

# 立法會 *Legislative Council*

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## **Panel on Home Affairs Background brief prepared by the Legislative Council Secretariat for the meeting on 9 December 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") on the subject.

#### **Background**

2. In his 2010-2011 Policy Address, the Chief Executive ("CE") announced 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 ("CSSAS"), 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. On 13 May 2011, the Finance

Committee ("FC") of LegCo approved the Government injection of \$5 billion into CCF.

#### Assistance programmes

4. In April 2011, the Steering Committee endorsed the first 10 CCF's assistance programmes for 2011-2012 at an estimated expenditure of around \$727 million, with some 300,000 potential beneficiaries. In October 2011, the Steering Committee endorsed another two programmes to be launched in 2012, viz. the provision of subsidies to ethnic minorities and new arrivals from the Mainland to enroll in language courses and the provision of relocation allowance to residents of sub-divided units in industrial buildings. As at end November 2011, eight out of the 12 endorsed programmes in **Appendix I** had been rolled out. In addition, the Steering Committee has earmarked funds for implementing two potential programmes, including \$100 million for providing financial assistance on dental services (including dentures) for the elderly and \$40 million for enhancing after-school childcare services for needy families.

5. In July 2011, FC approved an additional injection of \$1.5 billion into CCF for launching the programme to provide 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 \$6,000 Programme"). As at early November 2011, the CCF Secretariat had received about 90 000 applications. Disbursement of the allowance to the first batch of 11 500 applications commenced on 10 November 2011.

#### **Members' views and concerns**

6. Matters relating to CCF were discussed at the Panel meetings on 14 January and 8 July 2011. Members' views and concerns are summarized below.

#### 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. They 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.

9. Some members were of the view that CCF should not be taken as a long-term measure. Its programmes 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 considered 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. In the Administration's view, 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. The Administration would continue to strengthen its existing welfare services for the underprivileged.

11. Some members were concerned that the Government might make secret deals with the business sector when appealing to it for donations. They called on 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 would not disclose the amount of donations from individual donors.

12. Members noted that in response to a written question raised at the LegCo meeting of 2 November 2011, the Administration advised that it had received a donation of \$680 million from the business sector to CCF and secured pledges of a further \$1.12 billion, some of which would be paid in installments over three years.

### Operation and monitoring

13. Some members expressed concern that the application procedures for CCF's programmes might be cumbersome and costly, and suggested that a cap be set on CCF's administrative expenses. The Administration advised members 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.

14. Some members urged the Administration to keep the operation of CCF transparent and accountable. They considered 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.

### The \$6,000 Programme

15. Some members considered that the Administration should not shift the responsibility of launching the \$6,000 Programme to CCF, as it might change the nature of CCF, which had been established to support people in need in areas not covered by CSSAS. In the Administration's view, new arrivals had all along been the target beneficiaries of CCF. The \$6,000 Programme met the key objective of CCF, which was to provide assistance to people facing financial difficulties.

16. Some members opined that given the limited financial resources of

CCF, it would be impossible for CCF to adopt an arrangement similar to that of the \$6,000 Programme to provide cash allowance to new arrivals should a similar situation arise in future. According to the Administration, the \$6,000 Programme was not a recurrent assistance programme but a one-off initiative to assist new arrivals from low-income families. Should CCF decide to launch a similar assistance programme in future, the Administration would have to seek additional funding approval from FC.

### **Relevant papers**

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

Council Business Division 2  
Legislative Council Secretariat  
5 December 2011

**Assistance programmes under the Community Care Fund in 2011-2012  
(as at end November 2011)**

	<b>Assistance programmes</b>	<b>Estimated full-year budget including the administrative cost (estimated number of beneficiaries)</b>	<b>Launch date/ implementation timetable</b>
<i>Programmes that had been rolled out</i>			
1	Setting up a new school-based fund to subsidize primary and secondary school students from low-income families to participate in learning activities outside Hong Kong which are organized or recognized by schools (a three-year programme)	\$165.9 million (around 240 000 students)	June 2011
2	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 (First phase)	Around \$41.7 million to \$71.7 million for the first year (around 1000 patients for the first year)	1 August 2011
3	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
4	Financial assistance for low-income ethnic minorities and new arrivals from the Mainland for taking language-related international public examinations (a two-year programme)	\$1.26 million (around 3 000 Applications)	26 September 2011
5	A monthly subsidy of \$2,000 for persons with severe disabilities aged below 60 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)	26 September 2011

	<b>Assistance programmes</b>	<b>Estimated full-year budget (including the administrative cost) (estimated number of beneficiaries)</b>	<b>Launch date/ implementation timetable</b>
<b><i>Programmes that had been rolled out</i></b>			
6	A subsidy of \$2,000 for CSSA recipients who are owners of Tenant Purchase Scheme (TPS) 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)	26 September 2011
7	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 4000)	31 October 2011
8	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)	31 October 2011
<b><i>Programmes to be launched</i></b>			
9	Subsidy to needy patients who marginally fall outside the Samaritan Fund safety net for the use of Samaritan Fund subsidized drugs (Second Phase)	Not less than \$6.3 million to \$9.45 million (around 400 patients every year)	First quarter of 2012
10	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

	<b>Assistance programmes</b>	<b>Estimated full-year budget (including the administrative cost) (estimated number of beneficiaries)</b>	<b>Launch date/ implementation timetable</b>
<b><i>Programmes to be launched</i></b>			
11	A subsidy (ranging from approximately \$350 to \$700) for low-income and non-school-attending ethnic minorities and new arrivals from the Mainland to enroll in language courses provided by the Employees Retraining Board	\$30 million (60 000)	First quarter of 2012
12	Relocation allowance for residents of sub-divided units in industrial buildings who would have to move out as a result of the enforcement action of the Buildings Department	\$4.5 million (900 households)	2012

Sources: Website of Community Care Fund ([www.communitycarefund.hk](http://www.communitycarefund.hk)) and discussion paper of the Finance Committee of the Legislative Council, Paper No. FCR(2011-12)8



**Relevant papers on  
Community Care Fund**

<b>Committee</b>	<b>Date of meeting</b>	<b>Paper</b>
Council	13.10.2010 (Item II)	<a href="#">Agenda</a> <a href="#">2010-11 Policy Address</a>
Panel on Home Affairs	14.1.2001 (Item IV)	<a href="#">Agenda</a> <a href="#">Minutes</a>
Finance Committee	6.5.2011 (Item 2)	<a href="#">Agenda</a>
Finance Committee	13.5.2011 (Item 2)	<a href="#">Agenda</a>  <a href="#">Discussion paper on Community Care Fund, Paper No FCR(2011-12)8</a>
Panel on Home Affairs	8.7.2011 (Item II)	<a href="#">Agenda</a>
Finance Committee	18.7.2011 (Item 2)	<a href="#">Agenda</a>
Council	2.11.2011	<a href="#">Written question raised by Hon Frederick FUNG Kin-kee on the current positions of Community Care Fund</a>