

LCQ19: Relief measures amid the Coronavirus Disease 2019 epidemic

Following is a question by the Hon Starry Lee and a written reply by the Secretary for Labour and Welfare, Dr Law Chi-kwong, in the Legislative Council today (May 20):

Question:

Hong Kong's economy and people's livelihood are badly hit by the Coronavirus Disease 2019. As revealed by the findings of a survey conducted in April this year by the Democratic Alliance for the Betterment and Progress of Hong Kong, 64.9 per cent of the respondents indicated that their income had dropped due to the epidemic, and 67.5 per cent of the respondents were worried that they or their family members would lose their jobs. Although the Government has earlier launched two rounds of relief measures under the Anti-epidemic Fund (AEF), some operators and practitioners in a number of trades still indicate that they have not benefited from the measures. In this connection, will the Government inform this Council:

(1) given that the unemployment support scheme implemented under the Comprehensive Social Security Assistance framework has been criticised for its stringent eligibility requirements and complicated application procedure, whether the Government will relax the eligibility requirements so that applicants are required only to produce proof of unemployment but not to pass the assets tests; if so, of the details; if not, the reasons for that;

(2) whether it will launch a new round of relief measures expeditiously to disburse subsidies to employees aged above 65, long-term casual workers as well as self-employed persons who have not made any Mandatory Provident Fund contributions; if so, of the details; if not, the reasons for that;

(3) whether it will provide tax concessions to landlords of retail shops who have granted rent cuts to their tenants, so as to encourage landlords to cut rents; if so, of the details; if not, the reasons for that; and

(4) whether it will set up a dedicated website for AEF to enhance the arrangements for disseminating information, and step up the relevant publicity work; if so, of the details; if not, the reasons for that?

Reply:

President,

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

(1) There are currently no mechanisms/ systems in place to disburse unemployment assistance fund promptly in Hong Kong. These mechanisms/ systems include: (1) a pay-as-you-go income tax system; (2) a contributory social

insurance system; or (3) a central provident fund system. It will take time if we were to establish such mechanisms/ systems, and imminent needs cannot be relieved expeditiously. As an expedient measure, the Government will launch a time-limited unemployment support scheme (from June 1 to November 30, 2020 for a period of six months) through the Comprehensive Social Security Assistance system. The asset limits for able-bodied applicants will be temporarily increased by 100 per cent and the value of an owner-occupied residential property of able-bodied households will be disregarded according to the established arrangement with a view to providing immediate financial assistance for those unemployed who are most in need. In addition, employees are qualified for severance payment or long service payment if they satisfy the conditions stipulated in the Employment Ordinance. Meanwhile, under the "Love Upgrading Special Scheme" of the Employees Retraining Board, the existing maximum amount of monthly allowance during the training period is \$4,000 per eligible trainee (who are unemployed or underemployed). The amount is expected to be increased to \$5,800 with effect from May 25, 2020 subject to the completion of the legislative amendment.

(2) The Government announced on May 12 adjustments to the Employment Support Scheme (ESS), including the extension of coverage of ESS to around 60 000 employees aged 65 or above whose employers have made voluntary contributions for them under the Mandatory Provident Fund (MPF) Schemes. Employers may apply for wage subsidies for these employees with a view to encouraging employers to retain mature employees.

Apart from the 60 000 employees aged 65 or above covered by the ESS, together with around 40 000 employees aged 65 or above under the various sector schemes covering land transportation (i.e. taxi, red minibuses, green minibuses and local ferries), laundry, catering and construction sectors which have been, or will be launched under the two rounds of Anti-epidemic Fund, as well as around 10 000 employees aged 65 or above employed by government outsourced contracts whose wages are not affected by the epidemic, the various measures as referred above will altogether cover more than 110 000 employees aged 65 or above.

(3) To relieve the impact of the COVID-19 epidemic on various sectors, the Government has reduced rental for eligible businesses or organisations renting government premises. The rental reduction for eligible tenants has been increased from 50 per cent to 75 per cent for the period between April and September this year, with its scope also expanded to cover more businesses or organisations. Tenants who are required to cease operation due to the Government's implementation of anti-epidemic measures will receive full rental waiver during the closure period. The Government urges public bodies to follow suit and appeals to landlords in the private sector to reduce rental and ride out the difficult times with their tenants.

According to the latest rental indices compiled by the Rating and Valuation Department, private retail rents decreased by about 7 per cent in March 2020 over a year earlier, indicating a downtrend in the market rentals. Under the circumstances, it would be undesirable to offer tax concessions with public money as an incentive for landlords to reduce rents. Besides, tax concessions will have to be effected through amendments to the Inland Revenue

Ordinance and hence could not alleviate the rental pressure of businesses in the near term.

(4) The Government revamped the anti-epidemic thematic page in the Centre for Health Protection's website in February to strengthen dissemination of information. The revamped website "COVID-19 Thematic Website" (www.coronavirus.gov.hk) integrates information from related government bureaux and departments, and serves as a one-stop platform for broadcasting the latest updates on COVID-19 as well as public health education information, figures relating to the epidemic, measures by bureaux and departments, and clarifications, etc.

A webpage of the Anti-epidemic Fund has been added under the "Important" session of the website to list in details the related government bureaux and departments/organisations responsible for implementing the measures. The booklet on "Series of measures to support individuals and businesses affected by the novel coronavirus epidemic" has also been uploaded to the webpage for easy reference by members of the public. The webpage is updated from time to time with the uploading of related press releases and information of the implementing departments/ organisations.

The website of the Employment Support Scheme (www.ess.gov.hk) was launched on May 19, providing detailed information about the Scheme.

The Government will continue to disseminate information of the Fund through press releases, online platforms and social media.