

LCQ19: Current positions of Community Care Fund

Following is a question by the Hon Frederick Fung Kin-kee and a written reply by the Secretary for Home Affairs, Mr Tsang Tak-sing, in the Legislative Council today (November 2):

Question:

The Chief Executive announced in his 2010-2011 Policy Address the setting up of a Community Care Fund (CCF), to which the Government and the business sector would each contribute \$5 billion as the seed capital to support in various aspects the grassroots facing economic difficulties. The Finance Committee of this Council subsequently approved the injection of \$5 billion into CCF. A deposit of \$5 billion from the CCF seed capital is placed with the Hong Kong Monetary Authority to earn an investment return that is linked to the performance of the Hong Kong Exchange Fund, while the remaining amount of CCF funding will be deposited with banks. The operation of CCF is funded by investment returns on the capital, but the Steering Committee on CCF may authorise the use of the seed capital in response to special needs that may arise. In this connection, will the Government inform this Council:

(a) of an update of the accumulated balance and the use of CCF, as well as the latest progress of soliciting donations from various sectors (including a list of donors, the amounts of donations committed and the actual amounts of donations received, etc.);

(b) whether the authorities have assessed if, based on the current positions of injections and donations, CCF can achieve the target of using investment returns to fund its operation; whether CCF has used its seed capital so far; if it has, of the reasons and whether this has deviated from its mode of operation as originally formulated; and

(c) how the existing fund-raising situation has fallen short of the target of raising \$5 billion from the business sector; and of the ways to be adopted by the authorities to achieve the target and when they anticipate that the target can be achieved?

Reply:

President,

(a) and (b) Since the establishment of the Community Care Fund (CCF), the Steering Committee on the CCF has launched 12 assistance programmes (note), covering the education, home affairs, medical and welfare areas. These programmes are expected to benefit more than 300 000 people/households at an estimated full-year expenditure of around \$760 million. As at end October, eight of them have been rolled out by the CCF.

Apart from the Government's injection of \$5 billion into the CCF, the amount of donations pledged is about 1.8 billion, some of which are committed to be made by yearly instalments over three years. The actual amount of donations received so far is around \$680 million. We will announce the list of donors at an appropriate juncture, having regard to the wish of individual donors.

A deposit of \$5 billion has been placed with the Hong Kong Monetary Authority to earn an investment return that is linked to the performance of the Hong Kong Exchange Fund, the rate of which is 6% for 2011. The remaining amount of funding has been deposited with banks to earn interest income.

At the inception of the CCF, the Steering Committee on the CCF has decided that the implementation of the assistance programmes and other cashflow requirements will be mainly funded by investment return and interest income, but the seed capital can also be used in a financially prudent manner in response to needs. The priority of the CCF is to launch various assistance programmes as soon as possible to help more needy people, and the CCF has disbursed around \$110 million to the implementing agencies as at end October.

(c) The current priority of the CCF is to implement various assistance programmes to benefit more people. As the CCF's assistance programmes are launched in phases, we will demonstrate its concrete accomplishments to the community, seek recognition for its work, enlist continued support for its development and continue to accept donations from various sectors.

Note: Excluding the programme to provide a one-off allowance of \$6,000 to new arrivals, with an additional injection of \$1.5 billion into the CCF as approved by the Legislative Council Finance Committee in July 2011.

Ends/Wednesday, November 2, 2011

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