Green Papers published towards the end of 1977, dealing with social security development, services for the elderly and personal social work among young people. It also reviews other areas covered by the 1973 White Paper "The Way Ahead" but excludes rehabilitation services on which a separate White Paper was published in 1977.

ii. This White Paper should be read in conjunction with the Social Welfare Five-Year Development Plan which sets out specific programmes of development, following the principles laid down in this White Paper. This Plan is published each year following a review carried out under the auspices of the Social Welfare Advisory Committee by representatives of both the Social Welfare Department and the Hong Kong Council of Social Service on behalf of the voluntary welfare sector.

iii. The Green Paper on Social Security Development contained a tentative proposal for a voluntary contributory sickness, injury and death benefit scheme. This proposal which has attracted considerable public comment is still under consideration and the Government intends to make a further announcement as soon as proposals are finalized.

Chapter 1

Introduction

1.1 The development of social welfare in Hong Kong in the past five years has been guided by the 1973 White Paper "The Way Ahead", supplemented by the Social Welfare Five Year Development Plan which deals with the practical implementation of the broad principles and priorities set out in the White Paper. In 1977, the Government carried out a thorough review of its social welfare programmes and subsequently published three Green Papers making recommendations for the further development of social security, services for the elderly and personal social work among young people. The voluntary sector was consulted both during the preparation of these Green Papers and following their publication. The community's views were obtained by various methods including briefing sessions with community leaders, distribution of explanatory leaflets on the Government's proposals, separate opinion surveys and direct comments from individuals and organizations. The proposals in the three Green Papers were also separately debated in the Legislative Council.

1.2 This White Paper is the culmination of wide public consultation. It sets out the broad basis on which the Government believes social welfare should now develop in Hong Kong. These developments are anchored very firmly to the particular needs of Hong Kong within its political, social and economic environment. They reaffirm the Government's belief that financial help should continue to be concentrated on those who are least able to help themselves, which means primarily those in vulnerable groups - the poor, the elderly and the disabled. At the same time, direct services, particularly for the elderly and for vulnerable young people, need to be developed, and their quality improved, for people who cannot manage without these services.

1.3 The Five Year Plan for Social Welfare Development is an essential corollary to this White Paper since it deals separately with each of the major areas of social welfare and sets out the actual programmes of development which will give effect to the principles and priorities laid down in this White Paper. This Plan is reviewed each year to ensure that it remains up-to-date. The preparation of the Five Year Plan involves considerable planning effort and demonstrates in a practical manner the genuine partnership that exists between the Government and the voluntary agencies in providing social welfare services in Hong Kong.

1.4 The programme of development set out in this White Paper takes a major step forward in improving the quality of life for the people of Hong Kong. No programme, however, can withstand the test of time without change. The Five Year Plan already provides an effective means of learning about and co-ordinating the initiatives of voluntary agencies, monitoring progress and adjusting priorities. Greater attention should be paid to reviewing the scope of social welfare services to ensure that they keep pace with the overall development of Hong Kong and the rising expectations of its people, and that the standards of service set are realistic so that they can reach the whole of each client group as soon as possible.

Chapter 2

Review of Past Development and Present Services

2.1 Used in its broadest sense the term "social welfare" can embrace all efforts aimed at improving health, education, employment, housing, recreational and cultural services for the community at large. However, for the purpose of this White Paper, "social welfare" will be used in a narrower sense as the range of services provided by the Social Welfare Department and the voluntary welfare sector. The two essential components are cash payments, generally known as "social security", and "direct social welfare services" for specific groups who cannot manage without them. In the case of services for the elderly, an exception has been made to include health and housing services in order to present a total picture, as was done in the Green Paper on Services for the Elderly.

Social Security

2.2 Social security in the form of cash payments was first introduced in 1971 and replaced the system of basic relief, principally dry rations and cooked meals, which had been in force in the 1950's and 1960's. The three main schemes that have been introduced are:

- (i) since 1971, the Public Assistance scheme which helps on a means-tested but non-contributory basis those whose income falls below a prescribed level. Able-bodied unemployed adults between 15 and 55 who were hitherto ineligible for benefits were brought within the scheme in April 1977;
- (ii) since 1973, the Disability and Old Age Allowance scheme (now known as the Special Needs Allowance) which provides a flat rate allowance on a non-means-tested and non-contributory basis, to two vulnerable groups, namely the severely disabled and elderly persons aged 75 (70 since October 1978) and over. This allowance is disregarded when calculating Public Assistance;
- (iii) accident compensation and emergency relief in the form of the Criminal and Law Enforcement Injuries Compensation scheme (since 1973) and the Emergency Relief Fund scheme (since 1962). The former assists victims of crimes of violence and those accidentally injured or disabled by law enforcement action whilst the latter (formerly known as the Community Relief Trust Fund) provides immediate relief in both cash and material aid to disaster victims.

In addition to these schemes, the Government administers various funds which help those in need. These include the Brewin Trust Fund, the Hong Kong War Memorial Fund, the Li Po Chun Charitable Trust Fund, the Sir Robert Ho Tung Charitable Fund and the Tang Shiu Kin and Ho Tim Charitable Fund. Limited financial assistance is also available from individual voluntary agencies although in general, they have ceased to play a major role in cash aid since the Public Assistance scheme started in 1971.

Occupational benefits

2.3 In addition to cash payments which are the direct responsibility of the Government, employers provide a range of occupational benefits including those under statutory stimulus. These include sickness allowance, severance payments, paid holidays and workmen's compensation for injuries or death arising from employment. Employees of some of the larger companies also

receive retirement benefits, help with medical and educational expenses and paid maternity leave. These additional benefits probably cover only a minority of the total workforce. In some cases, indirect financial aid may also be available, such as medical facilities, free or subsidised meals, transport and accommodation or housing loans on concessionary terms. There are tax concessions to encourage the development of retirement benefit schemes.

Social Welfare Services

2.4 Direct social welfare services to various client groups have a much longer history in Hong Kong than cash payments. Both the Government and the voluntary sector are involved in providing these services; in some areas, such as family counselling, these are on a complementary basis; in others such as services for the elderly, the voluntary agencies have played a key role, usually with financial assistance from the Government, whilst in services such as probation and corrections, the Government has a statutory responsibility to be the major provider.

Community and Youth Services

2.5 In the social welfare field, there is already a programme to provide the physical facilities necessary for promoting community spirit - the community halls (of which nine have so far been built), estate community centres (of which there are eight), and community centres (of which there are nineteen at present). These halls and centres provide the local population with readily available social, community and recreational amenities and serve people of all ages. Using the facilities offered, the Social Welfare Department and the voluntary agencies have been able to organise community programmes, such as interest groups and good neighbourhood projects, for the local residents. The current target is to provide one community hall for each public housing estate with over 20,000 residents, one estate community centre for each public housing estate with over 50,000 residents and one community centre for over 100,000 people in areas not served by community halls and estate welfare buildings.

2.6 To encourage young people to involve themselves in worthwhile activities and interests, youth and children's centres are provided on a more localised basis at a ratio of 1 centre for each 20,000 population. There are now 108 youth centres for those aged 15 to 24 and 99 children's centres for children aged 8 to 14. The Social Welfare Department, together with the voluntary agencies, is largely responsible for the territory-wide Summer Youth Programme, the Opportunities for Youth Scheme and the Youth Leadership Training Scheme which, together, catered for almost a million young participants in 1978.

2.7 To develop and co-ordinate community and youth services at the district level, 15 Community and Youth Officers have been appointed since 1973.

Family Welfare Services

2.8 In 1965 a regionalized family counselling and casework service was established to provide comprehensive services to families in need. By 1977, there were four district offices, nine family service centres and eight casework units operated by the Social Welfare Department, offering counselling services for individual family members, referrals to Government and voluntary agencies for housing, employment, medical care, school placement and vocational training, assistance in providing day or residential care for children whose parents were unable to look after them, and arranging local and overseas adoptions. Many of these services are also provided by voluntary agencies.

2.9 To ensure that children enrolled in child care centres are adequately cared for and supervised, the Child Care Centres Ordinance and Regulations were enacted in 1975 to regulate and control the activities of these centres and to impose minimum standards of staff training and

qualifications. These requirements are expected to be fully complied with by June 1979 but the Director of Social Welfare will be prepared to exercise his discretion in individual cases where strict adherence would create hardship.

2.10 The Adoption Service of the Social Welfare Department administers the local adoption of orphans or children whose parents are unable or unwilling to maintain them. Overseas adoptions are mainly dealt with by Caritas and the International Social Service. The number of adoptions has decreased in recent years due to fewer babies and children becoming available for adoption. The proportion of overseas adoptions has fallen particularly sharply and was only 4% of total adoption orders in 1977 compared with 50% in 1965.

Services for the Elderly

2.11 Services specifically for old people have grown sporadically on an ad hoc basis and are almost all provided by the voluntary sector. These include hostel accommodation for the elderly, social clubs and centres and residential institutional facilities. In late 1976 the Government undertook a systematic study of the problems of the elderly to identify their needs and recommend appropriate services. A ten year programme of development was prepared and then published as a *Green Paper* on Services for the Elderly in late 1977. Subject to the modifications expressed elsewhere in this White Paper, this programme plan has been adopted.

Probation and Correctional Services

2.12 The Social Welfare Department's services for offenders include three main elements: probation service, residential training in correctional institutions and after-care services. The department operates a total of five correctional institutions which are complemented by residential training homes run by voluntary agencies.

2.13 A volunteer scheme for probationers was introduced on an experimental basis in October 1976. Selected volunteers, after undergoing suitable orientation, provide personal and moral support to probationers in matters which do not require professional skills. Probation officers, however, retain overall responsibility for enforcing the conditions of probation orders.

2.14 Probationers normally report to their probation officers at the latter's offices in magistracy buildings. Some of the probationers may not live in the immediate vicinity of these buildings. To facilitate counselling of probationers and to provide a stigma-free environment which should assist in improving the response to treatment, an experimental reporting centre was established in 1976 in Yuen Long. On the basis of this successful experiment, a further reporting centre will be established in Sha Tin in 1979/80. The Department's new regional and district social welfare offices will also facilitate contact between probation officers and probationers.

Support Services

2.15 The Lady Trench Training Centre now operates five training programmes in different areas of activities, both for the benefit of departmental staff and staff of the voluntary agencies. Several voluntary agencies also run short in-service training programmes for their staff. The five-week course on training for child care workers was extended in 1975 following the enactment of the Child Care Centres Ordinance so that workers from both private and subvented centres could attend the course. The Centre also operates a demonstration nursery for some 100 children to provide a practical model for those workers under training.

2.16 The Institute of Social Work Training which provides a two year pre-service training course for front line social workers, previously run by the Social Welfare Department, was integrated into the Hong Kong Polytechnic in 1977, and is now known as the School of Social

Work. The Director of Social Welfare is the Chairman of the Advisory Committee on the School of Social Work and his department maintains a close link with the Polytechnic.

2.17 The rapid expansion of social welfare services in the past decade has outstripped the organisational and administrative capacity of the Social Welfare Department which was last reorganised in 1970. Despite a network of offices and centres, much of the work was still centrally controlled. Following a comprehensive management study in 1977 in which the department's proposals to adopt a regional organisation to rationalise and decentralise its operations were carefully examined, the department's services are now provided on a regional basis. At the same time, the welfare class of officers in the department - the technical and professional staff who have direct responsibility for the administration of social security and social welfare services - was thoroughly reviewed against the background of the rapid developments that have taken place in the past five years, and has been restructured.

Chapter 3

Further Developments in Social Security

Public Assistance

3.1 The Government has carried out a thorough review of its existing social security programmes and has concluded that the Public Assistance scheme, which is well understood and accepted by the public, should continue to be the mainstay of its social security system. The scheme is non-contributory and is related to a family's means and needs, consistent with the family tradition in Hong Kong. By international standards, it is exceptionally free of restrictions: it provides a single safety net for those proven to be in need. Help is concentrated on those least able to help themselves and this is felt to be the right approach to social security in Hong Kong. The present structure of the scheme provides a flexible and effective method of assessing need in a fairly simple and understandable way. There is much to be said for maintaining simplicity in the structure of social security as this keeps to a minimum the proportion of social security expenditure which is spent on administration.

3.2 The scale of assistance is based on a Public Assistance index which measures the changes in the cost of living for families receiving Public Assistance. In this way, the allowances are kept under regular review and adjusted from time to time to maintain their real purchasing value. Thus in February 1978, an increase of about 11% was introduced to keep pace with inflation. The Government accepts the need to protect the value of social security benefits and to examine from time to time the components of the Public Assistance index weightings to ensure that they reflect the actual expenditure pattern of the client group.

3.3 Whilst the overall public assistance framework remains appropriate, the review identified a number of areas requiring improvements. Accordingly various proposals were made in the Green Paper on Social Security Development which was published in late 1977. As these proposals drew generally favourable response and in order that help may be available quickly to those in need, the following improvements were introduced in April 1978:

- (i) a long term supplement of \$500 for a family and \$250 for a single person is now payable annually to all those who continue to receive Public Assistance after a period of 12 months. This enables needy families to purchase household replacements and to meet similar expenses which have to be faced over a long period of time. The introduction of this long term supplement replaces the previous practice of approving periodic discretionary grants which by their very nature could not be applied consistently;
- (ii) to meet the additional expenses of looking after an elderly family member, an Old Age Supplement of half the basic Public Assistance rate for a single person is now added to the basic scale of allowances for any Public Assistance recipient aged 60 and over who is not receiving a Disability or Old Age Allowance. This supplement is paid in addition to the long term supplement and should lessen the financial burden of families who have elderly members;
- (iii) in its treatment of a person's resources, the Public Assistance scheme relies on the general principle that all a person's income (except any Special Needs Allowance) and disposable capital (except for savings up to a prescribed level) should be taken into account in assessing his need for Public Assistance. The few exceptions that are made to this general rule consist essentially of very small amounts which voluntary agencies

may give towards essential household expenses. However, as an incentive to self-help for those who are not expected to seek work as a condition of receiving public assistance, such as the elderly and young widows, a system of "disregarded income" has been introduced. Earnings not exceeding \$50 per month will be disregarded for the purpose of assessing entitlement for Public Assistance. 50% of the next \$200 earnings will also be disregarded, thus allowing a total of \$150 in disregarded income. All earnings above \$250 a month will be taken into account. The Government does not intend to adjust this level frequently since increasing the amount will not help those who are worse off and have no disregarded resources.

3.4 It is now proposed to introduce a Disability Supplement in the light of public comments and the advice of the Social Welfare Advisory Committee as discussed in paragraphs 3.5 to 3.13 below.

Special Needs Allowance

3.5 The Special Needs Allowance scheme (previously known as the Welfare Allowance scheme) is based on need established by reference to the circumstances of the individual and not by reference to low income. At present, it caters for two specific categories, the severely disabled and the elderly. The community accepts that these two categories of people are "vulnerable groups" with needs which other members of the community do not have. A flat rate non-means-tested allowance is therefore an appropriate way of providing help and thus encouraging families to continue to look after their disabled or elderly members. This is entirely consistent with the Government's policy of care in the community. It is not proposed to change the basis of this scheme.

3.6 The Green Paper suggested the introduction of a further allowance under this scheme: that a non-means-tested chronic sickness allowance of half the basic public assistance rate for a single person should be paid on a monthly basis to anyone who has been incapable of work for the previous 18 months and is medically certified as still being unable to work. This allowance would not be paid to anyone receiving a Disability or an Old Age Allowance.

3.7 Having regard to the stage of Hong Kong's social development and range of improvements still possible in many fields, the Social Welfare Advisory Committee has expressed a preference for a means-tested allowance, and has noted that many of the intended beneficiaries of this allowance would already be covered by the Special Needs Allowance scheme. It has also expressed concern over the administrative complexities of defining and certifying chronic sickness, particularly for people over 60 where it may be difficult to establish whether someone is capable of working. In practice a chronic sickness allowance might well turn out to be an Old Age Allowance in a different guise for people between 60 and 70. The Social Welfare Advisory Committee has therefore suggested a reconsideration of this proposal.

3.8 In the public comments on the Green Paper considerable sympathy has also been expressed for the profoundly deaf who are considered by many to be another "vulnerable group" in need of special assistance. Many deaf persons are also dumb. This combined disability makes communication very difficult and adversely affects their ability to benefit from education and training, and hence, their chances of gainful employment. It has therefore been argued that this group should be brought within the scope of the Disability Allowance scheme.

3.9 In the light of the public comments and the advice of the Social Welfare Advisory Committee, the Government agrees that in the place of the chronic sickness allowance proposed in the Green Paper, the Disability Allowance should be extended to cover the profoundly deaf, and a Disability Supplement should be introduced under the Public Assistance scheme.

3.10 A Disability Supplement within the Public Assistance scheme will benefit the partially disabled who are unable fully to support themselves, whether they are living alone or with their families. Apart from reduced earnings, such persons or their families may well incur extra expenses because of their disability. This additional supplement will therefore provide better support for them and their families than the normal Public Assistance payments for basic living. The supplement will be half the basic Public Assistance rate for a single person and will be added to the Public Assistance scale of allowances for anyone with a 50% or more loss of earning capacity as defined in the Workmen's Compensation Ordinance, or who is suffering from a mental or physical condition medically certified as being broadly equivalent. It will not, however, be paid to those who are already receiving an Old Age Supplement or a Special Needs Allowance since these payments are intended to cover similar needs.

3.11 The advantages of proceeding in this manner are: firstly, that help would be extended to those who most require it, that is, to Public Assistance recipients and to the profoundly deaf, thus reflecting the public's preference; secondly, it would avoid the administrative complexities of medical certification inherent in a chronic sickness allowance; and thirdly, there would be no need for a qualifying period of 18 months since anyone who met the proposed criteria would qualify for help immediately.

3.12 In addition to the proposed extension of the Disability Allowance to the profoundly deaf, other improvements have already been introduced. In April 1978, the scheme was extended to those in residential institutions who were previously ineligible. In October 1978, the qualifying age for Old Age Allowance was lowered from 75 to 70. These improvements had by 1st April 1979 brought in an additional caseload of 65,000.

3.13 One other group which has been mentioned in public comments for inclusion in the Special Needs Allowance scheme is the moderately mentally retarded. The Government accepts the Social Welfare Advisory Committee's view that there is not a sufficiently strong case to give this group a non-means-tested allowance. The moderately mentally retarded can respond to training and look after themselves, and improved training facilities for them are being implemented under the Rehabilitation Programme Plan. They can also qualify for an allowance under the existing rules if they require substantial help or constant attention from others to cope with daily life.

Social Security Appeal Board

3.14 A Social Security Appeal Board has been established to consider appeals against any decision under the Public Assistance scheme and the Special Needs Allowance scheme. The Board consists of a chairman and two members, all of whom are unofficials. It is primarily concerned either with questions of fact or with the exercise of discretion and its decisions relate only to individual appeals, that is, they do not constitute a precedent for other cases coming before either the Board or the Director of Social Welfare. The administrative procedures have been kept deliberately simple and informal and the Board meets as frequently as is necessary. The Government will establish additional boards if the workload warrants it.

Accident Compensation

3.15 Accident compensation has developed naturally from the efforts of the Government and the community to help those who have suffered from natural disasters. The Emergency Relief Fund came into being in this manner, though in recent years it has been largely funded by the Government. The Criminal and Law Enforcement Injuries Compensation Scheme, also funded by the Government, is based on that part of the emergency relief scheme which provides compensation for loss of life, injury or disability. Together these two schemes provide an embryo accident compensation system, in which compensation is paid on a lump sum basis without any means-test.

3.16 This system will soon be augmented by the Traffic Accident Victims Assistance Scheme to be introduced in May 1979. The scheme will be financed in equal proportions from three sources: levies on vehicle and driving licences and from General Revenue. It will be administered by the Social Welfare Department and will provide cash assistance to victims of traffic accidents, irrespective of whether the victim was at fault or not. Payments will be based on the rates and criteria applicable to the Emergency Relief Fund, and will be subject to a refund should the victim subsequently receive common law damages or other forms of compensation because of the injuries sustained. It is proposed that appeals against the Department's decision will be heard by the Social Security Appeal Board.

3.17 All three schemes provide short-term support, designed to tide a family over a serious and unforeseen setback which will strain its resources because of reduced or lost earnings or because of additional outgoings. The accident compensation system is not intended to provide long term support, since that is the function of other social security schemes.

3.18 The Government is in discussion with the Accident Insurance Association of Hong Kong on the establishment of a Motor Insurers' Bureau in Hong Kong. The Bureau will provide better protection for third parties who are injured or die as a result of motor vehicle accidents where individual insurance companies are not liable for compensation. It will enable the victim to obtain "full damages" in circumstances where he is not at present able to do so. "Full damages" is the compensation awarded by a court or paid by way of settlement and would contrast with the more limited ex-gratia payments made under the "no fault" Traffic Accident Victims Assistance Scheme.

3.19 The Government does not propose any further development of accident compensation not arising out of employment at this stage, but will review the position in the light of future developments in accident compensation schemes elsewhere in the world.

Occupational Benefits

3.20 Occupational benefits provided by employers, either voluntarily or statutorily, have a definite role to play in the social security structure. Their flexible nature, which can be modified and developed to match the circumstances of particular companies or industries, can bring substantial benefit to scheme members and may be much valued by them. Occupational benefit schemes are therefore a valuable supplement to the social security system developed by the Government. However, the Government does not see occupational benefits as playing a predominant role in the overall social security framework although there may be room for improvements in these benefits in line with the general prosperity of Hong Kong and the rising aspirations of its people.

Sickness, Injury and Death Benefit Insurance Scheme

3.21 The proposals for a voluntary contributory sickness, injury and death benefit scheme in the Green Paper on Social Security Development have been the subject of wide debate, and comments from various quarters, including both employers and employees have been received. A group of employers has also proposed an alternative scheme to cover the same risks. Whilst the Government accepts the desirability of the coverage, it has not yet reached a conclusion on what the best method of proceeding would be - given the wide measure of cover for the lower income groups already provided by the Public Assistance and Special Needs Allowance schemes, and by statutory occupational benefits. Consideration of this matter will continue separately in order not to delay publication of this White Paper.

Chapter 4

Future Developments in Social Welfare Services

4.1 In direct social welfare services, developments will be most marked in three areas, namely, rehabilitation services for the disabled, services for the elderly and personal social work among young people. The Government's plans for rehabilitation services are outlined in the 1977 White Paper "Integrating the Disabled into the Community: A United Effort". Proposals in respect of services for the elderly and personal social work among young people are set out in this chapter which also deals with the general direction that other major areas of social welfare services will take in the coming few years.

Services for the Elderly

4.2 In common with all other countries, Hong Kong is experiencing changes in the age structure of its population. The percentage of old people aged 60 years and over is expected to increase from the present 9% of total population to nearly 11% by 1986, with a significantly larger increase in the number of people aged 75 and over. Services for the elderly will be expanded on a wide front, with the objective of promoting the well-being of the elderly through care in the community and by the community. This concept of care in the community is well tested in both Western and Asian communities and has been found to be most effective in meeting the needs of the elderly.

4.3 To achieve its objectives, the Government's strategy will be three-fold: firstly, to provide a range of community services and improved cash benefits that will encourage families to look after their elderly members, or which will enable old people on their own to live independently, and in dignity, in the community for as long as possible; secondly, to provide residential institutional facilities for those who for health or other reasons, can no longer live with their families or on their own; and thirdly, to promote a better understanding of the process of aging so that old age can become a more positive and productive period, not only for the elderly themselves, but also for the community at large. Social integration of the elderly within the community is important since it is only through a continuous involvement in community life that old people can retain their self-esteem, respect and sense of belonging. Moreover, this will allow them to put to good use the skills and experience acquired during their younger days. In this manner, health care and the quality of life for the elderly should be enhanced.

4.4 The specific areas of expansion are described in greater detail in the following paragraphs.

Cash Payments

4.5 Paragraphs 3.3 to 3.12 outline the improvements made in social security benefits. Those that concern the elderly specifically are the Old Age Supplement payable under the Public Assistance scheme to those aged 60 and over who are not receiving an Old Age or Disability Allowance, and extension of the Old Age Allowance to those between 70 and 74 and to those in residential institutional accommodation. With the lowering of the age limit for the Old Age Allowance, an additional 76,000 people will qualify for this allowance. The Government does not contemplate any further lowering of this limit for the time being in view of the generally improved cash benefits for the elderly but will keep all social security payments under regular review.

4.6 The Green Paper suggested that if possible, an index of old age needs should be devised as a basis for determining the level of Old Age Allowance. On closer examination this

would not appear to be practicable since the Old Age Allowance is intended to meet the additional needs of the elderly whilst the Public Assistance scheme covers basic needs. It is difficult to define and to cost these additional needs since they vary considerably from person to person. The present level of payment is linked to the Public Assistance scheme which is based on a cost of living price index, and there is advantage in maintaining this link.

Health

4.7 The expansion of geriatric services should fit in with the overall development of medical and health services for the general community, as recommended by the Medical Development Advisory Committee. Old people requiring hospital or out-patient treatment will continue to be treated in both geriatric and general medical wards or clinics; however in new hospital and polyclinic projects, geriatric wards or clinics will be included as components of a geriatric unit. Three such projects are planned at Sha Tin, Tuen Mun and Kwun Tong between 1983 and 1986. The Medical and Health Department has introduced, on a trial basis, special consultation sessions for elderly patients in a number of general out-patient clinics. If this is successful, the practice will be extended to all the other large clinics.

4.8 Day hospitals play an important role in supplementing the in-patient treatment required by elderly people by continuing to provide curative and rehabilitative services on a non-residential basis. The long term target is to provide one day hospital place for every 1000 population aged 65 and over.

4.9 The Government believes that expansion of the general community nursing service offers the greatest scope for improving health services for the elderly. This scheme is designed to cover basic nursing care of geriatric patients and the physically and mentally handicapped, and post-hospitalisation medical and surgical nursing care for discharged patients of all ages. On the advice of the Medical Development Advisory Committee, the current pilot community nursing scheme operated by voluntary agencies is being replaced in April 1979 by a fully integrated scheme within the overall medical and health services of Hong Kong. The Government will participate directly in the scheme by establishing community nursing services based on its regional hospitals, extending them to the new towns as Sha Tin and Tuen Mun Hospitals come into operation. The expansion will be phased in over the next five years with a target training figure of 350 additional nurses (in the ratio of 1 Registered Nurse to 4 Enrolled Nurses). With a total force of 380 nurses, it should be possible to provide a reasonable service, other than in the more remote areas of the New Territories, for the elderly as well as for the other categories that will be served by the scheme. The Government will review this target and the scope of the service in the light of experience and the resources available. To facilitate expansion of the existing services provided by the voluntary sector, an improved basis for subventing the agencies involved is being considered.

4.10 The Green Paper suggested that a Medical Service for Old People, based on the School Medical Service, might offer a practical approach towards improving health services for the elderly. This proposal has been reconsidered in the light of the public's reaction and the advice of the Medical Development Advisory Committee. In view of the considerable doubts about the viability of such a service, it has been decided that resources would be better utilised in expanding the community nursing service and day hospital facilities as outlined above, augmented by geriatric wards, clinics and places in care and attention homes.

4.11 Health education on the aging process and its associated physiological and psychosociological changes will benefit the elderly in looking after their own health. The Central Health Education Unit of the Medical and Health Department will serve as a resource, advisory and co-ordinating body and will work closely with other Government departments and the voluntary sector in promoting good health practices amongst the elderly through campaigns, exhibitions, lectures and other publicity measures. Apart from the main centre located on the Island, three

regional centres for health education will be established in Kowloon and the New Territories.

Community Support

4.12 To provide support for old people on their own and for families with elderly members, the following community services will be expanded:

- (i) in the current year, the number of home helpers will be increased to 55, with an additional 40 helpers annually thereafter, subject to a review in 1982/83. This service does not require a substantial financial input and if sufficient workers can be recruited, the Government will consider a faster rate of expansion;
- (ii) day care centres for old people are popular in other countries as they offer a range of personal care, rehabilitative and recreational services on a non-residential basis. These centres are a better alternative to institutional care as they encourage the elderly to remain with their families. At present, there are no day care centres as such although some of the services normally available at these centres are being provided by various voluntary agencies. The voluntary sector will be assisted financially in establishing 2 day care centres on an experimental basis, catering for 80 people, to be operational in 1979/80. This will provide useful experience for the future development of such facilities;
- (iii) old people already have access to a wide range of recreational facilities provided for the general community. However, improved co-ordination, organization and provision of special facilities such as transport will be needed to encourage more old people to make better use of existing community services. The Urban Council has agreed to make available, through bulk booking, tickets at concessionary prices for programmes which are of particular interest to the elderly;
- (iv) some social centres cater exclusively for the elderly and are very popular. The Government plans to provide an additional 117 social centres for the elderly by 1982/83 and eventually to achieve a target of one centre for every 20,000 of the population;
- (v) apart from health education, there will be pre-retirement programmes for the elderly and other programmes aimed at promoting a better understanding amongst the entire community of the problems of old age. The latter will be part of family life education. Education of the community is important not only to prepare young people for their own aging, but to foster a caring community where young and old alike can contribute towards a better Hong Kong;

4.13 Other support services such as counselling and visiting services will continue to be available to the elderly but the emphasis will be on improving the quality of service to make better use of existing resources. Volunteers play a key role in visiting services and old people themselves can also be mobilised to provide a useful service for other age groups.

4.14 To improve services to those who require them, community services for old people should be provided and co-ordinated on a district basis. Multi-service centres will be established to provide a range of services such as home help, meals, laundry services, counselling, social and recreational activities, visiting service, community education and organizing volunteers involving both the community and old people themselves. A minimum of 17 multi-service centres will be required for this purpose of which seven are planned to be provided by 1980/81.

4.15 The Civil Service will continue to adopt a flexible retirement age so that persons aged 55 and over who can and are willing to continue to work may do so. Employment of old people in

the private sector must depend on the state of the economy at the time, but the Government and voluntary agencies will continue to assist in finding suitable employment for them. As a longer term objective, it is hoped to centralize existing employment services within the Labour Department, but this will take time. For those old people who do not wish to seek open employment, handicraft centres providing part-time employment may be the answer. Two such centres are planned to be in operation on a trial basis by 1980/81.

4.16 There are adequate public funeral services free or at nominal cost, and cremation is encouraged as a dignified and inexpensive alternative to burial. The Urban Council recently added to these services by opening a new funeral parlour and the Tung Wah Group also operates four low cost funeral parlours. Funeral expenses for needy families are met through discretionary payments under the Public Assistance scheme and through the Emergency Relief Fund in case of disasters.

4.17 The popularity of Pak Kam Wui appears to be declining in view of increased social security benefits and better welfare facilities. Nevertheless, these schemes are known to have a fairly wide membership amongst the poorer section of the community. The Government is gathering more up-to-date information on the scope and operation of these schemes and will decide on the basis of this information whether legislative controls are necessary.

Housing

4.18 The Government's housing target is to provide decent self-contained accommodation for all by the mid 1980's. The elderly with families will continue to be rehoused through this ambitious programme. There are an estimated 177,000 elderly persons living in Housing Authority estates and it is anticipated that under existing criteria, a further 134,000 old people will be rehoused by 1987/88. In addition, the Housing Authority has accepted a commitment over the next 10 years to rehouse 10,000 elderly persons in one and two person households who are ineligible for public housing under existing criteria. This target will be achieved mainly through:

- (i) the provision of 5,000 places in hostel accommodation;
- (ii) allowing entry onto the waiting list of three elderly unrelated persons;
- (iii) as a longer term objective, when other more pressing needs have been met, allocation of housing to elderly couples on the waiting list.

4.19 The Housing Authority's building programme will provide an estimated 3,500 places by 1982/83, mainly in hostel accommodation. The planning targets will be reviewed annually to take account of the supply and demand situation.

4.20 The Housing Society has introduced a "sheltered housing" scheme for old people at its Cho Yiu Chuen estate, which consists of 130 self-contained flats with a capacity for 260 people under the general supervision of a warden. The Society plans to include similar facilities in its new housing estates. The next project in the pipeline will be at Sha Tin and will provide 100 flats with a capacity for 200 people, to be completed in 1980/81. It is expected that by 1982/83, over 400 elderly people will have been rehoused in this manner.

4.21 The Government's Home Ownership Scheme should benefit a proportion of the elderly who do not choose to go into public housing estates, and whose families are eligible to participate in the scheme. 8,370 flats are expected to be completed by 1979/80, with a further 17,200 flats completed by 1982/83, but it is not possible to estimate the number of elderly people who will be housed therein.

4.22 The Director of Social Welfare will commission next year a study into the facilities and services available in "chai-tong". These are traditional religious institutions providing board,

lodging and burial service for old people in return for a lump sum payment. The Government does not intend to interfere with religious practices but is anxious to ascertain what role is played by "chai-tong" in the care of the elderly, and whether any improvements could and should be made.

Institutional Care

4.23 With improved social security benefits and the planned expansion in health services and community support services for the elderly, it is hoped that the demand for institutional care will be reduced. Existing facilities are far from adequate. In general, institutional facilities will be restricted to those elderly persons who can no longer function independently in the community.

4.24 Priority will be given to the expansion of care and attention homes providing personal and nursing care to old people in need of such services. 1,400 additional places are planned for by 1982/83. These will provide proper care for the infirm and relieve existing pressure on hospital beds which can be put to better use. In view of the identified shortfall, the considerable planning efforts involved in these custom-built facilities and the long lead time in construction, the Government believes that it should play a more active role in the provision of these facilities, so that the long term target provision of 4 places for every 1,000 population aged 60 and over may be achieved as soon as possible. It is now examining the best means of achieving this aim. Direct Government participation in this sphere will enable a better integration of care and attention facilities with the medical and health services, and will allow the Government to acquire experience in operating an essential service.

4.25 Homes for the Aged will also be expanded and 1,600 additional places are planned by 1982/83. Whenever possible, a care and attention section should be included in these homes to avoid the need to relocate the elderly when their health deteriorates since this is a disturbing experience for the individuals involved. The longer term planning targets for institutional facilities will be reviewed when an assessment can be made of the effects of improved community support services and cash benefits for the elderly.

4.26 Advice will be available in the field from the Social Welfare Department's district offices on operating these institutions. The Department's Development Division will also assist the voluntary sector in planning for institutional facilities and is conforming with agreed standards. It may be possible to prepare standard plans for these facilities to minimise the planning efforts involved.

Personal Social Work Among Young People

4.27 The young people of Hong Kong already have access to a wide variety of cultural and leisure activities organized by the Government, the Urban Council and voluntary organizations. The New Country Parks Authority will be developing some 200 square miles of mountain, valley and coastline for recreation. The Urban Council is continuing its programme to construct more football pitches, courts and games areas, sports and cultural complexes, indoor games halls and swimming pool complexes. In the New Territories, the Government is pursuing a similar comprehensive programme for the provision of cultural and recreational facilities. The Recreation and Sports Service aims to organize and publicise recreation and sports programmes throughout the territory for all ages and ability groups but with particular emphasis on the needs of young people. Together these facilities and programmes cater for an ever-increasing number of young people and will provide a healthy outlet for their energies.

4.28 At a more basic level, the Government has stepped up its efforts in improving public housing, education and medical and health facilities for the community. The White Paper on Senior Secondary and Tertiary Education outlines an ambitious programme of development which will provide greater opportunities for education at the senior secondary and tertiary levels.

4.29 The Government is conscious that those developments, whilst benefiting the majority of young people, must be supplemented by more intensive personal guidance and help for a minority group whose individual needs and problems cannot be met by the basic community services and who are not attracted to organized activities. Personal social work among young people is designed particularly to help those aged between 6 - 20, with the overall objective of reducing and preventing anti-social and delinquent behaviour. To this end, it is proposed to develop those services which will reach young people at school, in their homes and in society at large to improve understanding between them and their families and to inculcate a sense of responsibility and moral values.

4.30 With the introduction of nine years of free and compulsory education for all, our schools should reach all young people during the most formative years of their lives. The school therefore provides a good base for extending personal guidance and help to those young people who require such services. The Government intends to expand School Social Work to cover all schools but this expansion will be limited to some degree by the forecast shortage of professional social workers. The front-line work in primary schools is therefore being carried out, on an experimental basis, by Student Guidance Officers who are teachers who have received training in counselling, guidance and social work techniques, although pupils with serious social problems will be referred to professional social workers. These Student Guidance Officers will also be supported by educational psychologists and educational counsellors. If the scheme is found successful, it will be extended to all primary schools by the end of 1980. School social work in secondary schools will be carried out by professional social workers and is expected to cover all secondary schools by the end of 1981.

4.31 The role of young people within the family will be one of the main themes of Family Life Education, the general aim of which is to preserve and strengthen the family as a unit. This broader approach has proved to be an effective means of reaching a large population and the Government intends, in conjunction with the voluntary sector, to provide a comprehensive Family Life Education programme in Hong Kong by 1982. The Social Welfare Department will be responsible for the overall direction and coordination of Family Life Education services and for organizing major programmes and publicity campaigns on a territory-wide basis. This will be achieved by making staff in each district office specifically responsible for Family Life Education in close co-ordination with the voluntary sector. At the district level, Family Life Education services will be provided mainly by the voluntary agencies.

4.32 The purpose of Outreaching Social Work is to help young people when they are outside the sheltered environment of home or school and thus are most at risk. 16 geographical areas have been provisionally identified as having a high priority for this service and teams of trained social workers will be operating in all of these areas by early 1979. This is, however, a field where there is as yet no means of accurately assessing demand for the service. Moreover, outreaching social work is perhaps one of the most exacting tasks for a social worker. Hence expansion must depend on the supply of specialist skills. The work of the teams assigned to the 16 geographical areas will be monitored with future developments being determined on the basis of periodical assessments.

Community and Youth Services

4.33 The aim of community building is to build a society in which there is mutual care, respect and responsibility. In the social welfare field, community halls and community centres, both inside and outside housing estates, will remain the most visible expression of this aim. To ensure that the facilities are fully utilized, these centres will remain open throughout the week, including Sundays and public holidays. 14 community centres, 11 estate community centres and 23 community halls are planned to be built over the next five years, most of them in the New Towns and other developing population centres. This is in addition to local centres for children and young people, at present being provided at the rate of 11 children's centres and 11 youth centres each year.

4.34 These facilities will be improved and extended to ensure that they will meet the rising expectations of the population and are within easy reach of people of all age groups. Programmes and activities organized from these centres will be directed to promoting community spirit and social responsibility among the local communities. In areas considered to be in special need but which are not covered by existing community facilities, special emphasis will be given to organising and directing local community resources to resolving individual and communal problems. Parallel with these, district machinery will be strengthened to co-ordinate Government and voluntary efforts more effectively in this field.

Family Welfare Services

4.35 The basic element of the family welfare programme - the counselling service - is well-established in Hong Kong, and is now operating on a regional basis, bringing the service closer to the people who need it. For the future, the main task in this field will be to define the roles to be played by the Government and by the voluntary agencies, and experiments towards this end are already in hand.

4.36 In recent years, family welfare services have been expanded to include care for individuals, particularly children, outside the immediate family environment, and it is in these areas that most future development will take place. Child care is at present governed by the Child Care Centres Ordinance and Regulations, and there is a need to review both the effectiveness of this legislation, and the overall relationship between child care centres and kindergartens and to devise a co-ordinated approach to the services provided for pre-school children. This subject is at present being considered by an inter-departmental Working Party on the Care and Education of Children Below Primary School Age whose findings will be incorporated in a Green Paper to be published later this year. A review will also be carried out of the adequacy of services provided for the residential care of children, and of the procedure followed in adoption cases. Precise policy guidelines need to be formulated to govern the provision of home help in cases of family or social need.

4.37 The medical social workers who are assigned to Government hospitals and clinics work closely with doctors and nurses to help patients and their families cope with the many personal problems which often accompany illness or disability. They offer counselling services and have recourse to the many forms of assistance offered by the Government and social welfare agencies to help patients and their families during the period of hospitalization and to assist the patients' reintegration into the community after discharge. Such assistance includes public assistance, compassionate rehousing, vocational training and placements in sheltered workshops.

Probation and Correctional Services

4.38 The probation and correctional services operate mainly in response to the requirements of the courts and within the framework of legislative authority, and there is therefore little scope from the social work angle for initiating future policy. The probation service will continue to be strengthened as necessary to meet the demands made upon it, and additional institutional facilities will be provided as required. The new Ma Tau Wei Girls' Home has solved the problem of overcrowding experienced at the old home, and a new probation hostel, with a capacity of 60 places, will be built in Tuen Mun in 1981/82 to meet a shortfall in this area. Not all juvenile court magistrates lay the same emphasis on the use of correctional institutions; this leads to fluctuating occupancy rates and difficulties in planning the education and pre-vocational training of the inmates. It is necessary to monitor longer term trends and to examine whether it is possible to change or modify the use to which these institutions are put.

4.39 There is greater scope, however, for the expansion of services in the general field of aftercare. The Volunteer Scheme for Probationers will be expanded to 100 volunteers in the current year and its effectiveness evaluated, while the number of probation reporting centres will

be increased to five by 1980-81. In the voluntary sector, plans are in hand to establish hostels both for licensees and for discharged prisoners who are considered not ready for full reintegration into the community.

Supporting Services

4.40 The increasing scope and complexity of social welfare services in Hong Kong demand a parallel effort in developing supporting services, such as planning, research, evaluation and training. The basic instrument of planning will remain the 5-Year Development Plan, which is reviewed annually under the aegis of the Planning and Evaluation Sub-Committee of the Social Welfare Advisory Committee. The capacity of the Social Welfare Department for planning and developing future services will be greatly strengthened this year. While the operational work of the Department will be based in comprehensive district offices, a team of professional officers under an Assistant Director will supplement the existing Planning Unit at Headquarters, thus enabling the establishment of a more co-ordinated system for the development of new policy and the construction of welfare institutions.

4.41 The restructuring of the Department also entails the creation of a new Division under an Assistant Director, whose primary responsibilities will be to co-ordinate the annual subvention exercise, and to evaluate welfare services provided by voluntary agencies. In the immediate future, one of his main tasks will be to devise, in close consultation with the Hong Kong Council of Social Service, a more satisfactory system of subvention.

4.42 One of the major constraints over the next few years is likely to be the shortage of trained social workers to meet the demands of the proposed expansion of services outlined in this White Paper. The recent review of the welfare class in the Social Welfare Department has enabled proposals to be made for a more economical use of professionally trained manpower, for example by the use of in-service trained staff in work, such as social security, where professional expertise is not essential. Negotiations are already in hand with the Universities and the Polytechnic for expanding their social work departments, and the need for an accreditation system for schools of social work in Hong Kong is being examined. In-service training is another area to which high priority will be given particularly in view of the identified need for trained staff who are not University trained social work graduates.

Chapter 5

Financing

The Role of the Government and the Voluntary Sector

5.1 The Government has ultimate responsibility for ensuring a satisfactory standard and range of social welfare services. Its role in this field is three-fold: to direct and co-ordinate the development of social welfare services including overseeing and monitoring the implementation of services according to set priorities; to provide an adequate social security system and certain social welfare services direct, particularly those required by law; and to ensure that funds are available for the social welfare services which the community needs.

5.2 The voluntary sector has long been involved in providing social welfare services in Hong Kong, to a greater extent than is perhaps the case in other communities. It operates many essential basic services, particularly for the disabled and the elderly. By their very nature, voluntary agencies enjoy a degree of flexibility which the Government does not have. They are therefore better placed to carry out certain functions, such as new and experimental projects. Moreover, they have greater freedom in recruiting volunteers. The Government attaches great importance to the involvement of large numbers of public-spirited people in community work. There is scope for expanding the work of volunteers in the social welfare field with the growing awareness of the need for social welfare services and the availability of more leisure time. Services provided by voluntary agencies are complementary to the efforts of the Government and they provide a basis for comparison and improvement.

5.3 In Hong Kong's circumstances, there remains an important role for a vigorous, progressive and responsible voluntary sector, working in mutual understanding and close co-operation with the Government. There should, however be a clearer delineation of the division of responsibility between the Government and the voluntary sector. The present division is largely a historical one but with the planned expansion in various programmes, it is necessary to re-examine this division against the relative capabilities of the Government and the voluntary sector, firstly to avoid overlaps, secondly to ensure that planned targets are met, and thirdly to ensure that resources are used in the most effective manner in achieving stated objectives. An examination is now underway and recommendations are expected during 1979 for discussion with the voluntary sector.

Financing of Social Welfare Services

5.4 Apart from the services provided by the Social Welfare Department, the Government helps to finance social welfare services provided by the voluntary sector through subventions. Social welfare subventions have increased by about 300% from \$25.2 million in 1973/74 to \$100 million in 1978/79. Many voluntary agencies are now dependent on the Government for most of their financial resources since overseas assistance has declined substantially. Indeed, one of the main changes in the past decade has been the extent to which resources from within Hong Kong have replaced overseas financial aid. Voluntary agencies also rely on the Community Chest, the Jockey Club and private donations and charitable trust funds to sustain their activities. The Lotteries Fund makes a significant contribution towards their capital expenditure, as well as supporting pioneering projects. Allocations from this Fund have risen from \$7.8 million in 1973 to about \$20 million in 1978.

5.5 With this fundamental change in the basic financing of social welfare services operated by the voluntary sector, and the scale of developments envisaged in the coming decade, the Government accepts that the present method of subventing social welfare services through

discretionary grants for specified services, is no longer appropriate in all areas of service. For example, where the Government sees an important role for the voluntary sector in a key area of service, an assurance of adequate financial support is essential if a service of the required standard is to be provided. It is also important that there should be some means of ensuring that the increasing public funds being devoted to welfare services are well spent. Both the Government and the Hong Kong Council of Social Service have been giving urgent attention to this matter and it is hoped that consultations on proposed changes can reach fruition during 1979.

Relationship between Social Security and Social Welfare Services

5.6 Improvements in the range and level of social security payments do not necessarily imply that direct social welfare services should be correspondingly reduced. There is no inherent overlap between the two, since social security provides financial help for those who are unable to be fully self-supporting, whereas social welfare services are for those who have a need for such service. Family counselling and community centres illustrate the general validity of this statement. In the first case, what is needed is advice and assistance in resolving family problems, not money. In the second case, community centres provide a service which, generally speaking, cannot be purchased commercially, so that a cash allowance would not provide an adequate substitute.

5.7 There are, however, two ways in which the development of social security may have a direct effect on social welfare services. Firstly, it may affect the demand for a particular service, either by reducing demand (for example better cash benefits would encourage more elderly people to stay with their families and so reduce the need for institutional care) or by enabling some people to buy the service privately rather than rely on government-run or publicly financed services. Secondly, improved cash benefits enable the recipient to make a contribution towards the particular service he requires and should logically lead to a review of the existing policy and practice on fee charging.

5.8 Most social welfare services are government financed and to a large extent, cater for those with limited financial means. The better off tend to buy them, if they are available for purchase. The Government does not propose that there should be any general change to reliance on private welfare services (that is non-government financed services), paid for by the user of the service who would be helped through Social Security or other individual subsidies. There are objections, both in principle and in practice, to such a change. Private services respond to demand and profitability but would not necessarily be spread evenly throughout Hong Kong, nor is it likely that a full range of services would be provided, or that the charges made would be within the means of all who require such services. Moreover there would be difficulties in ensuring an acceptable standard of service without elaborate and expensive supervisory machinery.

5.9 The existing social security system already provides forms of individual cash subsidy enabling the recipient to purchase some social welfare services. In general, however, only limited financial aid is available. The per capita costs of some services, such as institutional care for the disabled and the elderly, are high so that considerable additional expenditure would be involved if sufficient money were to be provided through the social security system to enable those who at present use Government financed services to buy a full range of services. This would be particularly so if the subsidies were to be on a universal, non-contributory and non-means-tested basis. If a means-test were to be introduced to prevent payments going to those able to buy services, elaborate and expensive administrative machinery would be required. On the whole, it seems better to provide the necessary services and to ensure that these services are within the general means of the client group, with the social security system providing the necessary financial support for those with special needs, e.g. the elderly, or those who are unable to afford the fees charged.

5.10 Notwithstanding the conclusion reached in the preceding paragraphs, it may be advisable to encourage, in appropriate fields, the growth of non-profit self-financed services. This would lead to more resources being devoted to social welfare services and enable the Government to concentrate on other forms of social welfare where privately financed services would not be practicable. Child care centres and homes for the aged seem to be suitable services for testing these ideas and the Government will examine the possibility of devising a workable system.

Fee Charging

5.11 The Government is convinced that the key to establishing a satisfactory relationship between social security and social welfare services lies in a consistent and effective policy on fees for social welfare services. In general, voluntary agencies are often reluctant to charge fees because their perceived and traditional role is to serve less well-off families. However, social security benefits have come a long way since the days of dry rations and cooked meals. It is not unreasonable for those who receive social security benefits to be asked to make some contribution to the cost of services which they enjoy. In particular the Special Needs Allowances are intended to enable specific client groups to purchase services, where appropriate. Expenditure on social security benefits is an increasing and open-ended commitment. There is a growing demand for new and better social welfare services and because overseas aid is no longer forthcoming, the Government has perforce to make available most of the funds required for these services. At the same time, needs in other areas such as housing, education and health are also increasing and have to be met. Resources available for social welfare services cannot therefore be unlimited. All these factors point to a need for a reappraisal of the present practice on fee charging to reconcile the Government's social security benefits to needy individuals and the financial subsidies given to voluntary agencies in providing services, and to ensure that the Government's objectives in each area of service are not frustrated by making a service free. For example, an elderly person who receives both Public Assistance and an Old Age Allowance, but who pays nothing or very little towards his care and maintenance in an old people's home, would obviously be better off than an elderly person who has to be looked after by his family. This would be unjust and would conflict with the Government's objective of promoting care of the elderly in the community.

5.12 To assist the voluntary agencies, guidelines for fee charging are now being formulated. These guidelines will attempt to strike a balance between the need not to discourage users of a particular service on the one hand, and to the need, on the other hand, to ensure that the aims of individual services and cash benefits are met and that misuse of a particular service is not unwittingly encouraged because it is free. In general, provided that government financed social welfare services continue to cater for those with limited means, it is not proposed that the level of fees should aim to recover the full cost of providing a particular service. Moreover, revenue from fees would make it possible for services to be improved and extended to all those who require them sooner than might otherwise be possible.

Chapter 6

Financial Implications

6.1 The programme of development envisaged in this White Paper involves a substantial financial outlay over the next ten years, both in capital and recurrent expenditure. It is not possible to give more than a rough approximation of costs at this stage although expenditure in the current year can be estimated with greater accuracy. The figures quoted in this chapter represent the maximum cost to the Government directly attributable to these programme headings, but the use of private funds may reduce the commitment to some extent. However, the costs of public housing, medical and health services and social welfare overheads (e.g. planning, research evaluation, training) have been excluded. Whilst the Government will seek to implement the programmes as quickly as financial resources permit, a shortage of trained social workers may well be the main constraint.

6.2 The additional capital expenditure involved in new or improved services including allocations from the Lotteries Fund is estimated to be about \$114 million at 1978 prices, broken down as follows:

	78/79	79/80	80/81	81/82	82/83	83/84	84/85	85/86	86/87
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<i>Services for the Elderly</i>									
Hostel Accommodation	2.71	3.08	2.00	1.40	2.00	2.00	2.00	2.00	—
Community Services	2.75	2.28	1.88	2.28	2.68	2.68	2.40	1.60	0.70
Institutional Services	6.82	24.60	12.97	8.99	9.00	6.67	6.00	—	—
Sub-total	12.28	29.96	16.85	12.67	13.68	11.35	10.40	3.60	0.70
<i>Personal Social Work among Young People</i>									
	1.60	—	0.20	0.20	0.20	0.20	0.20	0.20	0.20
Total	13.88	29.96	17.05	12.87	13.88	11.55	10.60	3.80	0.90

6.3 The additional recurrent expenditure is estimated to be \$87 million in 1978/79, rising to \$304 million in 1986/87. The estimated financial implications are set out in the table below.

	78/79 \$m	79/80 \$m	80/81 \$m	81/82 \$m	82/83 \$m	83/84 \$m	84/85 \$m	85/86 \$m	86/87 \$m
<i>Public Assistance Scheme</i>									
(i) supplement for long term cases	7.2	7.3	7.4	7.5	7.6	7.7	7.9	8.0	8.1
(ii) old age supplement	35.0	31.0	33.0	35.0	36.0	37.0	37.6	38.1	38.1
(iii) disregarded income	2.6	2.6	2.7	2.7	2.8	2.8	2.8	2.9	2.9
(iv) appeal board and other administrative measures	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
(v) disability supplement	—	—	1.2	1.2	1.3	1.3	1.3	1.3	1.3
Sub-total	45.1	41.2	44.60	46.7	48.0	49.1	49.9	50.6	50.7
<i>Special Needs Allowance</i>									
(i) extension to those in residential institutional accommodation	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
(ii) extension of Old Age Allowance to 70—74 years old	35.0	77.6	82.3	88.5	96.3	104.8	112.3	118.6	123.6
(iii) extension of Disability Allowance to the profoundly deaf	—	—	9.0	9.2	10.8	11.2	11.5	11.7	12.0
Sub-total	38.5	81.1	94.8	101.2	110.6	119.5	127.3	133.8	139.1
<i>Traffic Accident Victims Assistance Scheme</i>									
	—	15.0	16.6	17.8	19.1	20.5	22.0	23.6	25.3

	78/79	79/80	80/81	81/82	82/83	83/84	84/85	85/86	86/87
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<i>Services for the Elderly</i>									
Hostel Accommodation	0.07	1.73	3.56	4.68	5.46	6.58	7.70	8.82	9.94
Community Services	0.94	5.34	9.08	12.47	16.36	20.25	23.32	24.39	26.50
Institutional Services	—	2.29	6.74	11.46	13.77	15.98	18.18	19.33	20.64
Sub-total	1.01	9.36	19.38	28.61	35.59	42.81	49.20	52.54	57.08
<i>Personal Social Work among Young People</i>									
School Social Work	0.7	9.1	13.7	15.1	15.2	15.2	15.2	15.2	15.2
Outreaching Social Work	0.8	4.3	5.4	6.4	7.5	8.4	9.3	10.2	11.1
Family Life Education	0.7	3.0	3.5	3.9	4.2	4.5	4.8	5.2	5.5
Sub-total	2.2	16.4	22.6	25.4	26.9	28.1	29.3	30.6	31.8
TOTAL	86.81	163.06	197.98	219.71	240.19	260.01	277.70	291.14	303.98

6.4 Total recurrent expenditure in social security payments is expected to increase from \$374 million in the current year to \$617 million by 1986/87.

6.5 The number of Public Assistance cases at the end of March 1978 was 48,157. The total number of people who benefit is considerably more because 30% of the total caseload are family cases. Excluding singletons, the average family on Public Assistance has 4.34 eligible members. Thus at the end of March 1978, the total number covered by the scheme was 96,400. It is estimated that by 1986/87, some 108,400 people will benefit from this scheme.

6.6 The increase in the numbers receiving Special Needs Allowance will be much greater than the increase of Public Assistance cases. At the end of March 1978, the number of Disability Allowance cases was 18,026 and of Old Age Allowance cases was 63,110. The effect of the proposals in the White Paper will be to increase the number of disability cases by 4,200 (including an estimated 3,750 profoundly deaf cases) and of Old Age Allowance cases by 65,000 at the end of 1978/79. It is estimated that by 1986/87, 40,000 people will benefit from the Disability Allowance and 203,500 from the Old Age Allowance (representing about 80% of the total population aged 70 and above).

