

LCQ18: Relief measures implemented by the Government

Following is a question by the Hon Holden Chow and a written reply by the Secretary for Labour and Welfare, Dr Law Chi-kwong, in the Legislative Council today (April 29):

Question:

As Hong Kong's economy has been hard hit by the Coronavirus Disease 2019 epidemic, the business of quite a number of enterprises has plummeted, and many employees have been asked to take no pay leave or a pay cut, or have even been dismissed. Although the Government has implemented two rounds of relief measures through the Anti-epidemic Fund, quite a number of trades and employees still have not benefited from them, and are left feeling anxious and helpless. In this connection, will the Government inform this Council:

(1) Given that the business of thousands of education centres (including playgroups, music schools and dance schools) has plummeted or even dropped to zero amid the epidemic, and the income of their instructors has reduced substantially, but since these education centres have not been (as they are not required to be) registered under the Education Ordinance (Cap. 279), they are not eligible for the one-off grant of \$40,000 offered to each tutorial school in the second round of relief measures, whether the Government will relax the eligibility criteria for the grant to cover such education centres, in order to help them and the instructors concerned ride out the hard times;

(2) As the 50 per cent wage subsidy to be provided under the Employment Support Scheme in the second round of relief measures by the Government for an employer will be calculated on the basis of the actual wages paid to his employees for any one month from January to March this year to be nominated by the employer, but some employees have relayed that their wages during the said period were reduced substantially due to the epidemic, whether the Government will consider using the employees' average monthly wages for the past 12 months instead as the basis for calculation;

(3) As some people currently receiving the Working Family Allowance (WFA) have relayed that they were forced to take no pay leave in the past few months due to the epidemic and, as a result, their monthly working hours have failed to meet the requirements for receiving WFA, whether the Government will consider relaxing the working hour requirements for WFA in the coming 12 months; and

(4) Given that the second round of relief measures include the provision of a monthly subsidy of \$6,000 per person for red minibus drivers for a period of six months, but green minibus (GMB) drivers are not provided with this subsidy, whether the Government will consider treating them equally by providing GMB drivers with a subsidy of the same amount?

Reply:

President,

Having consulted the relevant policy bureaux and departments, my consolidated response to the Member's question is set out below:

(1) In view of the development of COVID-19 pandemic, the Education Bureau (EDB) has announced class suspension of all schools in Hong Kong to ensure students' health and well-being based on public health considerations. It is hoped that reducing social contacts could lower the risk of infection as far as possible. Due to class suspension, private schools offering non-formal curriculum registered under the Education Ordinance (generally referred as "tutorial schools") could not provide or could only provide limited services, thus had no or drastic drop in income. The Government will provide a one-off relief grant of \$40,000 to these registered tutorial schools under the Anti-epidemic Fund. If these tutorial schools have met the criteria under the Employment Support Scheme (ESS) of the Anti-epidemic Fund, they may apply for the financial assistance to retain their staff. Centres or establishments which are not registered under the Education Ordinance may also receive the financial assistance through the ESS if eligible. In addition, if instructors of these centres are concurrently engaged by primary/secondary schools or non-governmental organisations' welfare service units subvented by the Social Welfare Department (SWD) as interest class instructors, or registered coaches under National Sports Associations/Sports Organisations (Note) and have performed sports instructor duties in the last year, they may choose to apply for the subsidy provided to instructors by either the EDB, SWD or Leisure and Cultural Services Department (LCSD).

(2) The wage subsidies provided by the Government are calculated on the basis of 50 per cent of wages in the "specified month". Employers may choose any one month from January to March 2020 as the "specified month" depending on the circumstances of their businesses. The number of staff (including those who were on duty, on no-pay leave or half-pay leave at that time) and the relevant wages during that month will be taken as the basis for the calculation of the subsidies.

Considering that the first case of novel coronavirus in Hong Kong was confirmed on January 23 and some companies issued year-end double payments in that month (i.e. Chinese Lunar New Year), with the current proposal (i.e. employers may choose January during which, the numbers and wages of employees were higher than those in subsequent months as the basis for calculating the amount of subsidies), the total amount of wage subsidies will enable employers to retain existing employees, and enable employers to provide at least half of the wages to employees who have been put on no-pay leave. Employers may even deploy the wage subsidies to rehire new staff to meet their operational needs. Nonetheless, we will continue to consult relevant stakeholders regarding the details of the scheme, with a view to best achieving the objective of assisting employers to retain employees who will otherwise be made redundant.

(3) The Working Family Allowance (WFA) Scheme mainly supports lower-income

working households, and is designed to reward hard work. Therefore, apart from using household income as the eligibility criteria for the amount of allowance, we have put in place two higher working hour levels (i.e. 168 and 192 hours per month) on top of the basic working hour requirement of 144 hours per month to provide higher allowances to the households concerned. Besides, the Government has implemented a host of improvement measures, which include relaxing the eligibility criteria of the WFA Scheme, allowing household members to aggregate their working hours, increasing all rates of subsidies, etc.

The Chief Executive announced on February 14, 2020 that the Anti-epidemic Fund would provide a special allowance to eligible WFA and Student Financial Assistance (SFA) households, regardless of whether they are unemployed or under-employed, so as to support low-income households to weather the deteriorating economic and employment conditions due to the COVID-19 epidemic. Broadly speaking, each WFA household will receive a special allowance equivalent to a two-month allowance, whereas SFA households will also receive a similar amount of allowance. The disbursement of the special allowance will commence by end-June 2020 in batches, and is expected to benefit about 200 000 households.

(4) Green minibus (GMB) drivers are employees of the GMB operators. Similar to drivers of franchised buses or employees of local ferries, they have an employment relationship with the relevant operators. GMB drivers are therefore covered under the ESS. However, red minibus (RMB) drivers are normally rentee-drivers, and have no employment relationship with the vehicle owners. They are thus not covered by the ESS. As such, the Government proposed a sector-specific scheme to provide each eligible active RMB driver with a monthly subsidy of \$6,000 for a period of six months from April 1, 2020 to September 30, 2020. We will continue to closely monitor the financial situation and operation of the GMB trade, with a view to providing appropriate support for the trade to tide over this difficult period.

Note: Refers to sports organisations that are receiving subvention (project base) from LCSD's Sports Subvention Scheme