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Panel on Home Affairs
Background brief prepared by the Legislative Council Secretariat
for the meeting on 8 July 2011

Community Care Fund

This paper provides background information on the Community Care Fund ("CCF") and summarizes the concerns and views of members of the Panel on Home Affairs ("the Panel") of the Legislative Council ("LegCo").

Background

2. In October 2010, the Chief Executive ("CE") announced in his 2010-2011 Policy Address the establishment of CCF to which the Government and the business sector would each contribute \$5 billion. CCF aims at providing assistance to people facing financial difficulties, particularly those who fall outside the safety net, i.e. the Comprehensive Social Security Assistance Scheme, or those within but are not covered by the safety net because of special circumstances. CCF may also implement measures on a pilot basis to help the Administration identify those that can be considered for incorporation into the Government's regular assistance and service programmes.

3. In November 2010, CE appointed the Steering Committee on CCF ("the Steering Committee") chaired by the Chief Secretary for Administration to oversee and co-ordinate, among others, the work of CCF. The Steering Committee comprises 20 non-official members drawn from various sectors of the community including the business, welfare, education, health, labour, political and district sectors, and four official members, viz. the Secretary for Home Affairs ("SHA"), Secretary for Education, Secretary for Labour and Welfare, and Secretary for Food and Health.

4. According to the Administration, as at April 2011, the Steering Committee endorsed the first 10 CCF's assistance programmes in **Appendix I** to be rolled out in 2011-2012 at an estimated expenditure of around \$727 million, with some 300,000 potential beneficiaries.

5. On 13 May 2011, the Finance Committee ("FC") approved the Government injection of \$5 billion into CCF.

Members' views and concerns

6. The Panel discussed the operation of CCF at its meeting on 14 January 2011. Members' views and concerns on CCF are highlighted in the ensuing paragraphs.

Impact on charities

7. Some members expressed concern about the possible dilution of CCF on the business sector's donations to charities, such as the Community Chest of Hong Kong ("CCHK"), from which many non-governmental organizations had received support. Members called on the Administration to keep in view whether CCHK had any fund-raising difficulties after the establishment of CCF and to render assistance when necessary. Members were also worried that CCF and CCHK might have duplicate functions. They considered it necessary for the Administration to clearly delineate the respective scope of CCF and CCHK.

8. According to the Administration, CCF would not launch any public fund-raising campaigns. The business sector had only been invited to make voluntary donations to CCF on top of its support for charities. The Administration assured members that it would monitor CCF's impact on donations to charities. The fund-raising activities of CCHK had not been affected by CCF. CCF would not duplicate the programmes under CCHK, other charitable funds and the Government's existing social welfare service network. As a new initiative, CCF's programmes would be delivered in an innovative manner.

9. Some members were of the view that CCF should not be taken as a long-term measure. Its programmes to be rolled out should be those that could be considered by the Government for incorporation into its regular assistance and service programmes. There was a view that CCF should be wound up within three to five years, as the Government's policies affecting people's livelihood should have been improved during the period.

Source of funding

10. Noting the target beneficiaries of CCF, which included those who fell outside the safety net or those within but were not covered by the safety net because of special circumstances, some members were of the view that it was the Government's responsibility to help these people. As the Government had amassed huge fiscal reserves, it could well afford to include these people in its existing recurrent assistance programmes. The success of CCF should not hinge on the collaboration between the Government and the business sector, as this would mix up the Government's responsibility for taking care of the needy and the business sector's donations to charities. The business sector should donate to CCHK and other charities instead of CCF, or might set up its own community care fund. The Government should stop raising fund from the business sector for CCF and should fully fund CCF by itself.

11. According to the Administration, it would continue to strengthen its existing welfare services for the underprivileged. CCF could promote the collaboration between the Government, the business sector and the community, which would create a synergy effect on charity work in Hong Kong.

12. Some members were concerned that the Government might make secret deals with the business sector when appealing to it for donations. They had urged the Administration to disclose the amount of donations received from the business sector. However, some other members were of the view that CCF should be seen from a positive perspective, as it could line up different parties in the community to work together for building a caring culture in Hong Kong. Any fund that could help the needy should be welcomed. The Administration considered it inappropriate to label CCF as collusion between the Government and the business sector. It would disclose the total amount of donations to CCF but donations from individual donors would not be disclosed.

13. At the FC meeting on 6 May 2011, the Administration advised that it had secured a donation of \$680 million from the business sector to CCF and received pledges of a further \$1.12 billion, some of which would be paid in installments over three years.

Operation and monitoring

14. There was a concern that the application procedures for CCF's programmes might be cumbersome and costly. A cap should be set on CCF's administrative expenses. Members noted from the Administration that CCF's programmes would provide swift and direct assistance to target beneficiaries

through the Government's existing service network where possible to minimize administrative costs. The target was to limit the average administrative expenses of CCF to within 5% of its total disbursements on a long-term basis.

15. Some members urged the Administration to keep the operation of CCF transparent and accountable. They pointed out that as LegCo was the gatekeeper for the Government injection of \$5 billion into CCF, it was incumbent upon the Administration to report to LegCo on its progress of work at regular intervals, say in every three to six months, and its recommendations on how to improve the policies which impacted on people's livelihood annually. The Administration assured members that CCF's operation, including its income and expenditure, would be highly transparent. The statement of accounts of CCF would be audited by the Director of Audit and tabled at LegCo annually.

Latest development

16. In the Appropriation Bill 2011, the Financial Secretary earmarked \$1.5 billion for additional injection into CCF to provide assistance to those in financial need, including new arrivals. On 29 June 2011, the Steering Committee announced the proposal of providing a one-off allowance of \$6,000 to eligible new arrivals aged 18 or above from low-income families who have entered Hong Kong for settlement ("the Proposal"). The proposed eligibility date is set at 31 March 2012. The estimated number of potential beneficiaries will be over 230,000 and the estimated total expenditure will be within \$1.5 billion, including administrative costs not exceeding 2% of the estimated disbursement amount. Details of the Proposal and the relevant press release issued by the CCF Secretariat are in **Appendices II** and **III** respectively.

Relevant papers

17. A list of the relevant papers with their hyperlinks at LegCo's website is in **Appendix IV**.

2011-12 Assistance Programmes under the Community Care Fund

	Assistance Programmes	Estimated Full-year Budget (including administrative cost) (estimated number of beneficiaries)	Estimated Implementation Timetable
1	Setting up a new school-based fund to subsidise primary and secondary school students from low-income families to participate in learning activities outside Hong Kong which are organised or recognised by schools (a three-year programme)	\$165.9 million (around 240 000 students)	Late May 2011
2	Financial assistance for low-income new arrivals from the Mainland and ethnic minorities for taking language-related international public examinations (a two-year programme)	\$1.26 million (around 3 000 applications)	Third quarter of 2011
3	Subsidy for specified self-financed cancer drugs which have not yet been brought into the Samaritan Fund safety net but have been rapidly accumulating medical scientific evidence and with relatively higher efficacy	Around \$41.7 million to \$71.7 million for the first year (around 300 to 500 patients for the first year)	Third quarter of 2011
4	Subsidy to needy patients who marginally fall outside the Samaritan Fund safety net for the use of Samaritan Fund subsidised drugs	Not less than \$6.3 million to \$9.45 million (around 400 patients every year)	Fourth quarter of 2011 or first quarter of 2012
5	A monthly subsidy at a maximum rate of \$480 for elders aged 65 or above from low-income families who are on the waiting list for “Integrated Home Care Services (Ordinary Cases)” to hire household cleaning and escorting services (a one-year programme)	\$24.19 million (not more than 4 000)	Third quarter of 2011

	Assistance Programmes	Estimated Full-year Budget (including administrative cost) (estimated number of beneficiaries)	Estimated Implementation Timetable
6	A monthly subsidy of \$2,000 for persons with severe disabilities aged below 60 from low-income families who are non-Comprehensive Social Security Assistance (CSSA) recipients, require constant attendance and live in the community (a one-year programme)	\$94.38 million (not more than 3 800)	Third quarter of 2011
7	A monthly subsidy of \$2,500 for children with special needs from low-income families who are on the waiting list for subvented pre-school rehabilitation services (a one-year programme)	\$128.82 million (not more than 4 200)	Fourth quarter of 2011
8	A subsidy of \$2,000 for CSSA recipients who are owners of Tenant Purchase Scheme flats for five years or above and not eligible for rent allowance under CSSA (a one-off subsidy programme)	\$2.73 million (around 1 300 households)	Second quarter of 2011
9	A subsidy of \$1,000 (for one-person households) or \$2,000 (for families with household size of two or above) for CSSA recipients living in private housing paying rents that exceed the maximum rent allowance under CSSA (a one-off subsidy programme)	\$36.12 million (around 23 009 households)	Second quarter of 2011
10	Subsidy to meet lunch expenses at schools for primary school students from low-income families (for one school year)	\$192.78 million (around 51 000 students)	September 2011
Total estimated full-year budget		\$727.33 million	

Source: Discussion paper of Finance Committee of the Legislative Council, Paper No. FCR(2011-12)8.

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

Proposal

- The Steering Committee on the Community Care Fund (CCF) announced today (29 June) the proposal of providing a one-off allowance of \$6,000 to eligible new arrivals from low-income families who are aged 18 or above and have entered Hong Kong for settlement (the Proposal).
- The proposed eligibility date is set at 31 March 2012 to benefit as many people as possible. The estimated number of potential beneficiaries will be over 230 000 and the estimated total expenditure will be within \$1.5 billion (including administrative costs not exceeding 2% of the estimated disbursement amount).

Background and Objective

- The Financial Secretary announced earlier the plan to inject additional funds into the CCF to provide assistance to those who are in financial need, including new arrivals, for which \$1.5 billion has been reserved.
- 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 safety net but have special circumstances that are not covered. New arrivals have all along been the target beneficiaries of the CCF, and the proposed additional injection will fully utilise the CCF platform to provide assistance to more people in need.
- The Proposal serves to provide new arrivals from low-income families who have entered Hong Kong for settlement with additional resources to help them adapt and integrate into the community as soon as possible, and better prepare themselves for permanent settlement in Hong Kong.

Eligibility

- Beneficiaries shall meet the following criteria -
 - (a) Adults: persons who have reached the age of 18 on or before 31 March 2012 as shown on their non-Hong Kong permanent identity cards (HKIC);
 - (b) New arrivals who have entered Hong Kong for settlement: persons who hold a non-Hong Kong permanent identity card and have settled 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 less than the specified income limit (see Annex 1); or
 - (2) families who have passed the household-based means-test and are receiving assistance under the following specified assistance schemes 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)¹; or

¹ Kindergarten and Child Care Centre Fee Remission Scheme, the School Textbook Assistance Scheme, Student Travel Subsidy Scheme, Examination Fee Remission Scheme, Subsidy Scheme

(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).

- Persons under the categories set out in **Annex 2** are not eligible for the allowance.

Application Period and Procedures

- Applicants should send duly completed application forms together with relevant documentary proof to the Secretariat of the CCF from **3 October 2011 to 30 June 2012**.
- Application forms are available from the Social Welfare Department, the Labour Department, the Public Enquiry Service Centres of the District Offices and the website of the CCF.
- Applicants must be aged 18 or above when submitting applications.
- The Secretariat of the CCF will announce the details of application procedures in September 2011.

Vetting

- The Secretariat of the CCF will vet every application. For applicants from families that are not receiving assistance under the specified assistance schemes, they shall declare in writing that their household income is less than the specified income limit.

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.

- The Secretariat of the CCF will conduct audit check on applications. Applicants may be required to provide information on household income for conducting further income test.

Disbursement of Allowance

- For applicants with bank accounts: the Secretariat will arrange direct payment of the allowance into the bank accounts of the eligible beneficiaries.
- For applicants without bank accounts: they can collect order cheques from the Secretariat of the CCF in person after verification of their names and identity card numbers.
- The allowance is expected to be disbursed starting from **November 2011** at the soonest.

The Secretariat, Community Care Fund
June 2011

Specified Income Limit

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

Annex 2

The following persons are not eligible for the allowance -

- (1) Persons admitted under the Capital Investment Entrant Scheme and their dependants;
- (2) Persons admitted under the Quality Migrant Admission Scheme and their dependants;
- (3) Visitors;
- (4) Foreign domestic helpers;
- (5) Persons employed under the Supplementary Labour Scheme;
- (6) Persons admitted into Hong Kong under the Working Holiday Scheme;
- (7) Persons admitted into Hong Kong under the following immigration policies/ arrangements and their dependants -
 - (a) training;
 - (b) education;
 - (c) employment under the General Employment Policy;
 - (d) investment under the General Employment Policy (i.e. to establish or join a business);
 - (e) employment under the Admission Scheme for Mainland Talents and Professionals; or
 - (f) employment under the Immigration Arrangements for Non-local Graduates.

Source: <http://www.communitycarefund.hk/download/media-handout-eng.pdf>

Community Care Fund to provide \$6,000 allowance to new arrivals from low-income families

The following is issued on behalf of the Community Care Fund Secretariat:

The Steering Committee on the Community Care Fund (CCF) finalised at its meeting today (June 29) the proposal to provide a one-off allowance of \$6,000 to new arrivals from low-income families who are aged 18 or above and have entered Hong Kong for settlement.

The allowance will provide low-income new arrivals with additional resources to facilitate their adaptation and integration into the community. The proposal is expected to benefit more than 200 000 people.

Chairman of the Steering Committee on the CCF, Mr Henry Tang, said, "Providing low-income new arrivals with the allowance is in line with the CCF's objective to help people who are in need. In drawing up the details of the proposal, we have fully taken into consideration the views of Legislative Council members and those from various sectors. Considering that it is a 'one-off' allowance, we will adopt more relaxed vetting criteria and streamline the procedures to minimise the administrative costs in order to help more people in need."

He said, "The Secretariat of the CCF is working out the implementation details of the programme. We will take into account the views from the community to ensure the programme's smooth implementation."

Beneficiaries of the programme should reach the age of 18 on or before March 31, 2012 and have settled in Hong Kong for less than seven years as at that date. At the time of application, they should be receiving assistance under the specified assistance schemes (Comprehensive Social Security Assistance Scheme, financial assistance schemes for students under the Student Financial Assistance Agency, or waiving mechanism of public hospitals (excluding one-off waiver)), or the monthly household income of their families should be less than the specified income limit (see annex).

For applicants from families that are not receiving assistance under the specified assistance schemes, they shall declare in writing that their household income is less than the specified income limit. The Secretariat of the CCF will conduct audit checks on applications. Applicants may be requested to provide further information on their household income.

Applicants should send completed application forms together with relevant documentary proof to the Secretariat of the CCF between October 3, 2011 and June 30, 2012. Details of the application procedures will be announced in September.

The Secretariat will arrange direct payment of the allowance into the bank accounts of the eligible beneficiaries. Alternatively, applicants may collect order cheques in person.

In the Appropriation Bill 2011, the Financial Secretary earmarked funds for additional injection into the CCF to provide assistance to those in financial need, including new arrivals.

The Government will seek funding approval from the Legislative Council as soon as possible for injection into the CCF. The estimated total expenditure will be within \$1.5 billion, including administrative costs not exceeding 2 per cent of the estimated disbursement amount.

The Steering Committee on the CCF announced earlier that 10 assistance programmes would be launched in 2011-12, and that further study would be conducted on three other programmes. The assistance programmes will be rolled out by phases. The respective sub-committees are following up on the implementation of these programmes and holding discussions on other proposals.

Annex

Specified Income Limit

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

Ends/Wednesday, June 29, 2011

Issued at HKT 18:57

Source: <http://www.info.gov.hk/gia/general/201106/29/P201106290326.htm>

**Relevant papers on
Community Care Fund**

Committee	Date of meeting	Paper
Panel on Home Affairs	14.1.2011 (Item IV)	Agenda Minutes
Finance Committee	6.5.2011 (Item 2)	Agenda
Finance Committee	13.5.2011 (Item 2)	Agenda

Council Business Division 2
Legislative Council Secretariat
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