LCQ18: Sustainability of Community Care Fund
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Following is a question by the Hon Frederick Fung and a written reply by the Secretary for Home Affairs, Mr Tsang Tak-sing, in the Legislative Council today (June 20):

Question:

It has been reported that the imminent change of Government brings uncertainty to the future of the Community Care Fund (CCF) and, in addition, since the establishment of CCF in late 2010, a huge gap has persisted between the actual amount of donations received by CCF and the target of raising $5 billion from the business sector. In the reply to my question on 2 November last year, the authorities indicated that they would "demonstrate its [CCF's] concrete accomplishments to the community, seek recognition for its work ...... from various sectors" to attract donations from all sectors in the community. In this connection, will the Government inform this Council:

(a) of the work of the authorities and its progress in raising funds from the business sector for CCF last year; whether they can provide information such as the donations pledged and the actual amount of donations received so far (including a list of individual/institutional donors); of an update of the accumulated balance and the use of CCF; whether the deposit of $5 billion placed with the Hong Kong Monetary Authority as the seed capital has been used so far;

(b) whether the authorities have assessed if the problem of sustainability will arise in the operation of CCF with the existing progress in fundraising; whether further funding approval will be sought from the Legislative Council for maintaining the mode of funding the operation of CCF with the investment returns; and

(c) whether the authorities have reviewed the various issues such as the effectiveness of CCF in poverty alleviation, its operation and sustainability, etc., before the change of Government; if so, of the results; whether they have discussed with the Government of the next term the arrangements on the transition, maintenance or abolition, etc. of CCF; if they have, of their suggestions?

Reply:

President,

(a) The Finance Committee (FC) of the Legislative Council (LegCo) approved the injection of $5 billion into the Community Care Fund (CCF) in May last year. The amount of donations pledged is about $1.8 billion, some of which will be made by yearly instalments over three years. The actual amount of donations received so far is around $780 million. We will announce the list of donors at an appropriate juncture, having regard to the wish of individual donors.

Since its establishment, the CCF has launched 17 assistance programmes (note), which are expected to benefit several hundred thousands of people/households at an estimated full-year expenditure of around $1 billion. As at end May this year, 12 of them have been rolled out by the CCF. The CCF has disbursed around $270 million to departments/organisations entrusted to implement the assistance programmes, and the deposit of $5 billion placed with the Hong Kong Monetary Authority has not been used.

(b) Based on the current financial position of the CCF, there is no problem in sustaining the CCF's operation. We have no plan to seek the LegCo's further injection into the CCF, and will continue to review the financial position of the CCF in the light of practical experience.

(c) The Steering Committee on the CCF and its Subcommittees have been monitoring the implementation of the assistance programmes. Having regard to the progress of the programmes that have been rolled out, the relevant departments/organisations have conducted evaluation on a number of programmes. At its meeting in May, the Steering Committee supported the incorporation of four CCF programmes into the Government's regular assistance programme.

The Government of the current term has maintained communication with the Chief Executive-elect on policies which will be extended to the Government of the next term. The CCF will continue to roll out assistance programmes.

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 FC of the LegCo in July last year.

Ends/Wednesday, June 20, 2012
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