

## **ITEM FOR FINANCE COMMITTEE**

### **HEAD 53 – GOVERNMENT SECRETARIAT : HOME AFFAIRS BUREAU**

#### **Subhead 700 General non-recurrent**

#### **Item 844 “Injection into the Community Care Fund”**

Members are invited to approve an additional injection of \$1.5 billion into the Community Care Fund for launching a programme to provide a one-off allowance to new arrivals from low-income families who are aged 18 or above and have entered Hong Kong for settlement.

### **PROBLEM**

The Steering Committee on the Community Care Fund (the Steering Committee) proposed a new programme to provide a one-off allowance to new arrivals from low-income families who are aged 18 or above and have entered Hong Kong for settlement to facilitate their integration into the community.

### **PROPOSAL**

2. The Secretary for Home Affairs proposes an additional injection of \$1.5 billion into the Community Care Fund (CCF) in 2011-12 for launching a programme to provide a one-off allowance to new arrivals from low-income families who are aged 18 or above and have entered Hong Kong for settlement (the Programme).

**/JUSTIFICATION .....**

## JUSTIFICATION

### **Assistance for new arrivals from low-income families who have entered Hong Kong for settlement**

3. The main objective of the CCF is to provide assistance to people facing economic difficulties, in particular those who fall outside the social safety net or those within the net but have special circumstances that are not covered. New arrivals have all along been the target beneficiaries of the CCF. As it takes time for new arrivals to fully adapt and integrate into the community, the additional injection into the CCF to provide a one-off allowance to new arrivals from low-income families who are aged 18 or above and have entered Hong Kong for settlement can facilitate their integration and adaptation into the community, and better prepare themselves for permanent settlement in Hong Kong.

4. At the meeting on 29 June 2011, the Steering Committee<sup>1</sup> proposed a new programme to provide a one-off allowance of \$6,000 to new arrivals from low-income families who have reached the age of 18 and have entered Hong Kong lawfully for settlement for less than seven years on the eligibility date, which is set at 31 March 2012.

5. The Steering Committee has drawn up the Programme in accordance with the following principles –

- (a) target beneficiaries should be those facing financial difficulties and in need of assistance;
- (b) the Programme should be people-oriented with assistance directly provided to beneficiaries;
- (c) administrative procedures should be simple, user-friendly and cost-effective;
- (d) suitable measures should be put in place to minimise possibilities of abuse; and
- (e) compliance with the legal requirements on the protection of personal data pursuant to the Personal Data (Privacy) Ordinance (Cap. 486) should be ensured.

Main features of the Programme are set out below.

**/Details .....**

## Details of the Programme

### *Target Beneficiaries*

6. Beneficiaries of the Programme shall meet all of the following criteria –

- (a) Adults: persons who have reached the age of 18 on or before 31 March 2012 as evidenced by their Hong Kong identity cards (HKIC);
- (b) New arrivals who have entered Hong Kong for settlement: HKIC holders who have entered Hong Kong for settlement<sup>2</sup> for less than seven years as at 31 March 2012, and –
  - (i) have entered Hong Kong from the Mainland on One-way Permit;
  - (ii) have the right to land or on unconditional stay in Hong Kong; or
  - (iii) staying in Hong Kong as dependants (and their sponsors are Hong Kong permanent residents, or non-permanent residents with the right to land or on unconditional stay in Hong Kong);
- (c) Low-income families –
  - (i) families with monthly household income<sup>3</sup> less than the specified income limit as set out at Enclosure 2; or
  - (ii) families who have passed the household-based means-test establishing eligibility for assistance under the following specified assistance schemes at the time of submission of applications :

Encl. 2

/Comprehensive .....

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<sup>2</sup> Please refer to paragraphs 6(b) and 7(a) to (g) below for the definition of “settlement”.

<sup>3</sup> Monthly household income refers to the average monthly household income for the three months prior to the submission of applications (i.e. the average of the total monthly income of all the family members who are living together (paragraph 6(c)(iii) refers)), including earnings from employment and other income (e.g. business profits, fees for rendering services, rent collected, contributions from relatives/friends etc). Applicants’ mandatory contribution to a Mandatory Provident Fund Scheme, financial assistance provided by the Government, charitable donations, as well as financial assistance from other assistance programmes of the CCF, etc. are not included.

- Comprehensive Social Security Assistance (CSSA) Scheme;
  - financial assistance schemes for students under the Student Financial Assistance Agency (SFAA)<sup>4</sup>; or
  - waiving mechanism of public hospitals (excluding one-off waiver).
- (iii) Family Members refer to father, mother, son, daughter, husband or wife who are living together with the applicant (including legally recognised adoptive parents/children and illegitimate children with proof of parentage).
7. The following persons are not eligible under the Programme –
- (a) persons admitted into Hong Kong under the Capital Investment Entrant Scheme and their dependants;
  - (b) persons admitted into Hong Kong under the Quality Migrant Admission Scheme and their dependants;
  - (c) visitors;
  - (d) foreign domestic helpers;
  - (e) persons admitted for employment as imported workers under the Supplementary Labour Scheme;
  - (f) persons admitted into Hong Kong under the Working Holiday Scheme;
  - (g) persons admitted under the following immigration policies/arrangements and their dependants :
    - (i) training;
    - (ii) study;
    - (iii) .....

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<sup>4</sup> They are the Kindergarten and Child Care Centre Fee Remission Scheme, the School Textbook Assistance Scheme, Student Travel Subsidy Scheme, Examination Fee Remission Scheme, Subsidy Scheme for Internet Access Charges, Financial Assistance Scheme for Post-secondary Students, Tertiary Student Finance Scheme - Publicly-funded Programmes, Project Yi Jin (full fee reimbursement) or Financial Assistance Scheme for Designated Evening Adult Education Courses (half/full fee reimbursement) under the SFAA.

- (iii) employment under the General Employment Policy;
- (iv) investment under the General Employment Policy (i.e. to establish or join in a business);
- (v) employment under the Admission Scheme for Mainland Talents and Professionals; or
- (vi) employment under the Immigration Arrangements for Non-local Graduates.

8. In drawing up the Programme, the Steering Committee has taken into consideration the following –

- (a) The CCF has announced earlier the implementation of a number of assistance programmes in 2011-12 to provide support to students and children, and the estimated total expenditure amounts to \$487.5 million. The Programme will only cover new arrivals from low-income families who have reached the age of 18 and have entered Hong Kong lawfully for settlement for less than seven years on the eligibility date. Under the Hong Kong law, a person attains full age on reaching the age of 18.
- (b) Funds have been earmarked pursuant to the Appropriation Bill 2011 for an additional injection into the CCF. The eligibility date is set at 31 March 2012, which is the last day of this financial year, to benefit more eligible persons.
- (c) The Programme serves to provide additional resources for new arrivals from low-income families who are aged 18 or above and have entered Hong Kong for settlement, so that they can better prepare themselves for permanent settlement in Hong Kong. Therefore, the target beneficiaries do not cover those who do not enter Hong Kong for the purpose of settlement as defined under this Programme (i.e. those set out at paragraph 7(c) to (g) above). Those who are admitted into Hong Kong under the Capital Investment Entrant Scheme and the Quality Migrant Admission Scheme are also not the target beneficiaries of the Programme as they have demonstrated to the satisfaction of the Immigration Department (Imm D) that they have adequate financial means to sustain their living in Hong Kong at the time of their arrival.
- (d) Having regard to the objective of the CCF to provide assistance to people facing economic difficulties and are in need of assistance, the Programme will not provide an “across-the-board” allowance to all

new arrivals. To ensure that the beneficiaries of the Programme are low-income earners with genuine needs, the overall financial position of the household will be considered to identify the more needy persons.

- (e) Considering that the assistance under the Programme is one-off in nature, more relaxed financial criteria without imposing any asset test are preferred. In order to streamline the procedures and minimise administrative costs, if applicants' families have already passed the household-based means test and are eligible for assistance under the specified schemes (as set out at paragraph 6(c)(ii) above), they will not be required to produce further documentary proof on their economic situation. Other applicants shall declare in writing that their monthly household income is less than the specified income limit set out at Enclosure 2.

The Steering Committee has made reference to the median monthly domestic household income in the first quarter of 2011 in drawing up the specified income limit. However, the median monthly domestic household income applicable to one-person households (i.e. \$6,500) is low when compared with that applicable to two-person households (i.e. \$14,600). The Steering Committee has therefore decided to adjust the specified income limit applicable to one-person households upwards to half of that applicable to two-person households, i.e. \$7,300.

### *Number of Beneficiaries*

9. The numbers of persons who have entered Hong Kong for settlement for less than seven years and are –
- (a) Non-permanent residents aged 18 or above who have entered Hong Kong from the Mainland on One-way Permit is about 231 000.
  - (b) Non-permanent residents aged 18 or above who have the right to land or on unconditional stay in Hong Kong is about 15 000.
  - (c) Non-permanent residents aged 18 or above who are staying in Hong Kong as dependants (and their sponsors are Hong Kong permanent residents, or non-permanent residents with the right to land or on unconditional stay in Hong Kong) is about 25 000.

The total number of the above persons is around 271 000. Assuming that 90% of the persons from (a) and (b), and 50% of those from (c) will apply for the allowance and are eligible, the total number of beneficiaries is around 233 900.

*/Amount .....*

### *Amount of Allowance*

10. As in line with other CCF assistance programmes, the Steering Committee has taken into account the related schemes provided by the Government and other organisations, the needs of the beneficiaries and the expectation of the public, etc., in mapping out the Programme. Having considered the views from various sectors, the Steering Committee decided to provide eligible persons under the Programme with a one-off allowance of \$6,000 and impose no restriction on the use of the allowance.

### *Application Arrangement*

11. If funding approval is given by the Finance Committee (FC), it will take about ten weeks to prepare for the launching of the Programme before the commencement of the application period on 3 October 2011. The deadline for application is set at 30 June 2012 to allow sufficient time for new arrivals entering Hong Kong lawfully for settlement on or shortly before the eligibility date (i.e. 31 March 2012) to submit applications.

12. The Secretariat of the CCF (the Secretariat) will upload the application form to the CCF website, which will also be available at the Social Welfare Department (SWD), Labour Department and all District Offices. Applicants should send the duly completed application form<sup>5</sup>, together with the required personal information and copies of supporting documents<sup>6</sup>, to the Secretariat on or before 30 June 2012. Applicants must be aged 18 or above when submitting applications.

13. The Secretariat will also make special arrangements for incapacitated persons who are unfit to make the application (i.e. persons who have appointed a legal guardian under the Mental Health Ordinance (Cap. 136); or are receiving CSSA and have appointed an appointee<sup>7</sup>). We will also make arrangements having regard to the individual circumstances of other applicants with special needs.

*/Vetting .....*

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<sup>5</sup> A Personal Information Collection Statement will be included to comply with the Data Protection Principles provided under Schedule 1 of the Personal Data (Privacy) Ordinance (Cap. 486) concerning the collection of personal data.

<sup>6</sup> For example, the applicant's name, copy of his/her identity card, supporting document(s) of his/her status as a new arrival (i.e. One-way Permit, dependant visa or entry permit), name and number of his/her local Hong Kong dollar bank account(s) in his/her sole name, local postal address and contact phone number, as well as the supporting document(s) indicating that his/her family is eligible for assistance under the specified assistance schemes (if applicable). Applicants who have yet to have an identity card should submit an application for the identity card to Imm D before the application period of the Programme ends.

<sup>7</sup> For applicants for CSSA aged 18 or above who have been medically certified to be unfit to make the application in person, SWD will appoint an appointee to make the application on his/her behalf when going through an assessment process. The appointee will be entrusted with certain responsibilities, including receiving CSSA payments on behalf of the beneficiary, and spending such payments so received for the purpose of the latter.

### *Vetting and Disbursement Arrangements*

14. The Secretariat will vet every application and pass the necessary information (e.g. name and identity card number) to Imm D for verification<sup>8</sup>. For applicants who are required to declare in writing in respect of their household income, the Secretariat will conduct audit check on some of these cases. The applicants concerned will be required to provide detailed information on their household income for conducting a comprehensive means test in the course of processing the application or after the disbursement of the allowance. We will emphasise on the application form that any person who knowingly or willfully provides false statement or withholds any information in order to obtain assistance/subsidy commits a criminal offence<sup>9</sup>.

15. After vetting each application, the Secretariat will notify applicants of the results by post or email. Notifications to unsuccessful applications will be sent by registered mail. Applicants can appeal in writing with justifications within seven days after receiving the notification. All appeals against application results will be handled by a team comprising members from the Home Affairs Sub-committee of the CCF.

16. Our target is to commence disbursement of allowance to eligible beneficiaries from November 2011. The Secretariat will make arrangements with banks for direct payment of the allowance into the bank accounts of the eligible beneficiaries. For those eligible beneficiaries without bank accounts, they will be issued with order cheques for collection from the Secretariat in person during a specified period upon verification of their names and identity card numbers. The Secretariat will report the progress of the Programme to the Home Affairs Sub-committee regularly.

### *Implementation Arrangements and Publicity*

17. The Secretariat will announce the details of the application procedures in September 2011 (i.e. around one month before the commencement of the application period) and launch extensive publicity. The Secretariat will also finalise a number of implementation arrangements including the testing of computer system, conducting privacy impact assessment, printing of application forms and publicity materials, hiring and training of temporary staff, as well as setting up enquiry hotlines to provide applicants with the relevant information.

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<sup>8</sup> According to the Personal Data (Privacy) Ordinance, we are required to obtain the consent of the person concerned or the Privacy Commissioner for Personal Data before verification.

<sup>9</sup> Under section 16A of the Theft Ordinance (Cap. 210), any person who is convicted of the offence of fraud will be liable to imprisonment for a maximum of 14 years.



**FINANCIAL IMPLICATIONS**

18. Assuming that 233 900 people make the applications and meet the eligibility criteria, the total disbursement of the Programme will then be about \$1.4 billion.

19. The overall administrative expenses of an assistance programme under the CCF should normally not exceed 5% of the estimated total disbursement. To implement this Programme, the Secretariat will set up an ad hoc task force comprising about 180 staff for receiving and vetting applications, handling enquiries, liaising with Imm D and banks for information verification and disbursement of allowance respectively. The proposed number of posts in the ad hoc task force and their main duties are set out at Enclosure 3. We estimate that the administrative costs incurred for implementing this Programme will not exceed 2% of the estimated total disbursement. At this stage it is difficult to make an accurate estimation of the actual workload and the number of applications for a new programme as such. We will review the manpower requirement in the light of operational experience.

Encl. 3

20. The breakdown of the required resources for implementing this Programme is as follows –

<b>Item</b>	<b>Estimated Amount (\$ million)</b>
(a) Total disbursement	1,403.40
(b) Administrative Expenses	25.17
(i) Manpower	18.52
(ii) Other administrative expenses (including publicity, office accommodation, computer equipment and other operating expenses)	6.65
Sub-total (a+b)	1,428.57
(c) Contingency	71.43
<b>Total (a+b+c)</b>	<b>1,500.00</b>

21. As the additional injection of \$1.5 billion into the CCF is for the purpose of implementing the Programme, we propose that the injection be handled separately from the existing funds of the CCF. Unused funds (including interest), if any, will be returned to the Government after the completion of the Programme.

## **PUBLIC CONSULTATION**

22. The committees under the Steering Committee have thoroughly discussed the Programme. In mapping out its details, the Steering Committee has fully taken into consideration the views from various sectors.

23. We consulted the Legislative Council Panel on Home Affairs on 8 July 2011. Members raised no objection to the proposed additional injection into the CCF. Some Members asked whether the additional injection into the CCF for launching the Programme was in line with the objective of the CCF. Some Members considered that no means test should be introduced for the Programme and that the specified income limit should be further relaxed to take into account the impact of the implementation of statutory minimum wage on the median monthly domestic household income and to benefit more people in need. We explained to Members that the objective of the CCF was to provide assistance to people facing economic difficulties. New arrivals have all long been the target beneficiaries of the CCF and the additional injection will fully utilise the CCF platform to assist them. In addition, the introduction of means tests is in line with the CCF's objective to provide assistance to the needy, the proposed specified income limit has already fully taken into account the need to adopt more relaxed financial criteria.

## **BACKGROUND**

24. The Chief Executive announced in his 2010-11 Policy Address the establishment of the CCF, to which the Government and the business sector would each contribute \$5 billion. FC approved an injection of \$5 billion into the CCF on 13 May 2011 to provide assistance to people facing economic difficulties.

25. In the Appropriation Bill 2011, the Financial Secretary has earmarked \$1.5 billion for an additional injection into the CCF to provide assistance to those in financial need, including new arrivals. The Steering Committee will study how to assist them.

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**Steering Committee on the Community Care Fund**

**Membership**

Chairman : Mr Henry Tang Ying-yen  
Chief Secretary for Administration

Non-official members : Professor Alfred Chan Cheung-ming  
Mr Bunny Chan Chung-bun  
Professor Chan Yuk-shee  
Ms Chang Siu-wah  
Mr Cheung Kwok-che  
Professor Nelson Chow Wing-sun  
Ms Christine Fang Meng-seng  
Mr Ho Hei-wah  
Mr Frederick Lai Wing-hoi  
Mr Jeffrey Lam Kin-fung  
Ms Lam Shuk-yee  
Mr Lau Ming-wai  
Dr Law Chi-kwong  
Ms Li Fung-ying  
Dr Donald Li Kwok-tung  
Mr Tam Yiu-chung  
Ms Nancy Tsang Lan-see  
Mr Anthony Wu Ting-yuk  
Ms Yu Sau-chu  
Dr Yuen Pong-yiu

Official members : Secretary for Home Affairs (or representative)  
Secretary for Education (or representative)  
Secretary for Food and Health (or representative)  
Secretary for Labour and Welfare (or representative)

**Terms of Reference**

- (1) oversee and co-ordinate the work of the Community Care Fund (CCF);
- (2) formulate strategies and programmes for the CCF;
- (3) formulate investment strategies and financial arrangements for the CCF ;
- (4) oversee, co-ordinate and monitor the formulation, implementation and evaluation of programmes under the CCF; and
- (5) evaluate and advise on the programmes under the CCF to be considered by Government as government-funded services.

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**Specified Income Limit**

<b>Household Size (persons)</b>	<b>Income Limit (\$)</b>
1	7,300
2	14,600
3	20,000
4	24,500
5	33,600
6 or above	37,300

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**Enclosure 3 to FCR(2011-12)41**

**Composition and main duties of the ad hoc task force**

<b>Rank</b>	<b>Number of posts</b>	<b>Main duties</b>
Senior Executive Office	1	<ul style="list-style-type: none"> <li>● To oversee the overall operation and manage the administrative and personnel matters of the task force.</li> </ul>
Executive Officer I/ Temporary Senior Project Executive	18	<ul style="list-style-type: none"> <li>● To handle the complicated applications and complaints, and to conduct audit checks on some cases.</li> <li>● To oversee the operation of the enquiry team.</li> </ul>
Temporary Project Executive	70	<ul style="list-style-type: none"> <li>● To handle the more complicated public enquiry cases, as well as to check and approve applications.</li> <li>● To handle fraud investigation and debt recovery.</li> </ul>
Temporary Project Assistant	92	<ul style="list-style-type: none"> <li>● To verify the completeness of application documents, input data into the computer system and handle general public enquiries.</li> </ul>
Accounting Officer II	1	<ul style="list-style-type: none"> <li>● To liaise with banks and disburse allowance.</li> </ul>
Temporary Programmer	1	<ul style="list-style-type: none"> <li>● To provide computer system support and manage the computer facilities.</li> </ul>
<b>Total</b>	<b>183*</b>	

\* The period of employment varies from six to 11 months, depending on the role of individual staff in handling the applications.

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