

For discussion on  
8 July 2011

## **Legislative Council Panel on Home Affairs**

### **Injection into the Community Care Fund: One-off Allowance to New Arrivals from Low-income Families**

#### **Purpose**

This paper briefs Members on the proposal to inject additional funds into the Community Care Fund (CCF) 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).

#### **Background**

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

#### **Details of the Programme**

3. At the meeting on 29 June 2011, the Steering Committee finalised 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. Following consultation with the Legislative Council (LegCo) Panel on Home Affairs, the Administration will seek funding approval from the LegCo Finance Committee (FC) for the additional injection into the CCF to implement the Programme.

4. 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 and the additional injection will fully utilise the CCF platform to provide assistance to more people in need. It takes time for new arrivals to fully adapt and integrate into the community. The Programme serves to provide new arrivals from low-income families who have entered Hong Kong for settlement with additional resources to facilitate their adaptation and integration into the community, and better prepare themselves for permanent settlement in Hong Kong.

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 in the ensuing paragraphs.

### **(1) 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 settle in Hong Kong for less than seven years as at 31 March 2012, and:

- (1) have entered Hong Kong from the Mainland on One-way Permit;
- (2) have the right to land or on unconditional stay; or
- (3) 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);

(c) Low-income families:

- (1) families with monthly household income<sup>1</sup> less than the specified income limit (see Annex); or
- (2) families who have passed the household-based means-test establishing eligibility for assistance under the following specified assistance scheme at the time of submission of applications -
  - (i) Comprehensive Social Security Assistance (CSSA) Scheme;
  - (ii) financial assistance schemes for students under the Student Financial Assistance Agency (SFAA)<sup>2</sup>; or

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<sup>1</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)(3) below 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.

(iii) waiving mechanism of public hospitals (excluding one-off waiver).

(3) Family Members: 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 -
  - (1) training;
  - (2) study;

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<sup>2</sup> 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.

- (3) employment under the General Employment Policy;
- (4) investment under the General Employment Policy (i.e. to establish or join in a business);
- (5) employment under the Admission Scheme for Mainland Talents and Professionals; or
- (6) 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 a number of assistance programmes for implementation in 2011-12 to provide support to students and children for which 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 on or before 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 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 as many people as possible.
- (c) As mentioned at paragraph 4 above, the Programme serves to provide new arrivals from low-income families who have entered Hong Kong for settlement with additional resources so that they can better prepare themselves for permanent settlement in Hong Kong. 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, e.g. visitors, foreign domestic helpers and those admitted into Hong Kong for training and

study under immigration policies). 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 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.

Considering that the assistance under the Programme is “one-off” in nature, the Steering Committee preferred to adopt more relaxed financial criteria without instituting any asset test. In order to streamline the procedures and minimise administrative costs, those families of the applicants who have passed the household-based means test and are eligible for assistance under the specified schemes (as set out at paragraph 6(c)(2) above) 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 (see Annex).

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 apparently 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 become half of that applicable to two-persons households, i.e. \$7,300.

## **(2) Amount of Allowance**

9. The Steering Committee noted that the Financial Secretary announced in March the proposal to give a sum of \$6,000 to each Hong Kong Permanent Identity Card holder aged 18 or above so as to leave wealth with the people. The objective and nature of this measure is different from that of the Programme set out in this paper and the two will be handled separately. Nevertheless, as in line with other CCF assistance programmes, the Steering Committee has taken into account the related schemes and assistance 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.

## **(3) Application Arrangement**

10. If funding approval is given by the FC at its meeting on 18 July 2011, it will take us about 10 weeks to prepare for the launching of the Programme before the application period begins on 3 October 2011. The deadline of application is set at 30 June 2012 to allow sufficient time for new arrivals entering Hong Kong lawfully on or shortly before the eligibility date (i.e. 31 March 2012) to submit applications.

11. The Secretariat of the CCF will upload to the CCF website the application form, 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>3</sup>, together with

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<sup>3</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.

the required personal information and copies of supporting documents<sup>4</sup>, to the Secretariat of the CCF on or before 30 June 2012. Applicants must be aged 18 or above when submitting applications.

12. The Secretariat will also make special arrangements for incapacitated persons who are unfit to make the application (i.e. people who have appointed a legal guardian under the Mental Health Ordinance (Cap. 136); or are receiving CSSA and have appointed an appointee<sup>5</sup>). We will also make arrangements having regard to the individual circumstances of other applicants with special needs.

#### **(4) Vetting and Disbursement Arrangements**

13. The Secretariat will vet every application and pass the necessary information (e.g. name and identity card number) to the Immigration Department for verification<sup>6</sup>. For those applicants who are required to declare in writing regarding their household income, the Secretariat of the CCF will conduct audit check on some of these cases. The concerned applicants 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. To achieve a greater deterrent effect and minimise abuse or

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<sup>4</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 the Immigration Department before the application period of the Programme ends.

<sup>5</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 after 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.

<sup>6</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.



false statements, 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>7</sup>.

14. After vetting each application, the Secretariat will notify applicants of the results by post or email. Notifications for unsuccessful applications will be sent by registered mail. Within 7 days after receiving the notification, applicants can appeal in writing with justifications. All appeals against application results will be handled by a team comprising members from the Home Affairs Sub-committee of the CCF.

15. 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. Arrangements will be made for applicants without bank accounts to collect order cheques 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.

### **Number of Beneficiaries and Estimated Expenditure**

16. To implement the Programme, the Secretariat of the CCF will set up an ad hoc task force for receiving and vetting applications, handling enquiries, liaising with the Immigration Department and banks for information verification and disbursement of allowance respectively. It is estimated that the ad hoc task force will consist of around 180 staff, most of them to be employed on temporary terms, for about 6 to 11 months.

17. As with other assistance programmes of the CCF, the overall administrative expenses incurred for implementing this Programme should not exceed 5% of the estimated total disbursements. Assuming that

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<sup>7</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.

applications are received from 233,900<sup>8</sup> eligible applicants, it is estimated that the total expenditure will be about \$1.5 billion, including administrative costs not exceeding 2% of the estimated total disbursements. The breakdown is as follows:

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

18. 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

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<sup>8</sup> The number of persons who have entered Hong Kong for settlement for less than 7 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 is about 15,000; and
- (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) 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.

experience. We propose that the Government will inject \$1.5 billion into the CCF for implementing the Programme, and the CCF will return any unused funds (including interest) to the Government after the completion of the Programme.

### **Implementation Arrangements and Publicity**

19. Subject to the funding approval by the FC at its meeting on 18 July 2011, the Secretariat of the CCF will finalise the implementation arrangements before the application period begins on 3 October 2011. They include the testing of computer system, conducting privacy impact assessment, printing of application forms and publicity materials, hiring and training of temporary staff and making other logistical arrangements, etc.

20. We will announce the details of the application procedures in September, i.e. around one month before the commencement of the application period and launch extensive publicity. The Secretariat will also set up enquiry hotlines to provide applicants with the relevant information.

### **Advice Sought**

21. Members' views are welcome on the Programme set out in this paper. With the benefit of Members' views, we will seek funding approval from the FC on 18 July 2011.

Home Affairs Bureau  
June 2011

**Specified Income Limit**

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